



1 December 2008

CAPE ALUMINA LIMITED IPO UPDATE

- **ACHIEVES \$15 MILLION MINIMUM SUBSCRIPTION**
- **IPO CLOSING DATE EXTENDED TO 5 DECEMBER 2008**

Leading pure-play bauxite exploration company, Cape Alumina Limited, has now received legally binding commitments to its IPO guaranteeing a minimum \$15 million from new and existing shareholders.

The Company is pleased with the IPO response, which has already satisfied the minimum capital raising conditions.

Cape Alumina has also made significant progress towards meeting the Australian Securities Exchange requirement that there be at least 400 shareholders holding marketable parcels of shares in the Company.

Due to delays in printing and distributing the prospectus, many people interested in investing in the IPO have had insufficient time to receive and lodge their applications.

The Company has therefore filed a Supplementary Prospectus with ASIC to extend the Prospectus closing date until 5 December 2008, and is confident that it will have in excess of 400 shareholder applications by this date.

The planned ASX listing of Cape Alumina (CBX) is mid December 2008.

The Cape Alumina offer is being made pursuant to a Replacement Prospectus dated 07 November 2008 and a Supplementary Prospectus dated 28 November 2008, which is available free of charge by contacting Cape Alumina on +617 3229 3644, by email to info@capealumina.com.au or by downloading from Cape Alumina's website at www.capealumina.com.au. Prior to making an investment decision you should consider the Prospectus carefully.

If you want to acquire Cape Alumina shares you will need to complete the Prospectus application form accompanying the Prospectus.

About Cape Alumina and Pisolite Hills Bauxite Project

Cape Alumina is a Brisbane-based, Cape York-focused emerging bauxite company. Cape Alumina has international support from Chinese alumina majors including Xinha, one of China's largest aluminium and alumina producers. Cape Alumina is evaluating the development of the 7Mtpa Pisolite Hills project and plans to complete an Indigenous Land Use Agreement, Environmental Impact Study and Bankable Feasibility Study in 2009 with permits and approvals in 2010. Subject to positive results, finance and construction between 2011 and 2012, production is planned to commence 2012/13.

For further enquiries please contact

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