

27 February 2008

The Company Announcements Office
ASX Limited
Via E Lodgement

Company Plan For Near Term

Key points:

- Immediate and primary focus is to assist China Metallurgical Group Corporation (MCC) with due diligence and complete sale documentation,
- Company will step up the review of acquisition opportunities,
- No agreements regarding acquisition opportunities are currently in place or nearing finalisation, and
- No plans for a return of capital to shareholders will be considered until a significant portion of sale funds are received.

The Board of Cape Lambert wishes to update the market as to its near term plans for the Company, in light of the recently announced Memorandum of Understanding and subsequent market speculation.

The Company's immediate and primary focus is to complete all matters associated with the proposed sale of the Cape Lambert iron ore project to MCC (as announced to the market on 26 February 2008).

While the Company has, and is continuing, to proactively review a number of assets for acquisition at both the project and company level, there are currently **NO** agreements in place regarding any of these assets.

In addition, the Board advises that until the Cape Lambert project sale is successfully completed **and** the Company receives the majority of the funds associated with this transaction, **NO** consideration will be given to completing an acquisition or making a partial capital return to shareholders.

The Company is committed to the successful completion of the sale to MCC and will ensure the market is kept informed of all matters relevant to its progress.

Yours faithfully
Cape Lambert Iron Ore Limited

Ian Burston
Executive Chairman

FOR MORE INFORMATION PLEASE CONTACT:

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About MCC:

MCC, under the direct supervision of the central government, has more than 70 fully owned and controlled subsidiaries, including nearly 20 overseas companies worldwide. It has a workforce of more than 47,600 technical and managerial employees. Further information about MCC may be found at www.mcc.com.cn.