

28 November 2007

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

Dear Sir

Re: POSEIDON TARGETING 1 MILLION TONNE PROCESSING PLANT

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

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Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

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Registered Office

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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

28 November 2007

Poseidon Targeting 1 Million Tonne Processing Plant

Poseidon Nickel today declared a 1 million tonne per annum Nickel Sulphide ore processing target from its Windarra mine site.

Speaking at the Company's Annual General Meeting, Chief Executive Officer, David Singleton, said Poseidon's "Fast Start" concentrator concept could see production start within a year of initiation, up to 18 months faster than would be the case if a more conventional project was run.

Mr Singleton said the 1mtpa throughput level harks back to the historic days of Western Mining and its operation at the historic Poseidon company tenements.

"The ramp up of resource and exploration drilling is obviously critical to the project. While we are continuing with concentrator, mining and metallurgical study work we are confident the project will yield solid results based on the historic performance of the mine," Mr Singleton said.

"We remain focussed on initiating early production with our current resource base whilst investing heavily in expanding exploration."

Mr Singleton indicated that the rehabilitation of the existing underground decline would most likely start in early 2008, enabling early access for mining and further underground drilling of deeper ore bodies.

The AGM included a presentation from General Manager of Geology, Neil Hutchison, previously from Jubilee Mines, who said the low level of exploration of the Windarra ultramafic sequence increased the high geological prospectivity for the project.

"Modern techniques including the use of electromagnetics, combined with today's improved geological understanding will greatly enhance our exploration programme," Mr Hutchison said.

"We are now drilling on an area of the belt which has previously yielded high grade massive sulphide intercepts. The electromagnetics suggest this area has a high degree of potential and we are excited by this prospect."

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