

27 February 2008

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

Dear Sir

Re: POSEIDON ACHIEVES MINE OPENING MILESTONE

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
Geoff Brayshaw	Non-Executive Director
Richard Monti	Non-Executive Director
Chris Indermaur	Non-Executive Director
Ross Kestel	Company Secretary

Corporate Enquiries

Mr David Singleton - CEO
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Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

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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 2, Spectrum
100 Railway Road
SUBIACO WA 6008
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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

27 February 2008

Poseidon Achieves Mine Opening Milestone

Poseidon Nickel is pleased to announce the achievement of a significant milestone in the re-commissioning of the Windarra Nickel mine. Poseidon will start removing an estimated 1.5 million tonnes of water from the underground mine in an operation which will take up to 12 months to complete. The removal of the water will allow access to the nickel ore bodies and for underground drilling of the deeper ores.

The mine dewatering programme is now possible after an exhaustive process of permit approval initiated several months ago, covering environmental control and necessary works approval. Poseidon will carry out a continuous programme of environmental monitoring as part of the management of the dewatering process. This monitoring programme will include equipment integrity, water quality and regular inspection at the water outflow point.

Poseidon has already installed and tested the necessary infrastructure to pump out the water down to an underground depth of 150m. Now that the permits have been received, the Company expects pumping at 4,000 kilolitres (kl) per day to commence in the next few days.

The second stage of the water removal programme will involve the installation of a specialised high head, high volume pump able to lift water from 550 metres underground at a rate of nearly 6,500 kl per day.

David Singleton, Managing Director and CEO of Poseidon Nickel said "18 years after production ended we have taken a significant step in the process to bring this highly productive mine back into operation. We have completed the near mine drilling from the surface which has enabled us to publish the initial and first ever JORC resource for this project. The dewatering will allow us not only to access the ore bodies drilled in this programme but commence resource extension drilling from underground. In addition to this activity, we are progressing our regional exploration programme and completing critical elements of the concentrator plant feasibility study. In addition we have completed the drilling of cores for metallurgical processing studies which are now underway. The Company has now agreed with the West Australian Government to submit to it the initial mine development plans by the end of March 2008. This is an exciting time for everyone at Poseidon."

Poseidon Nickel recently announced the Company's first ever JORC compliant resource of 50,734 tonnes of nickel based primarily on historic and more recent confirmatory drilling. The Company expects to expand this resource base when it has access to the deeper areas of the existing mine as the dewatering programme continues. The Company will assess the extent of the necessary rehabilitation to the decline as the water levels drop over the coming months.

ENDS