

27 June 2008

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

Dear Sir

Re: Waite Kauri Nickel/Cobalt Joint Venture with Eagle Eye Metals

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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<p><u>CORPORATE DIRECTORY</u></p> <p>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</p> <p>Corporate Enquiries Mr David Singleton – MD & CEO P: 61 8 9382 8799 F: 61 8 9382 4760</p> <p>E: admin@poseidon-nickel.com.au</p> <p>Shareholder Enquiries Enquiries concerning shareholdings should be addressed to:</p> <p>Computershare Investor Securities GPO Box D182, Perth WA 6840 P: 61 8 9323 2000</p>	<p>Principal Office Unit 8, Churchill Court 331-335 Hay Street SUBIACO WA 6008 P: 61 8 9382 8799 F: 61 8 9382 4760</p> <p>Registered Office Level 2, Spectrum 100 Railway Road SUBIACO WA 6008 P: 61 8 9367 8133 F: 61 8 9367 8812</p> <p>Media Enquiries Mr Paul Downie Porter Novelli P: 61 8 9386 1233 E: pdownie@wa.porternovelli.com.au</p> <p>Home Exchange The Company's shares are listed on the Australian Stock Exchange and the home exchange is Perth ASX code: POS</p>
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ASX Announcement

27 June 2008

Waite Kauri Nickel/Cobalt Joint Venture with Eagle Eye Metals

Poseidon Nickel Limited (ASX:POS) is pleased to announce that it has entered into a Heads of Agreement to joint venture with Eagle Eye Metals Limited (ASX:EYE) for the Waite Kauri nickel/cobalt project.

The Waite Kauri project is located 43km north east of Leonora, and approximately 50 km from Poseidon's flagship Windarra Nickel Project in the North Eastern Goldfields of Western Australia.

Eagle Eye Metals has to date completed 237 exploration drill holes at Waite Kauri, intersecting several highly significant zones of nickel oxide and cobalt mineralisation over a potential strike length of approximately 5km.

According to the terms of the Heads of Agreement with Eagle Eye, Poseidon will have an 80% interest in, and be the Manager of, the project. Poseidon has agreed to fund the first \$500,000 of exploration work necessary to bring the resource to a JORC standard.

Poseidon will, through an offtake agreement, have a right to all of the ore mined from the tenements and will pay a 2% Net Smelter Royalty for its 80% share and the prevailing market price for the remaining 20%.

ENDS