

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Cape Lambert Iron Ore Limited
ABN	71 095 047 920

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Brian Joseph Maher
Date of last notice	20 December 2005

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Shares owned by Mr Brian Joseph Maher & Mr Paul Joseph Maher <Maher Super Fund A/C>, of which Mr Brian Maher has a relevant interest
Date of change	8 May 2006
No. of securities held prior to change	Direct 15,000 fully paid ordinary shares 1,000,000 \$0.277 options exercisable on or before 31 October 2008
Class	(1) Fully paid ordinary shares (2) \$0.277 options exercisable on or before 31 October 2008
Number acquired	(1) 25,000 (2) 50,000
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	(1) \$11,750 (2) \$11,500

+ See chapter 19 for defined terms.

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No. of securities held after change	Direct 15,000 fully paid ordinary shares 1,000,000 \$0.277 options exercisable on or before 31 October 2008 Indirect 25,000 fully paid ordinary shares 50,000 \$0.277 options exercisable on or before 31 October 2008
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	On-market trade

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

+ See chapter 19 for defined terms.