

17 April 2008

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

Dear Sir

**Re: POSEIDON INTERSECTS MASSIVE NICKEL SULPHIDE MINERALISATION**

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

Yours faithfully



**David P.A. Singleton**  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER

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**CORPORATE DIRECTORY**

**Director / Senior Management**

David Singleton	Managing Director & 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**

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**Shareholder Enquiries**

Enquiries concerning shareholdings should be addressed to:

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GPO Box D182, Perth WA 6840  
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**Principal Office**

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SUBIACO WA 6008  
Tel: 61 8 9382 8799  
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**Registered Office**

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SUBIACO WA 6008  
Tel: 61 8 9367 8133  
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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

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**Poseidon Intersects Massive Nickel Sulphide Mineralisation**

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Poseidon Nickel is pleased to announce that as a result of its regional exploration programme, it has intersected further high grade nickel sulphide ore at its Windarra Nickel Project. The intersection occurred as a result of follow up drilling at Denny Bore which is approximately 10.5kms south of the Mt Windarra deposit.

Diamond drill hole PND0029 intersected **1.56m @ 6.38%** of nickel sulphide from 743.44m (down-hole) which includes a high grade massive sulphide zone of **0.61m @ 13.4%** nickel.

The drill hole intercepted a thicker ore zone down dip from previous intersections in NMD0004 and NMD0004A, and between wedge holes WED4 and WED4A. This intersection is thicker than previously announced intersections at Denny Bore (below), and highlights the irregular nature of the nickel sulphide mineralisation.

***Previously announced intersections:***

<b>WED4a</b>	<b>0.37m @ 17.58%</b> Ni from 794.80m (down-hole)
<b>NMD0004</b>	<b>0.56m @ 13.49%</b> Ni from 666.48m (down-hole)
<b>NMD0004A</b>	<b>0.95m @ 6.45%</b> Ni from 664.5m (down-hole)

Further drilling is planned to the south and up-dip of these intersections.

In addition, as part of the regional exploration programme, reconnaissance field inspections and mapping on the company's recently acquired surrounding tenement package has confirmed that fold repetitions and dislocated segments of the Windarra stratigraphy occur to the east of Mt Windarra. Limited historic surface trenching has occurred around these outcrops but no drilling is evident. The Company's geologists are excited by what they have seen at the "Cork Tree Well" prospect and are confident that drilling will confirm the connection with the Mt Windarra belt and hence its prospectivity for repetitions of Mt Windarra style mineralisation.

Evaluation and drilling of other highly prospective regional targets along the ultramafic sequence that hosts the Mount Windarra and South Windarra mine sites is underway.

*Note: The information in this report relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison who is a Member of The Australian Institute of Geoscientists. Mr Hutchison has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' He has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The Australian Stock Exchange has not received and does not accept responsibility for the accuracy or adequacy of this release.*

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