

Poseidon Nickel Limited

ABN 60 060 525 206

Unit 8, Level 1, Churchill Court
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West Perth WA 6872
Tel: +61 8 9382 8799
Fax: +61 8 9382 4760

20 September 2007

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

Dear Sir

Re: Poseidon Nickel Welcomes charitable donation of options by Andrew Forrest to the Australian Children's Trust

We enclose herewith a copy of an announcement in relation to the above.

Yours faithfully



David P.A. Singleton
CHIEF EXECUTIVE OFFICER

Enc

CORPORATE DIRECTORY

Director / Senior Management

David Singleton	Chief Executive Officer
Andrew Forrest	Non-Executive Chairman
Richard Monti	Non-Executive Director
Chris Indermaur	Non-Executive Director
Ross Kestel	Company Secretary

Corporate Enquiries

Mr David Singleton - CEO
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F: 61 8 9382 4760

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Media Enquiries

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Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

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

Registered Office

Level 1, South Mill Centre
9 Bowman Street
South Perth WA 6151
Tel: 61 8 9367 8133
Fax: 61 8 9367 8812

Principal Office

Unit 8, Level 1 Churchill Court
331-335 Hay Street
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Home Exchange

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

ASX Announcement

20 September 2007

Poseidon Nickel welcomes charitable donation of options by Andrew Forrest to the Australian Children's Trust

Poseidon Nickel Limited welcomes the decision made by its Chairman, Mr Andrew Forrest, to donate his entire options entitlement in the Company together with shares of Fortescue Metals Group to the Australian Children's Trust (Trust), of which he is also Chairman.

Mr Forrest announced his decision after a Board meeting of the Company at which an allocation of 115 million options was ratified, following an earlier agreement by shareholders at a General Meeting in July.

Mr Forrest will remain as Poseidon's Chairman and will continue to be a shareholder in the Company.

At the Board meeting Mr Forrest announced his intention to donate the entire entitlement to options to the Trust. Mr Forrest also confirmed his intent to purchase 5 million shares in the company.

On a fully diluted basis, the Trust will own approximately 39 per cent of the shares in Poseidon.

"I am committed to Poseidon and will remain as Chairman and a long term shareholder in the company to see through the development of the Company's exciting nickel projects," Mr Forrest said.

He said he expected the Trust to retain a long term interest in the Company.

The Chief Executive Officer of Poseidon, Mr. David Singleton, said "Mr Forrest's continuing commitment to the Company through his Chairmanship and personal involvement with the Trust, is greatly appreciated by the Company. We also appreciate the expectation of the Trust to remain a long term stakeholder" Mr Singleton said.

"Mr Forrest's corporate and project development experience will continue to be a major benefit to the Company as we strive to develop our projects.

"Like me, I think all shareholders, existing and future staff will appreciate the inclusion of a charitable fund committed to the welfare of disadvantaged Australian children. If ever something was going to motivate us more than we already are, it is this."

Yours faithfully



David P.A. Singleton
CHIEF EXECUTIVE OFFICER

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The Australian Children's Trust

The Australian Children's Trust has commended Andrew and Nicola Forrest for their extraordinarily generous donation to the Trust of the family's investment in Poseidon Nickel Limited.

Trust spokesman, Mr Herb Elliott, said the donation had the potential to propel the Trust into being one of the largest philanthropic charities in Australia.

He expected the Trust would retain a long term interest in Poseidon but said that decision would ultimately be the responsibility of the independent investment committee advising the Trust.

The Trust has been operating for nearly 10 years through the sole financial support of the Forrest family.

For further information, please contact:

Herb Elliott
0419 712 010