

28 July 2010

Company Announcements Officer
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: INVESTOR PRESENTATION

Please find attached copy of the latest company presentation.

Yours faithfully



David P.A. Singleton
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Enc

CORPORATE DIRECTORY

Director / Senior Management

| | |
|-----------------|---------------------------------------------|
| David Singleton | Managing Director & Chief Executive Officer |
| Andrew Forrest | Non-Executive Chairman |
| Geoff Brayshaw | Non-Executive Director |
| Richard Monti | Non-Executive Director |
| Chris Indermaur | Non-Executive Director |
| Ross Kestel | Company Secretary |

Corporate Enquiries

Mr David Singleton – MD & CEO
P: 61 8 9382 8799
F: 61 8 9382 4760

E: admin@poseidon-nickel.com.au

Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

Computershare Investor Securities
GPO Box D182, Perth WA 6840
P: 61 8 9323 2000

Principal Office

Unit 8, Churchill Court
331-335 Hay Street
SUBIACO WA 6008
P: 61 8 9382 8799
F: 61 8 9382 4760

Registered Office

Level 2, Spectrum
100 Railway Road
SUBIACO WA 6008
P: 61 8 9367 8133
F: 61 8 9367 8812

Media Enquiries

Mr Paul Downie
FD Third Person
P: 61 8 9386 1233 M: 0414 947 129
E: paul.downie@fdthirdperson.com.au

Home Exchange

The Company's shares are listed
on the Australian Stock Exchange
and the home exchange is Perth
ASX code: POS



Poseidon Rising

Investor Presentation – Sydney
July 2010

David Singleton
Managing Director & CEO

Private & Confidential

POSEIDONNICKEL

Disclaimer

POSEIDON NICKEL

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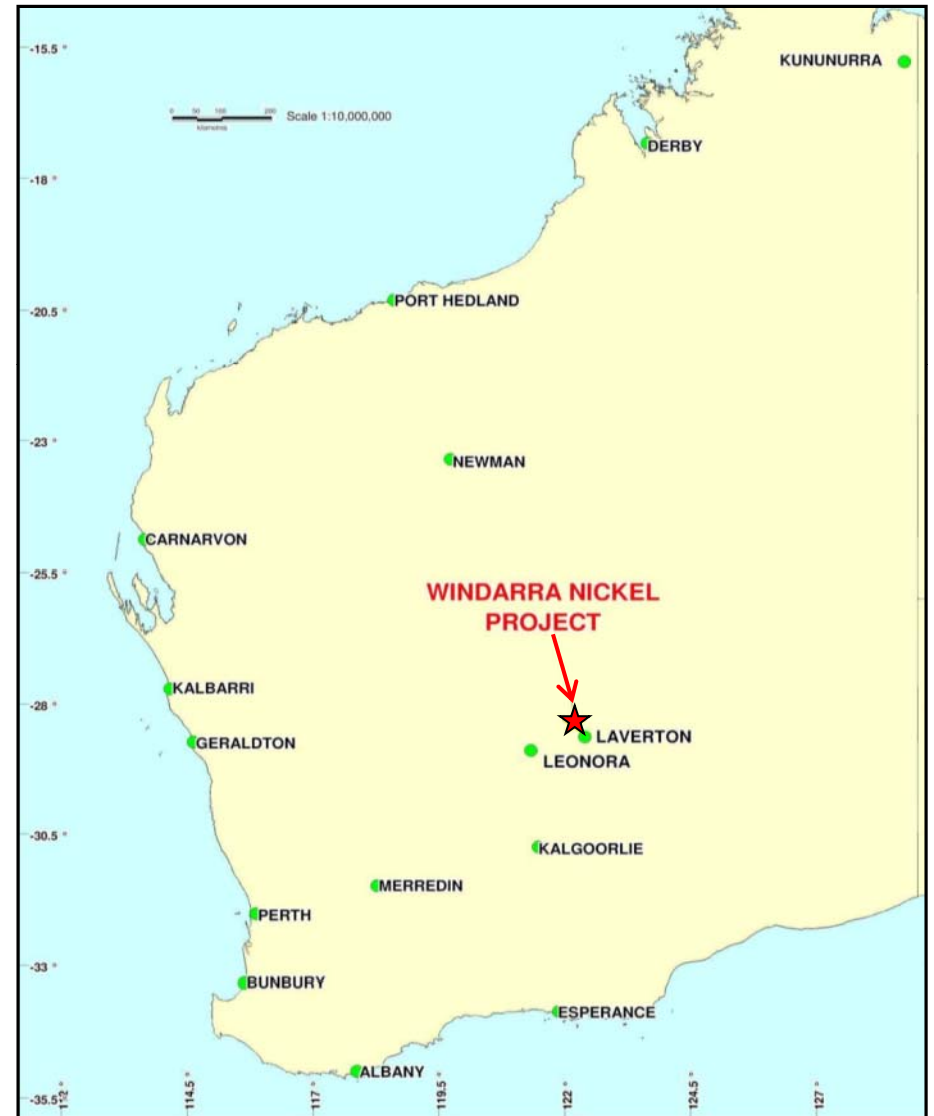
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Poseidon Rising

POSEIDON NICKEL

- Strategy to re-commission Windarra and expand resource base and mine life
- Find new deposits at Windarra



Poseidon Rising

POSEIDON NICKEL

- Key features
 - Low execution risk: Experienced management team
 - Low market risk: Strong demand and price outlook
 - Low resource risk: JORC resource and significant scope to expand
 - Low development risk: Existing proven mines with existing infrastructure
 - Low opex risk: Known operating environment and cost
 - Significant resource upside



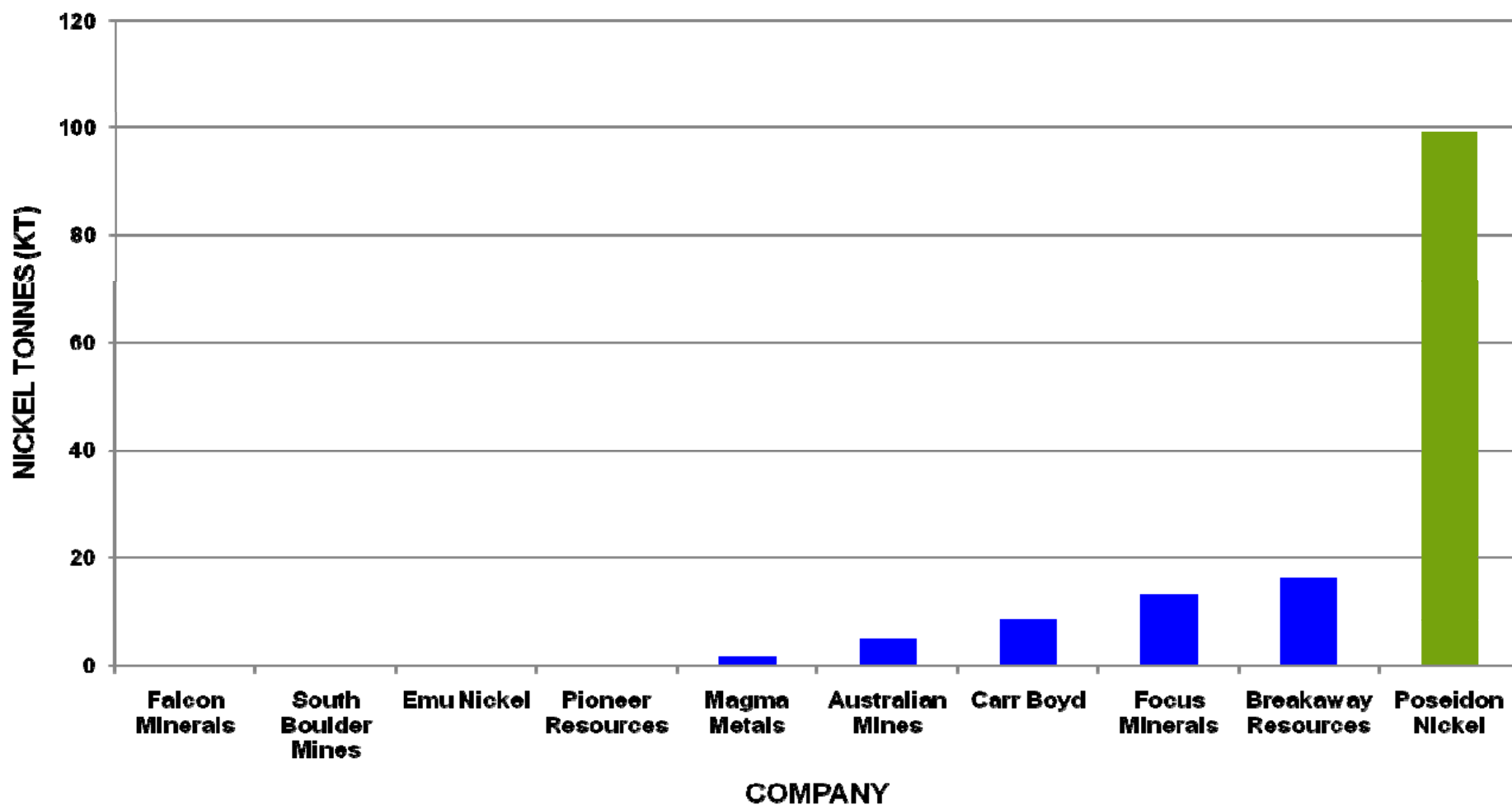
Windarra Rises

POSEIDON NICKEL

- Significant JORC resource base
 - Main mine expansion: 3.8mt @ 1.64% nickel
 - Discovery on the tenements: 1.0mt @ 2.45% nickel (expand at Cerberus)

Largest Undeveloped Nickel Sulphide Resource in Australia

POSEIDON NICKEL



**includes only listed companies classed as nickel developers or explorers with average grades over 0.5% Ni sulphide. Producers excluded. List maybe incomplete.*

Windarra Rises

POSEIDON NICKEL

- Significant JORC resource base
 - Main mine expansion: 3.8mt @ 1.64% nickel
 - Discovery on the tenements: 1.0mt @ 2.45% nickel (expand at Cerberus)
 - 7 additional and similar discovery zones have been identified
 - 6-7 year mine life initially and scope for considerable extension
- 10,000 nickel tonne p.a. Target
- Low initial capex of \$55m through existing infrastructure and low cost concentrator facility

Experienced Board and Management

POSEIDON NICKEL

- Board

- Chairman: Andrew Forrest CEO, Fortescue Metals
- MD & CEO: David Singleton ex CEO Clough, CEO Alenia Marconi Systems, Director Strategy & M.A. for BAE Systems
- Director: Richard Monti ex Anaconda, RZ, North, Normandy & Ashton Gold
- Director: Geoff Brayshaw Director Fortescue Metals and Fortron Insurance, ex audit partner BDO Kendalls
- Director: Chris Indermaur ex QNI, QAL and Alinta



Experienced Board and Management

POSEIDON NICKEL

- Senior management

- COO: Rob Dennis ex COO Aditya Birla, WMC & Windarra
- GM Tech: Michael Rodriguez ex Murrin Murrin nickel operations
- GM Geology: Neil Hutchison ex Jubilee Nickel Mines
- CFO: Gareth Jones ex British Gas



Capital Structure

POSEIDON NICKEL

- Shares on Issue* 187.4M
- Options* 132.6M
- Convertible Note (1) 15.9M
- Convertible Note (2) Undrawn US\$35M
- Market Capital @ 20c – A\$37.5M undiluted
- Major Shareholders / Top 5 Shareholders*
 - Harbinger Capital Partners (New York) 15.67%
 - Technical Investing 4.61%
 - Andrew Forrest (Australia) 2.84%
 - Martinus Coolen 2.40%
 - David Singleton 1.52%

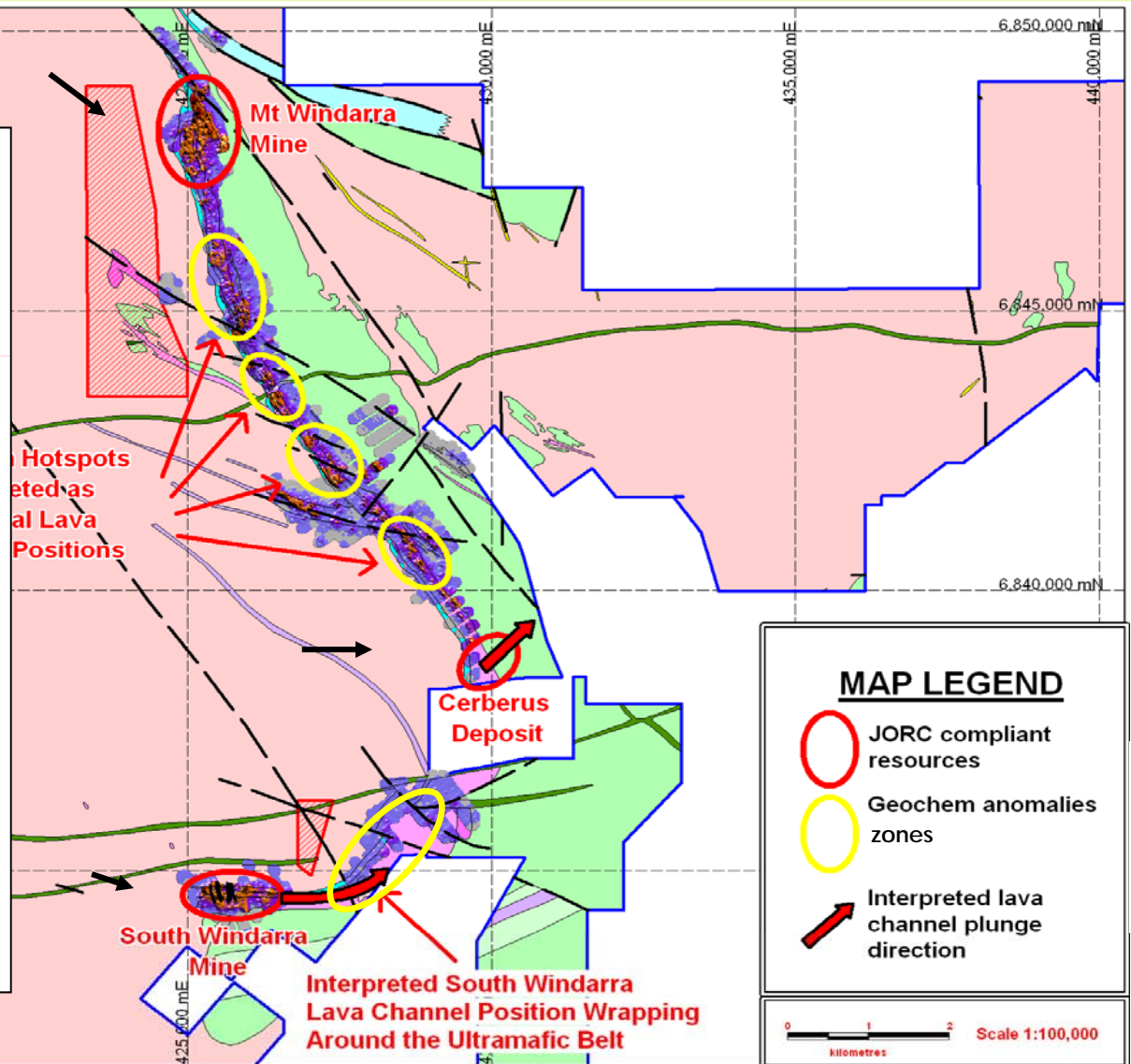
*Post July Capital Raising (Tranche 1)

*June 2010 data

Low Resource Risk

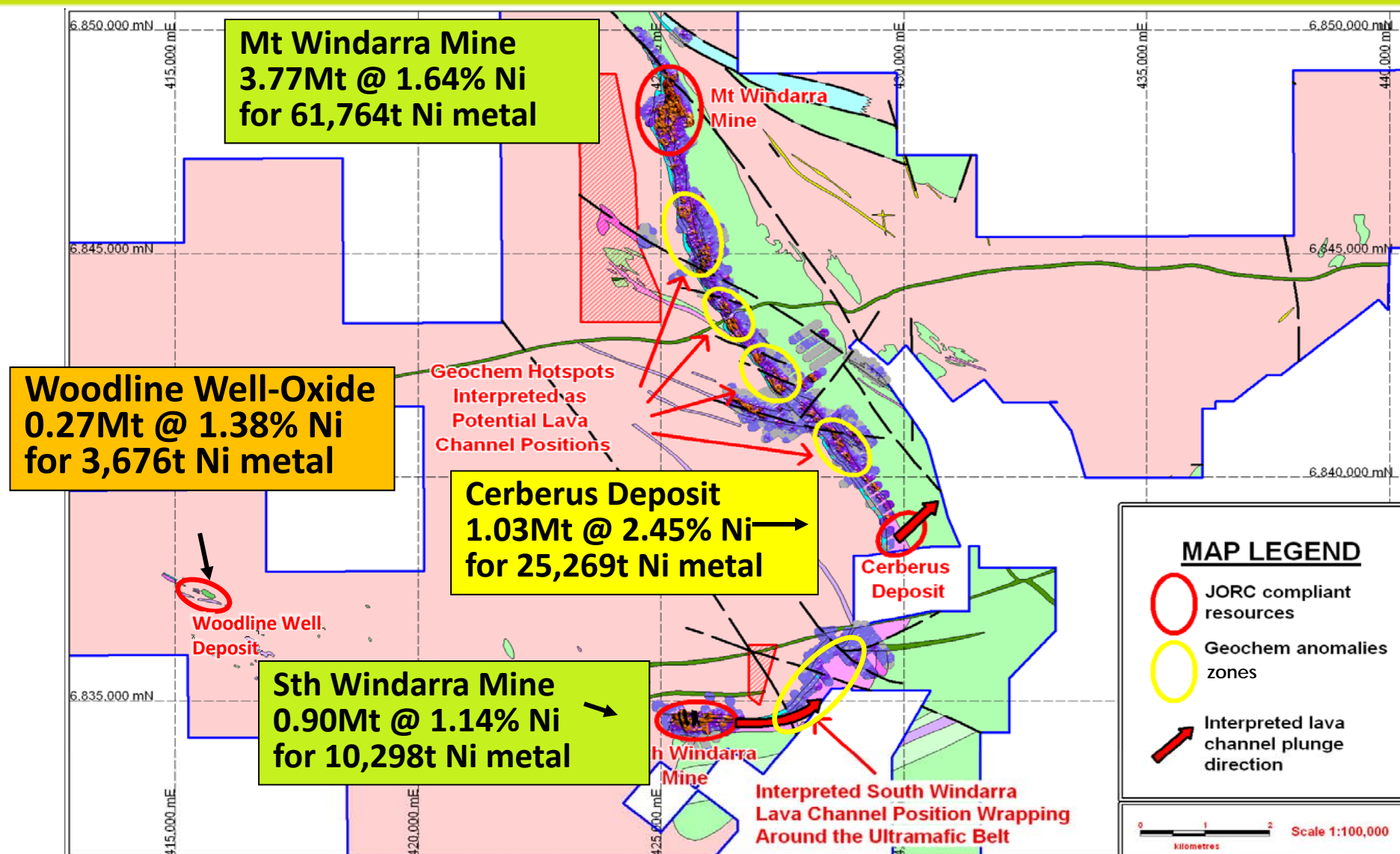
POSEIDON NICKEL

- 24km strike length
- 2 long life mines at northern & southern ends
- 100,00 tonne Nickel Resource
- New high grade discovery at Cerberus
- 7 anomalous lava channels recently discovered



Low Resource Risk

POSEIDON NICKEL



Significant JORC Resource Now

POSEIDON NICKEL

WINDARRA NICKEL PROJECT: SULPHIDE RESOURCE STATEMENT

| | Cut Off Grade | Resource Category | | | | | | | | |
|---------------------|---------------|-------------------|-------------|---------------|------------------|-------------|---------------|------------------|-------------|---------------|
| | | Indicated | | | Inferred | | | TOTAL | | |
| | | Tonnes | Ni% Grade | Ni Metal t | Tonnes | Ni% Grade | Ni Metal t | Tonnes | Ni% Grade | Ni Metal t |
| Mt Windarra | 0.75% | 1,017,429 | 1.24 | 12,578 | 2,751,087 | 1.79 | 49,185 | 3,768,516 | 1.64 | 61,764 |
| Sth Windarra | 0.90% | 820,326 | 1.15 | 9,434 | 82,404 | 1.05 | 864 | 902,730 | 1.14 | 10,298 |
| Cerberus | 1.50% | | | | 1,033,328 | 2.45 | 25,269 | 1,033,328 | 2.45 | 25,269 |
| Total | | 1,837,755 | 1.20 | 22,012 | 3,866,819 | 1.95 | 75,318 | 5,704,574 | 1.71 | 97,331 |

In addition 577,694 tonnes @ 1.06%Ni for 6,115 tonnes nickel metal in oxide

Note: The information in this Presentation relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison who is a Member of The Australian Institute of Geoscientists. Mr Hutchison has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' He has consented to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Ready To Go

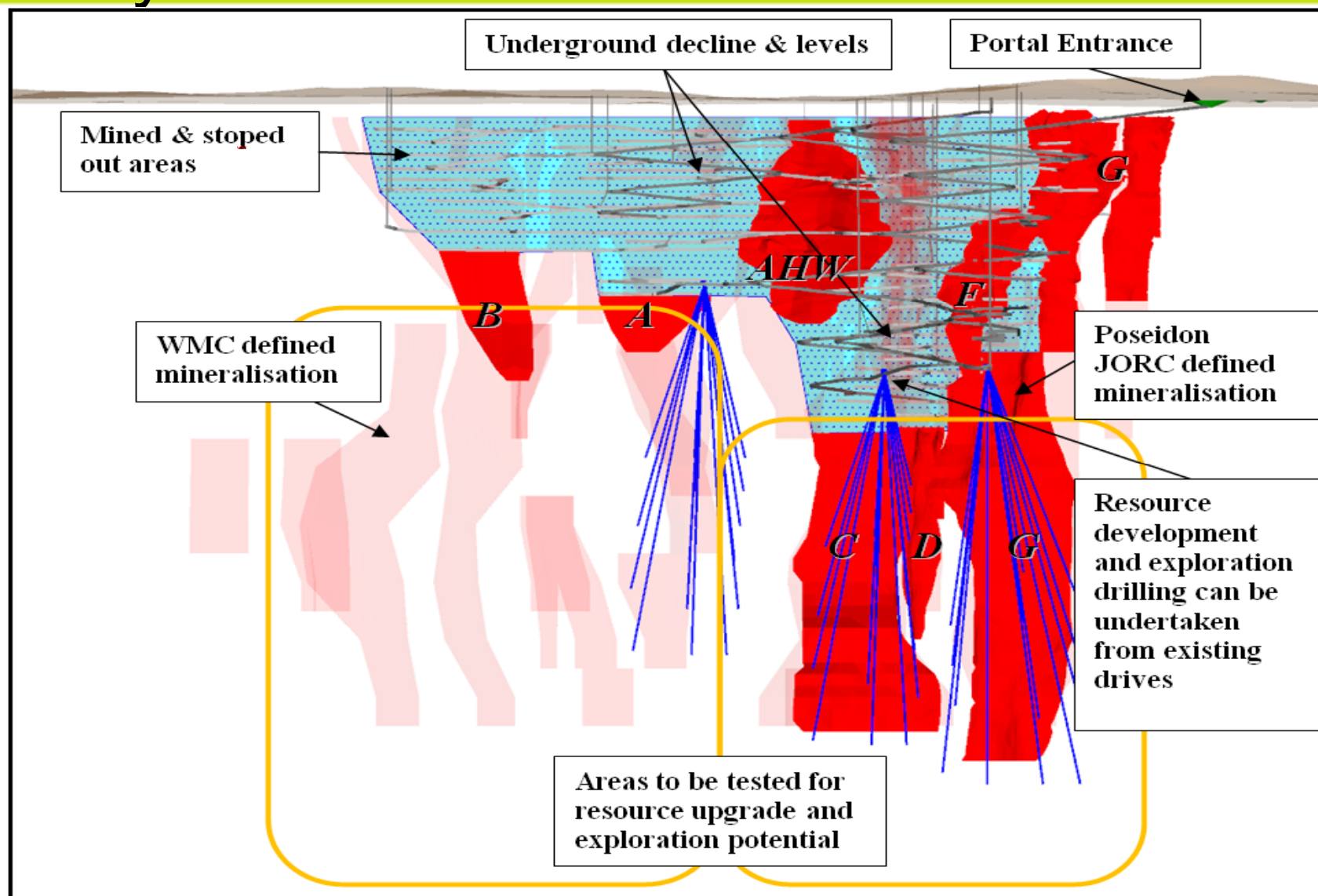
POSEIDON NICKEL

- On care & maintenance
- Infrastructure in place
- All licences and approvals in place
- Decline and vertical shaft ore lift gear partially refurbished
- Mining equipment on site to complete refurbishment and commence operations
- Refurbishment will take 9-12 months to complete prior to restarting mining



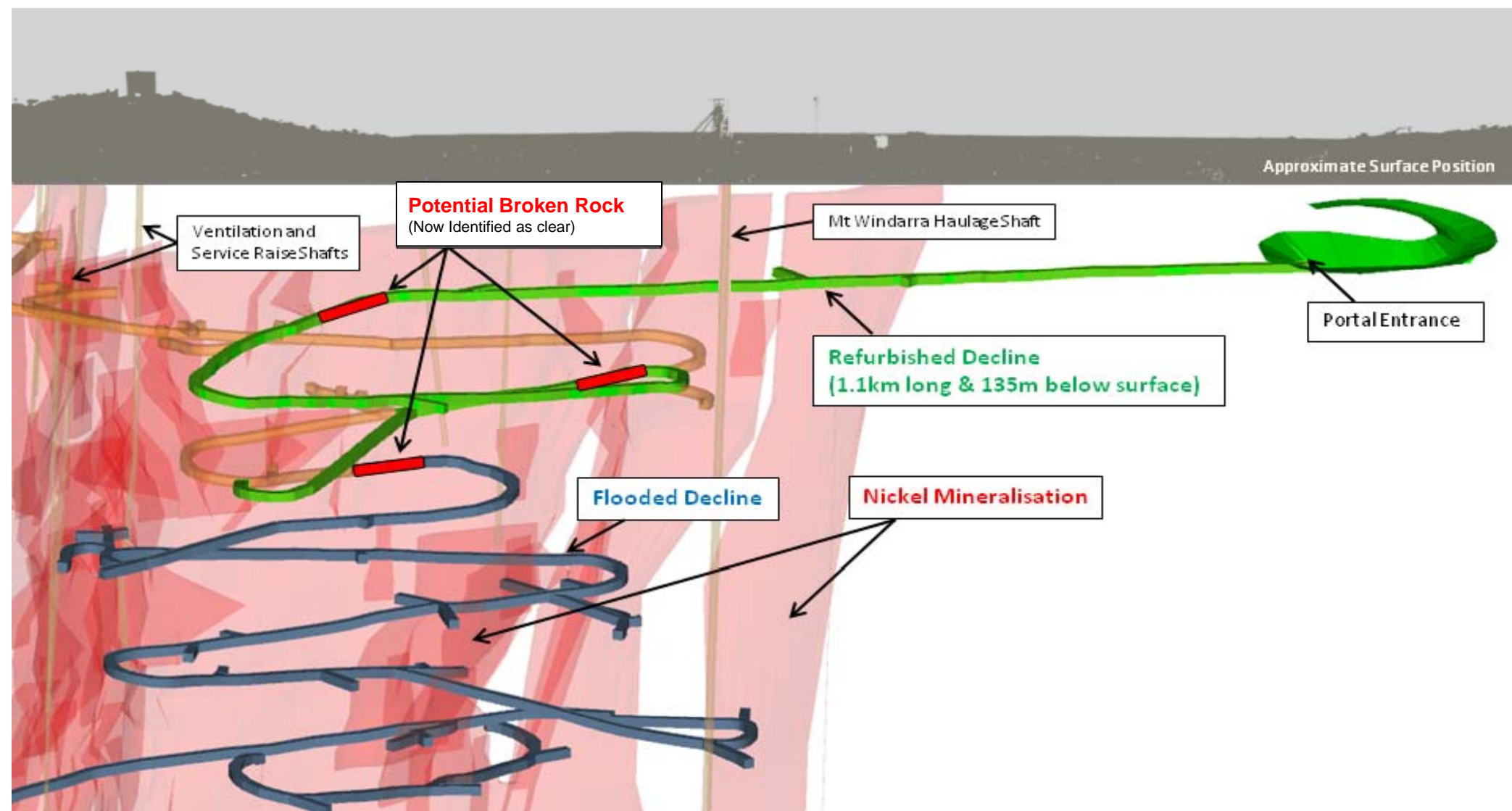
Mt Windarra mined to 550m with ore body continuity to at least 900m

POSEIDON NICKEL



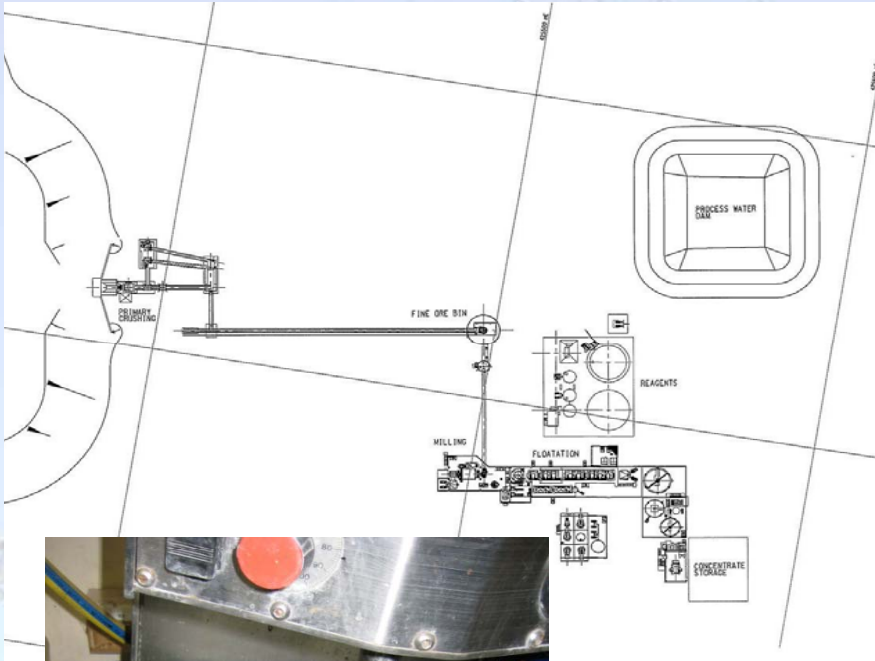
Refurbishment to Date Shows Viability

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New Build Concentrator

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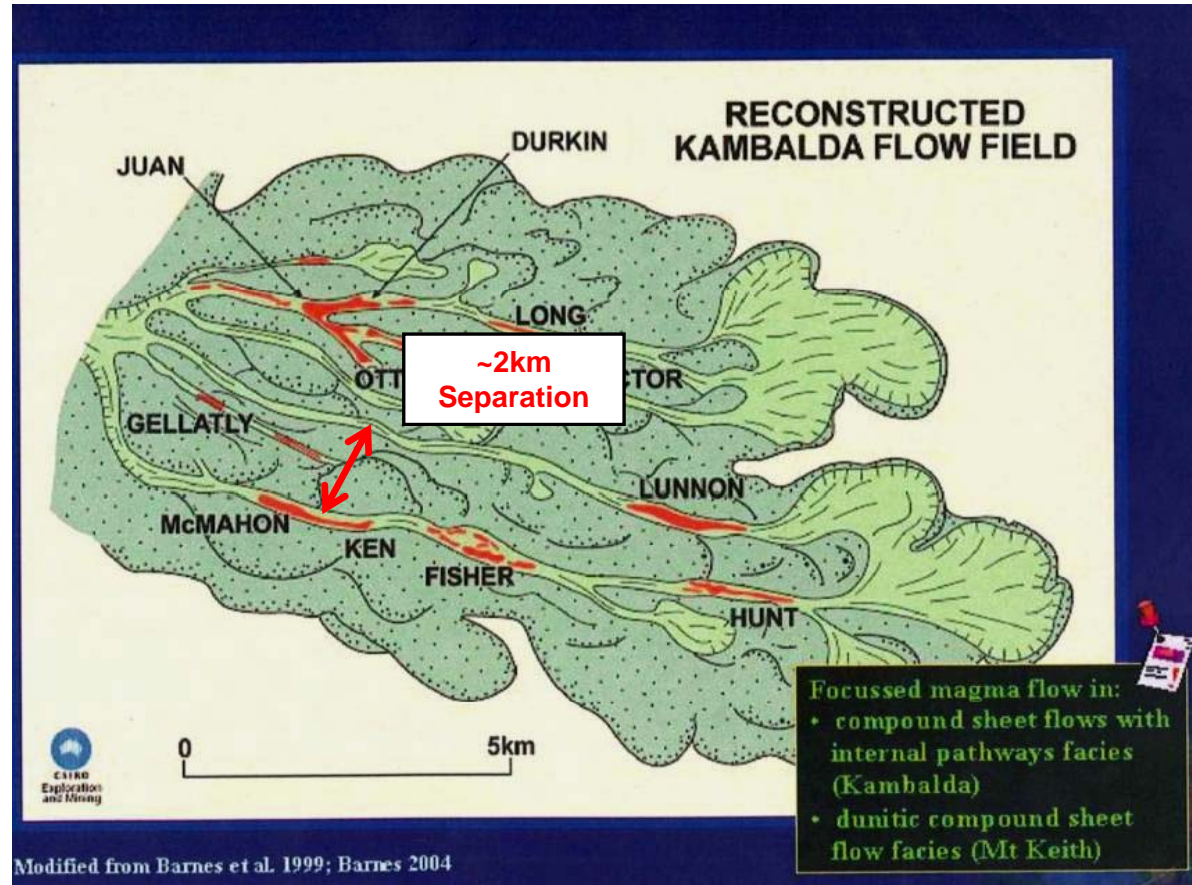
- Initial stage 350,000 tonne p.a. concentrator
 - US\$30m
- Potential capacity expansion to 700,000 tonne
- Plant low risk & well understood

“Cabbage Leaf Model”

WNP Tenements have Significant Exploration Potential

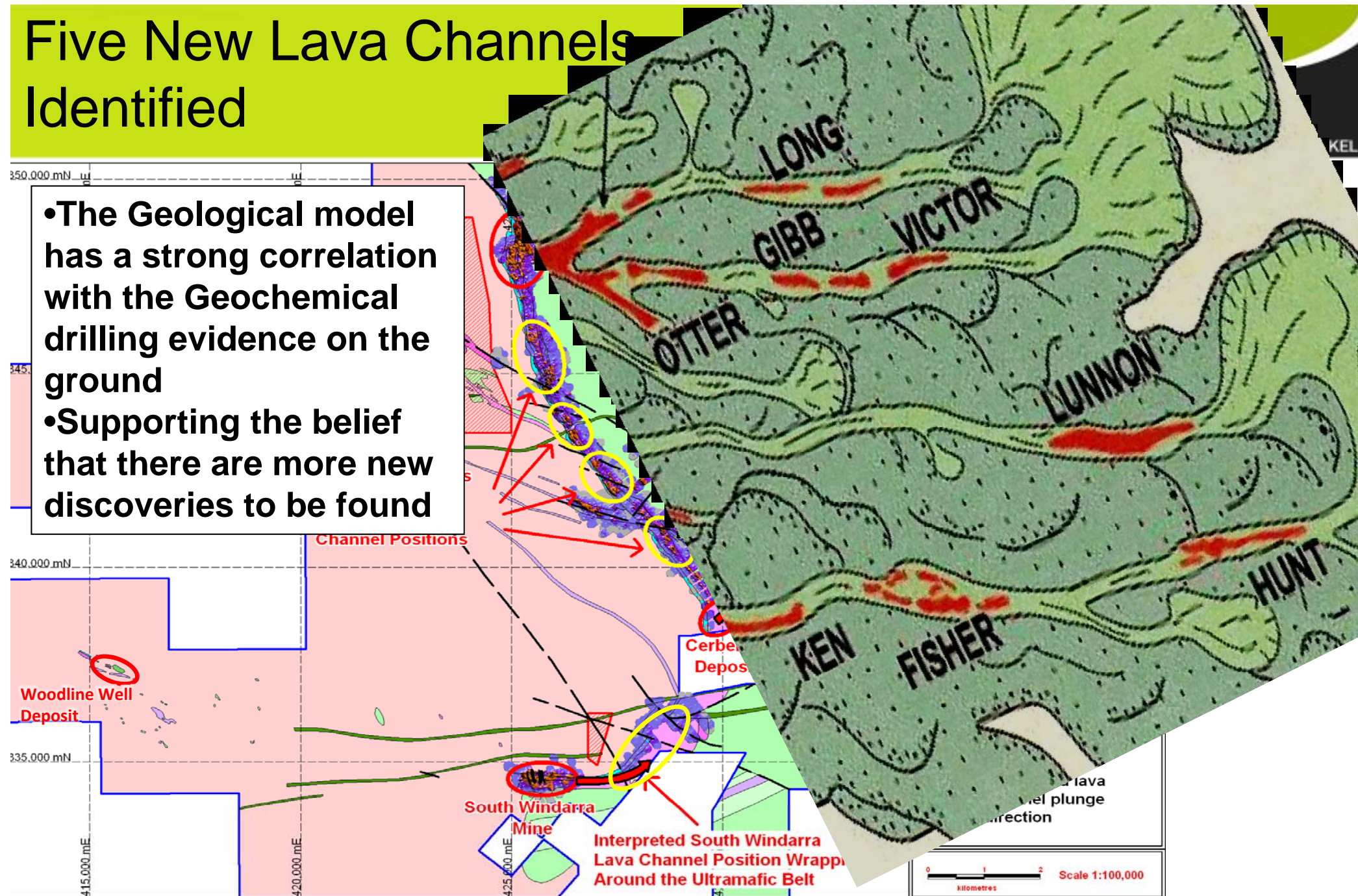
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- Recognition of Lava Channels is the key to success
- Of 2 anomalous zones drilled both have intersected high grade nickel. 1 is likely to be economic (Cerberus)
- Poseidon are confident that more blind deposits are yet to be discovered



Five New Lava Channels Identified

- **The Geological model has a strong correlation with the Geochemical drilling evidence on the ground**
- **Supporting the belief that there are more new discoveries to be found**

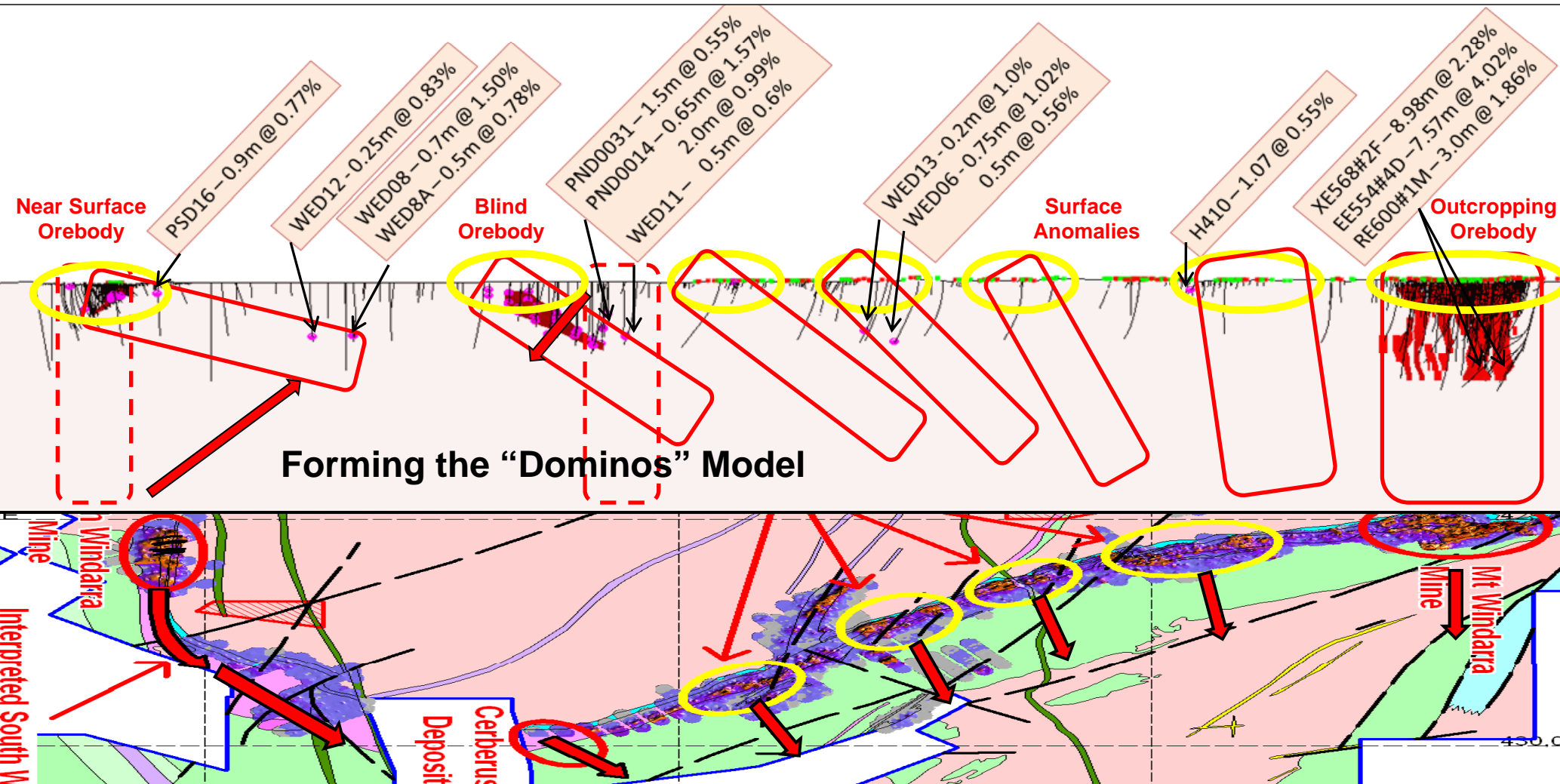


Interpreted Lava Channel Positions

Windarra Flow Field : "Dominos Model"

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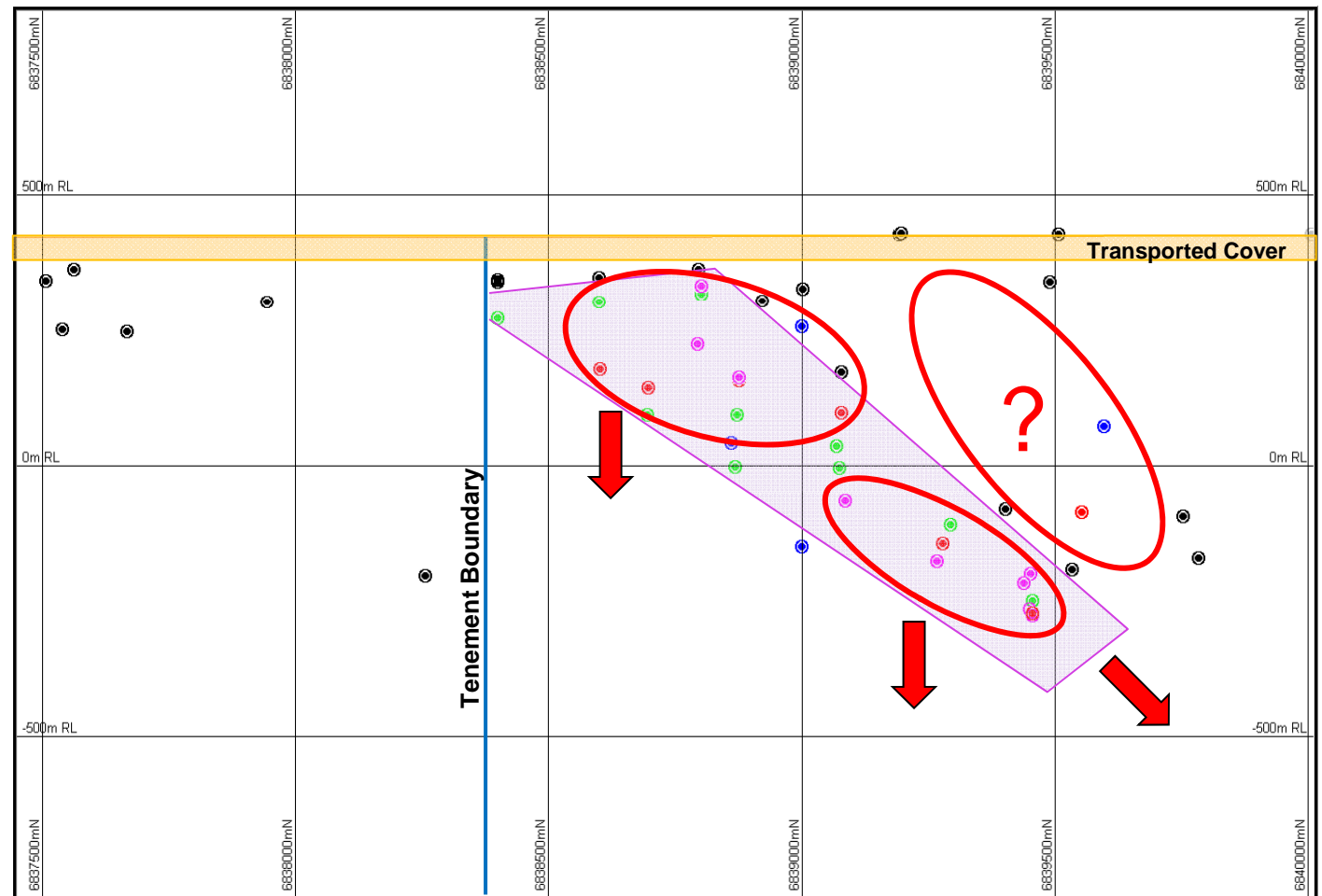
Long-section through the Windarra Ultramafic Belt showing the anomalous surface geochemistry (red dots) and drill intersections (pink dots) within the interpreted lava channel positions. The lava channels rotate from almost flat lying in the south to sub-vertical in the north due to the deformation of the belt caused by the intrusion of the granite dome to the west, forming the Mt Margaret Anticline.



Potential exists to increase resource size & quality

POSEIDON NICKEL

- Open in 3 directions
- 2 higher grade “puddles” exist
- Grade increases with depth
- Requires infilling drilling to 80 x 80m then staggered infill to 50m
- Potential exists to increase resource size & quality



Next Steps - Exploration

POSEIDON NICKEL

- Surface squid electromagnetics **underway** to further refine target selection
- Results being received now
- Diamond and RC drilling commences early August
- Initial budget 4,000m drilling potential to extend
- Results in approximately 10 weeks

Summary

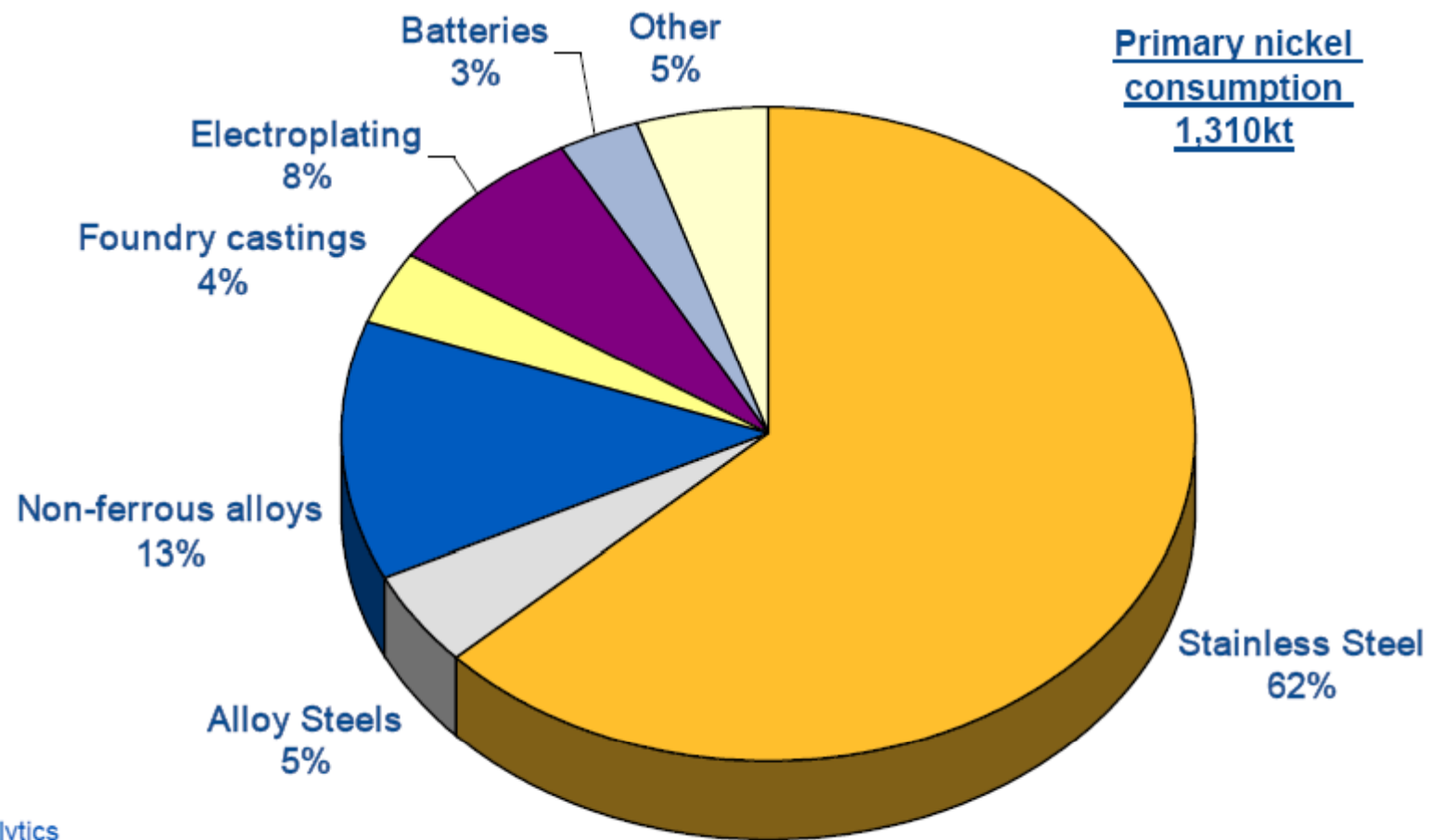
POSEIDON NICKEL

- 100,000 tonne Nickel Resource
- Refurbishment of Mount Windarra mine underway
- Cerberus discovered in 2008 using new technology and techniques
- 7 Additional drill anomalous lava channel zones identified earlier this year
- Drilling programme commences in August 2010

Stainless steel dominates global nickel demand

POSEIDON NICKEL

World primary nickel consumption by first use, 2009



Source: Metalytics

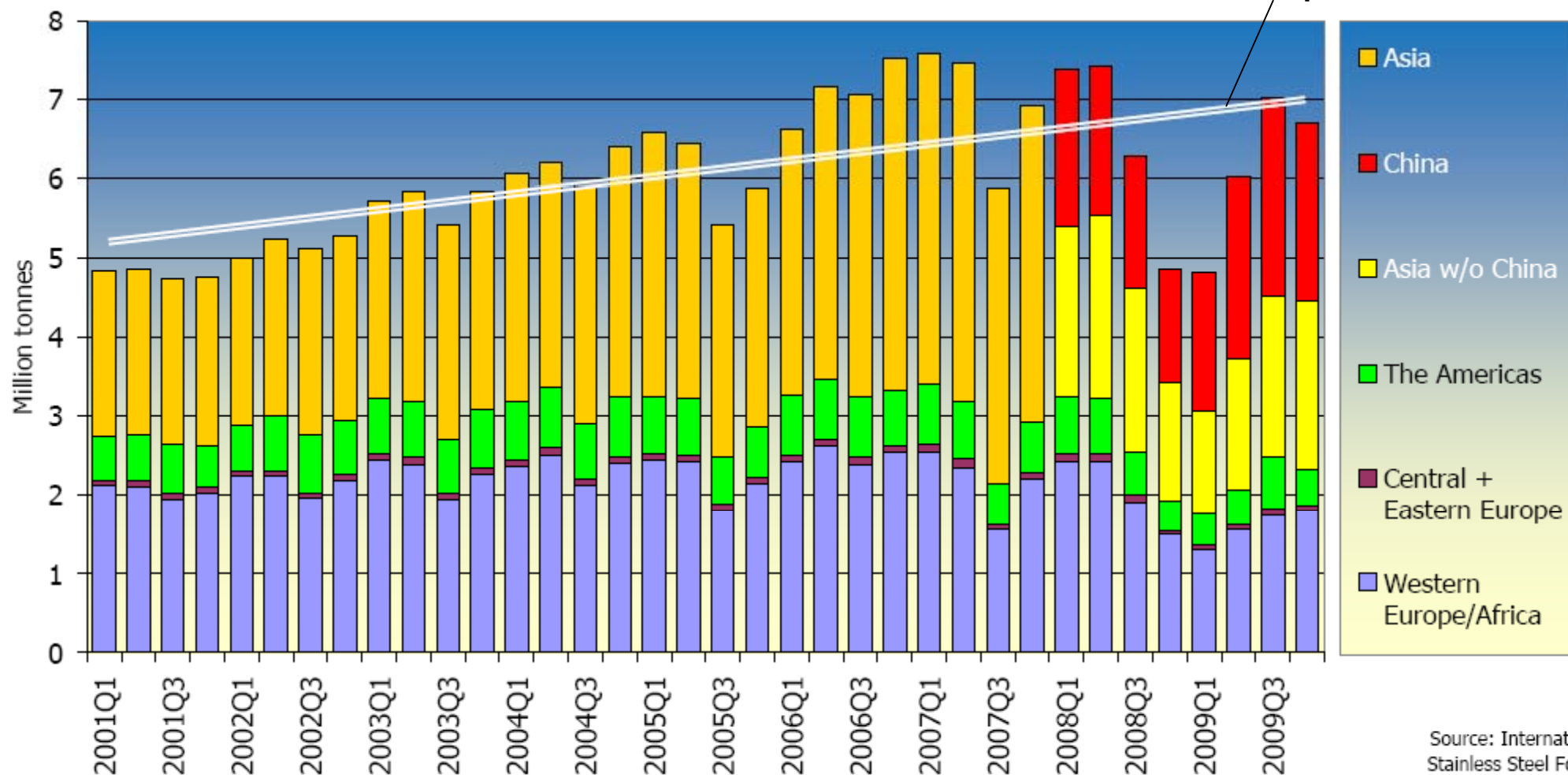
Stainless steel production is back on track

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Stainless and Heat Resisting Steel Crude Steel Quarterly Production

(Ingot/Slab Equivalent)

5% p.a.

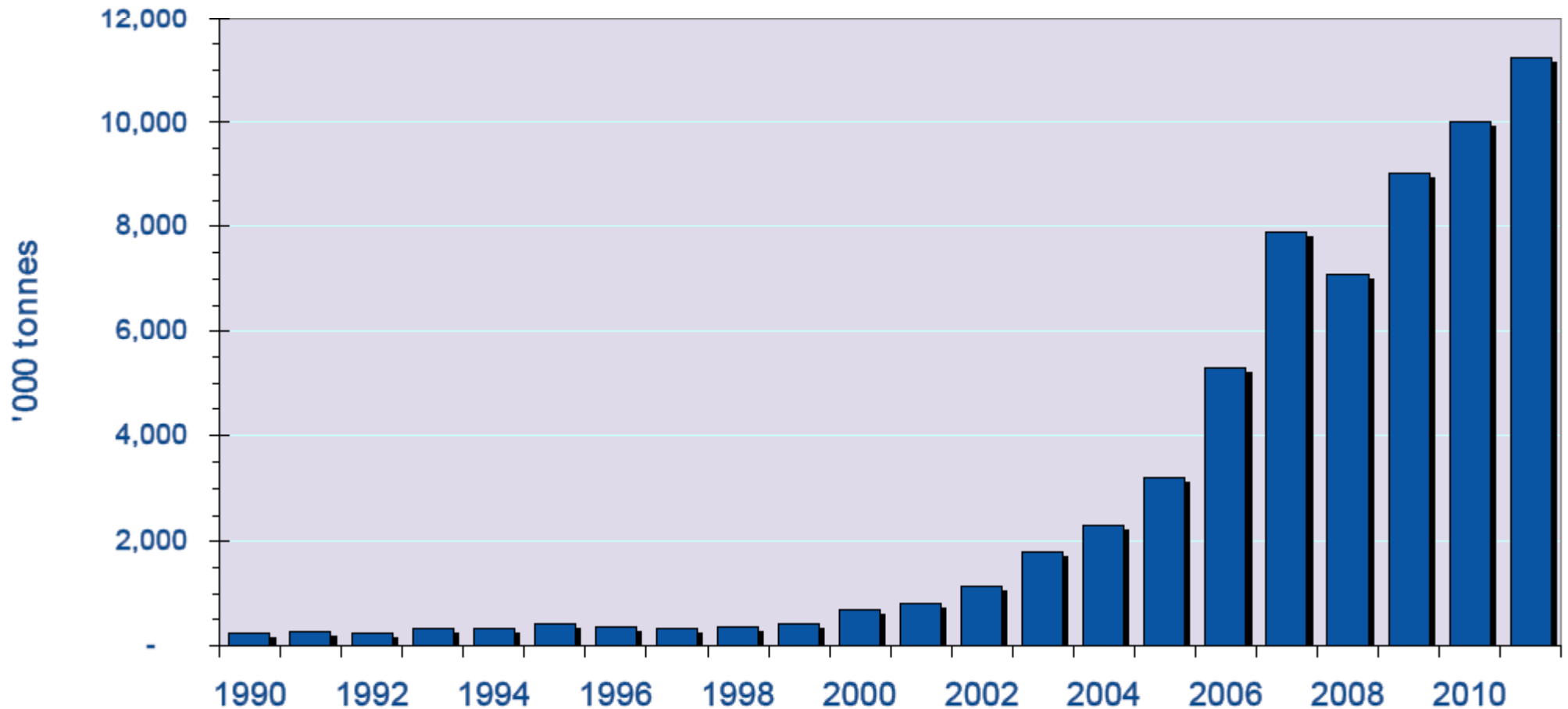


Source: International Stainless Steel Forum

Stainless steel production growth in China has averaged 33% p.a. over the last ten years

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China's Stainless Steel Production

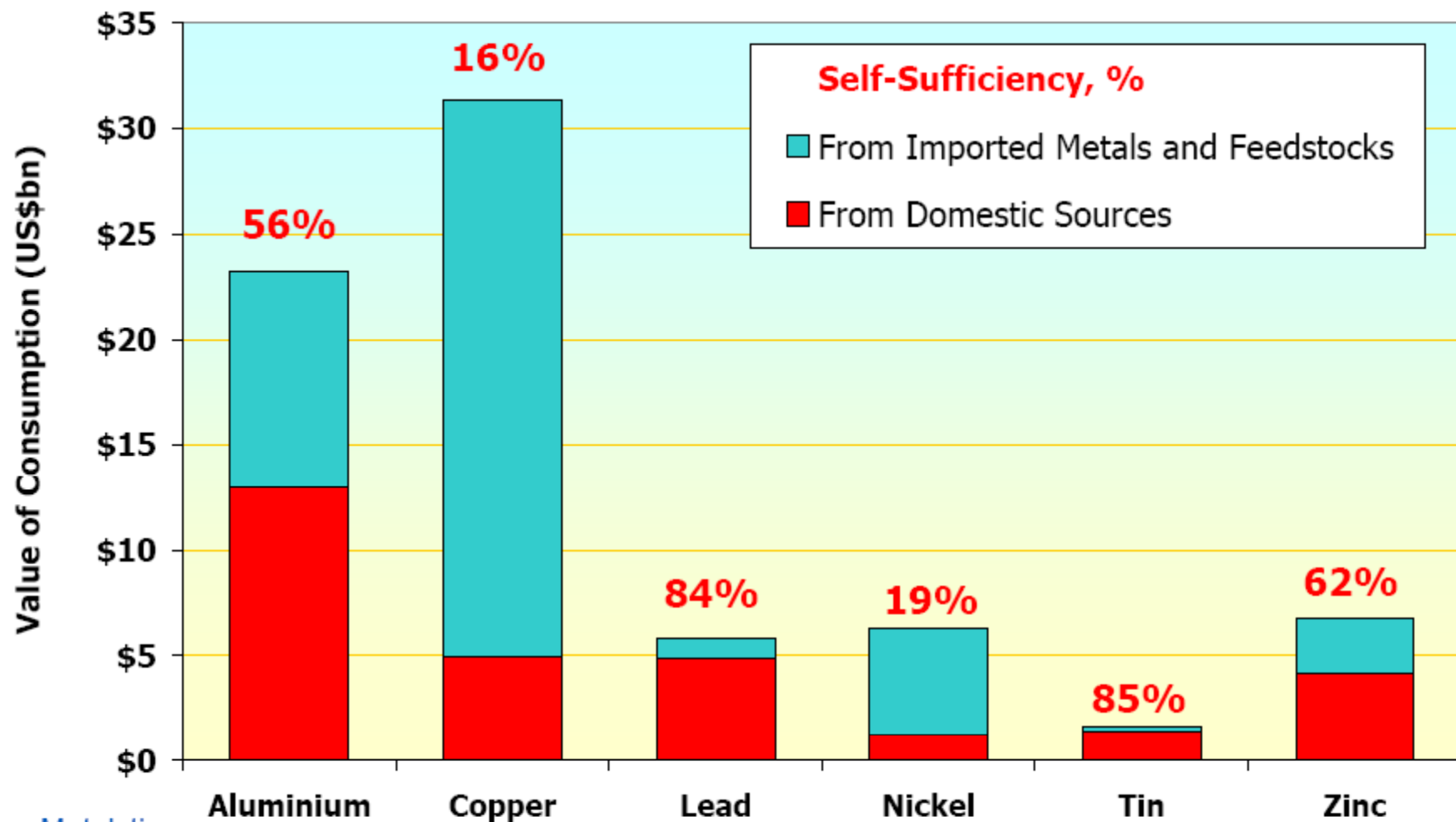


Source: Metalytics

China's demand growth has far outstripped domestic mining capacity for non-ferrous metals

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China's Self-Sufficiency in Non-ferrous Metals, 2009



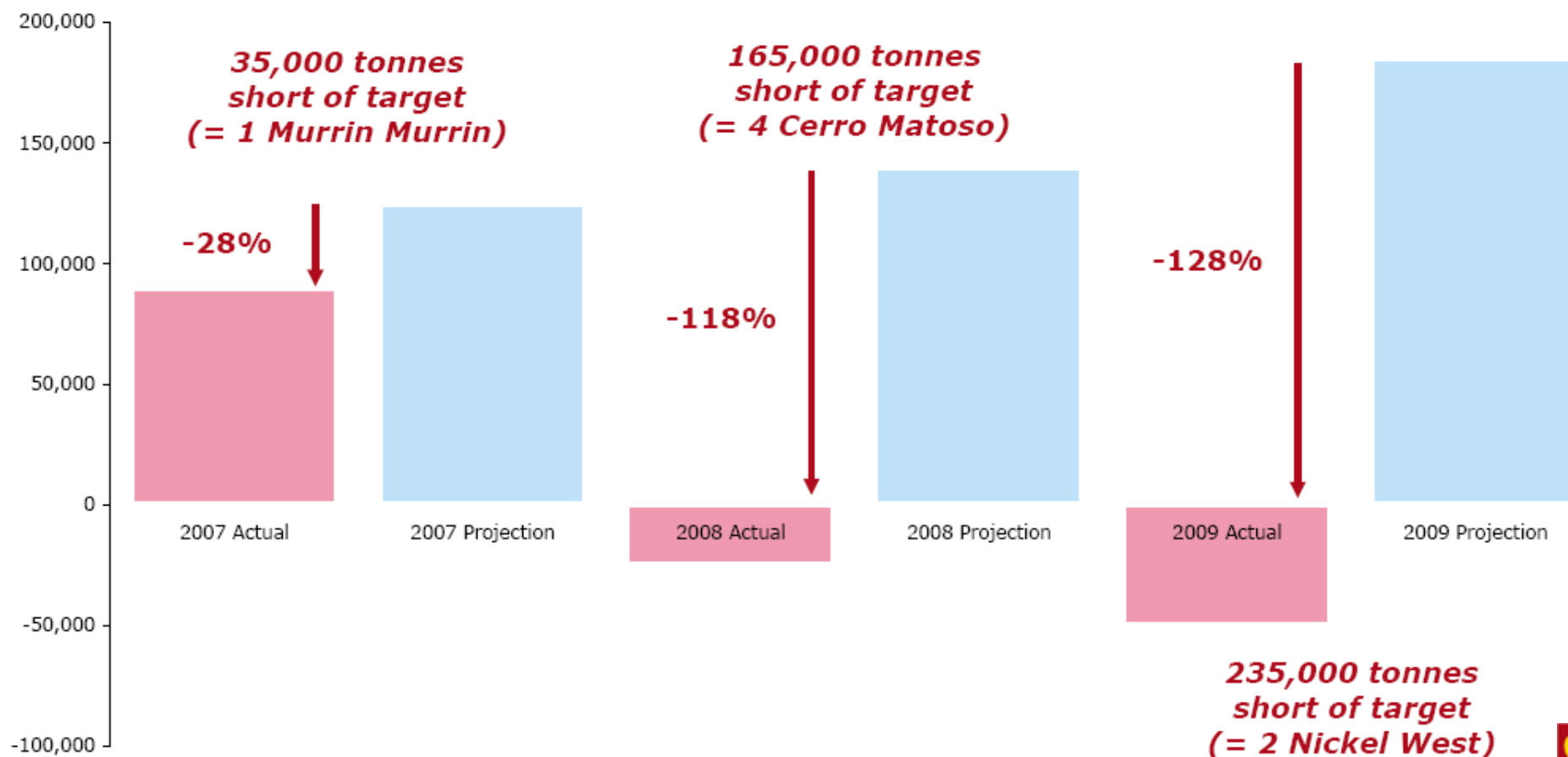
Source: Metalytics

Is History Repeating Itself?

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- Actual nickel production has always fallen significantly short of future projections made by companies, industry experts and equity analysts.

Net Annual Change in Global Nickel Mining Production (million tonnes nickel metal)



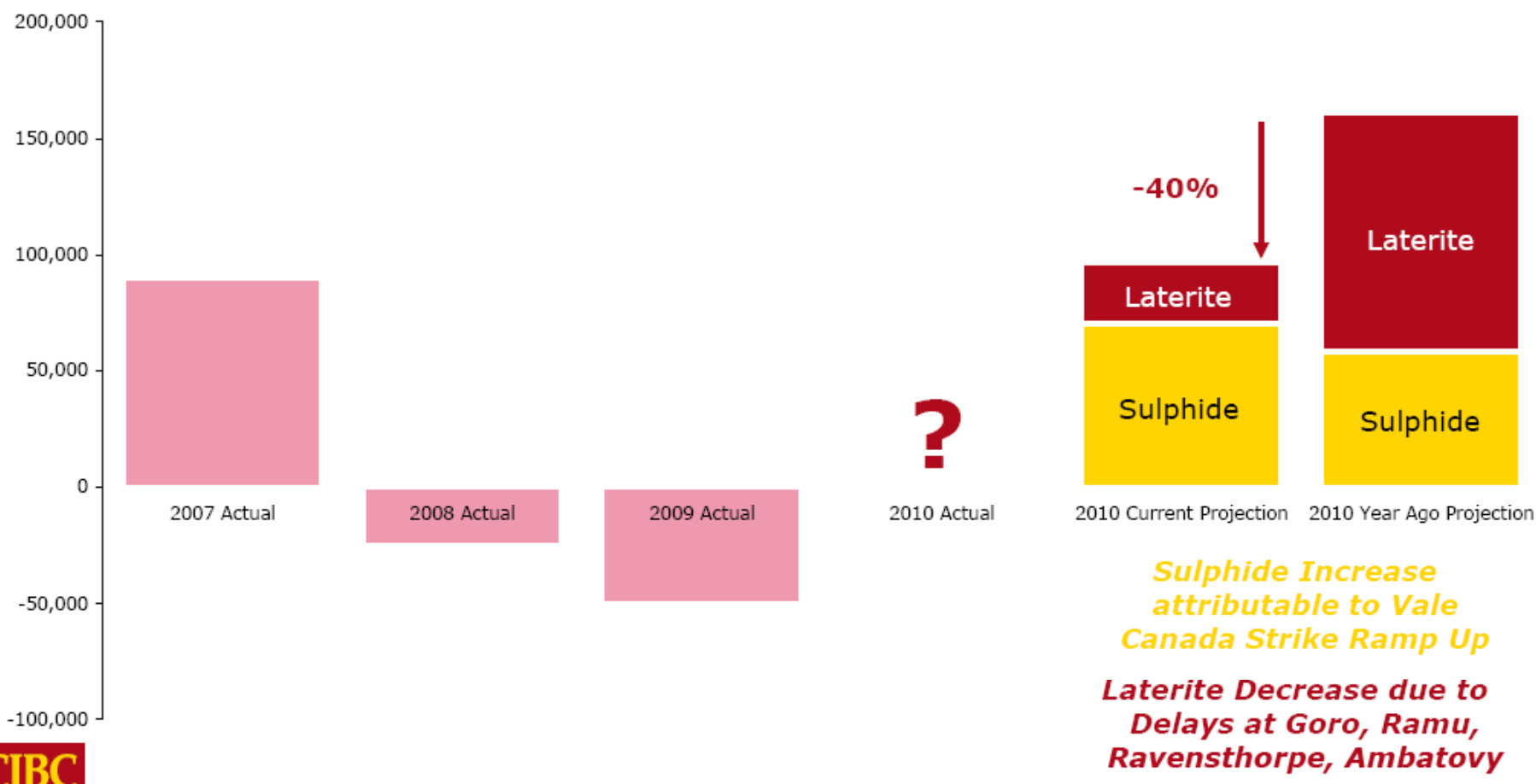
CIBC

2010 Seems to Be Following the Trend

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- Current projections for 2010 nickel production are 40% lower than they were set out to be 12 months ago at this conference (and the year is only 5 months old!!!).

Net Annual Change in Global Nickel Mining Production (*million tonnes nickel metal*)



CIBC



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David Singleton
Managing Director & CEO

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