

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity	Poseidon Nickel Limited
ACN	060 525 206

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | September 2012 Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 115,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The September 2012 Unlisted Options are exercisable at \$0.40 each at any time before 5.00pm AEST on 19 September 2012, subject to certain terms relating to satisfaction of price hurdles. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, parri passu with existing fully paid ordinary shares.</p>	
<p>5 Issue price or consideration</p>	<p>The Unlisted Options will be issued for nil consideration.</p>	
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The September 2012 Unlisted Options have been issued and allotted in accordance with the terms and conditions as approved by the General Meeting of Shareholders held on 2 July 2007.</p>	
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 September 2007</p>	
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p>	<p>+Class</p>
	<p>151,946,086</p>	<p>Ordinary fully paid shares</p>
	<p>6,157,903</p>	<p>05 December 2011 Options</p>
	<p>6,157,904</p>	<p>05 December 2009 Options</p>
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>Number</p>	<p>+Class</p>
	<p>5,777,200</p>	<p>Partly Paid Shares Issued at \$0.102 and paid to \$0.002</p>
	<p>1,000,000</p>	<p>30 June 2008 Unlisted Options</p>
	<p>1,000,000</p>	<p>2 July 2011 Incentive Options</p>
	<p>2,500,000</p>	<p>31 July 2012 Unlisted Options</p>
	<p>115,000,000</p>	<p>19 September 2012 Unlisted Options</p>

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not Applicable

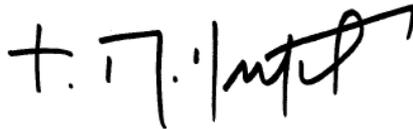
Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable.

Part 3 - Quotation of securities

Questions 34 to 42 not applicable

Sign here:



Date: 20 September 2007

Print name: **Ross Kestel**
Company Secretary

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