

Formal Agreement Signed and Settlement imminent for Sale of Lady Loretta Interest

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") advises that further to its ASX announcement on 4 February 2011, the Company has now signed a formal agreement with Noranda Pacific Pty Limited, a wholly owned subsidiary of Xstrata plc ("Xstrata") for the sale of the Company's 25% interest in the Lady Loretta project in northwest Queensland ("Lady Loretta") for \$30million cash payable at completion ("Sale Agreement").

In accordance with the terms of the Sale Agreement, settlement is due to occur within 30 days with only regulatory approvals required to be obtained prior to settlement occurring. The Company does not envisage any delay to settlement given the remaining 75% interest in Lady Loretta is held by Xstrata.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its "hands on" approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

Australian Securities Exchange Code: CFE

Ordinary shares
571,849,603

Unlisted Options
7,850,000 (\$0.45 exp 30 Sep 2011)

Board of Directors

Tony Sage	Executive Chairman
Tim Turner	Non-executive Director
Brian Maher	Non-executive Director
Ross Levin	Non-executive Director

Claire Tolcon
Company Secretary

Key Projects and Interests

Marampa Iron Ore Project
Pinnacle Group Assets
Sappes Gold Project
African Iron Limited
International Goldfields Limited

Cape Lambert Contact

Tony Sage
Executive Chairman

Eloise von Puttkammer
Investor Relations

Phone: +61 8 9380 9555
Email: info@capelam.com.au

Australian Enquiries

Professional Public Relations
David Tasker
Phone: +61 8 9388 0944
Mobile: +61 433 112 936
Email: david.tasker@ppr.com.au

UK Enquiries

Tavistock Communications
Emily Fenton / Jos Simson
Phone: +44 (0)20 7429 6603
Mobile: +44 (0)7899 870 450