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The Company Announcements Office
ASX Limited

Via E Lodgement

Cape Lambert acquires CopperCo secured debt

Australian resources company Cape Lambert Iron Ore Limited ("**Cape Lambert**") (ASX: **CFE**, AIM: **CLIO**) has today acquired the secured debt owed by ASX listed CopperCo Limited (ASX: **CUO**) ("**CopperCo**") and its subsidiaries from Macquarie Bank Limited ("**Macquarie**") and LinQ Capital Limited as Responsible Entity for the LinQ Resources Fund.

The directors of CopperCo and other members of the CopperCo corporate group appointed joint and several administrators on 26 November 2008. On the following day, Macquarie appointed joint and several receivers and managers. Following the acquisition of the secured debt by Cape Lambert, the existing receivers and managers have been replaced and Gary Doran and David Lombe of Deloitte Touche Tohmatsu Australia have been appointed as new joint and several receivers and managers.

Under the transaction, Cape Lambert acquired CopperCo's outstanding secured debt to these parties for a total cash payment of approximately AUD\$72.7 million (the payment of approximately AUD\$15.0 million of which is deferred until late July 2009).

In addition, Cape Lambert has provided bank guarantees in place of existing performance bonds and receivers unpaid liabilities to an approximate aggregate of AUD\$33.8 million.

The Board of Cape Lambert believes that the CopperCo group holds an attractive portfolio of assets which represent significant value, despite current market conditions. Cape Lambert believes that this transaction provides an exposure to CopperCo's assets in a relatively low-risk manner and is confident of securing a return on its investment.

Yours faithfully
Cape Lambert Iron Ore Limited

Tony Sage
Executive Chairman

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