

26 October 2007

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

Dear Sir

Re: POSEIDON ACQUIRES ADDITIONAL PROSPECTIVE TENEMENTS

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

Yours faithfully



David P.A. Singleton
CHIEF EXECUTIVE OFFICER

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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

E: admin@poseidon-nickel.com.au

Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

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

Principal Office

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

Registered Office

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

Home Exchange

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

ASX Announcement

26 October 2007

Poseidon Acquires Additional Prospective Tenements

Poseidon Nickel Limited (ASX: POS) is pleased to announce to shareholders that it has completed the acquisition of the Laverton Nickel Project tenements from Dynasty Metals Australia Ltd. The acquired land adjoins Poseidon's existing tenements and brings its total land holding to approximately 470km². The land acquired includes the area around Woodline Well and to the west of Denny Bore. These two sites have previously reported encouraging nickel intercepts. In addition, the extended land holding will provide improved options for key infrastructure to support the "Fast Start" project. This includes an option for a shorter water pipeline route from the South Windarra open pit and options for an alternative location for a new tailings disposal system.

The acquisition follows a previous announcement of a conditional agreement with Dynasty Metals Australia Ltd. The acquisition consideration is \$400,000 of fully paid shares in Poseidon. The shares are valued at \$1.755 which is the Weighted Average Price over the five days preceding the date the agreement was signed on 23 July, 2007.

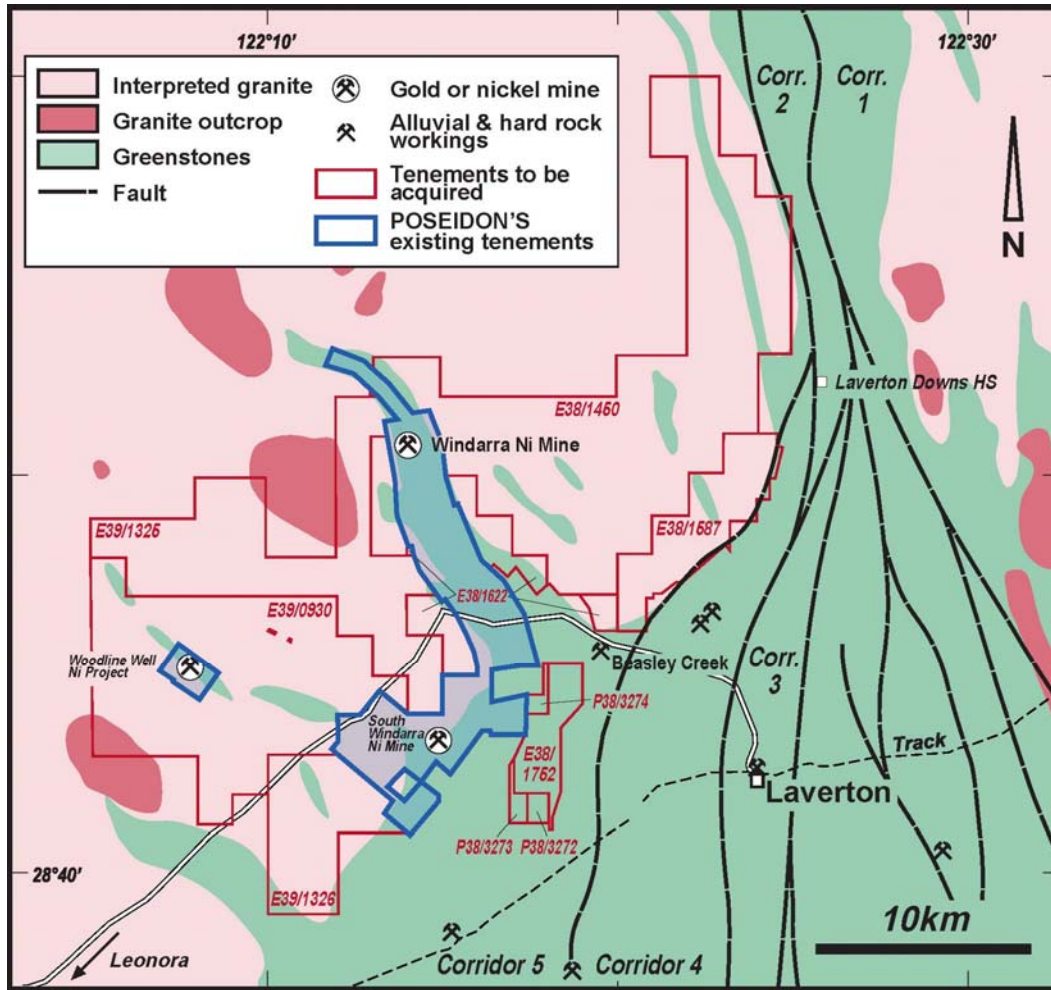
Chief Executive Officer, David Singleton, said "These tenements have been acquired with an eye to the future as we build the company. Our immediate priority remains the Mt Windarra underground asset but the acquired land will increase our options, as we seek to develop exploration opportunities on the site."

The following map identifies the tenements referred to and shows the relationship of the acquired ground, abutting Poseidon's from Mt Windarra to South Windarra, including Woodline Well.

Yours faithfully



David P.A. Singleton
CHIEF EXECUTIVE OFFICER



The acquired land is bounded by tenements:

EL 39/930, EL 38/1450, EL 38/1587, EL 38/1622, EL 38/1752, PL 38/3272, PL 38/3273 & PL 38/3274