

3 July 2008

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

Dear Sir

**Re: HIGH GRADE NICKEL SULPHIDE INTERCEPT 210M UP PLUNGE FROM PREVIOUS DRILLING**

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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Tel: 61 8 9382 8799  
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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

3 July 2008

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**High Grade Nickel Sulphide Intercept 210m Up Plunge from Previous Drilling**

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Poseidon Nickel Limited (ASX:POS) is pleased to announce that drilling has intersected further high grade nickel sulphide ore at Denny Bore on its Windarra Nickel Project. The intersection occurred 210m up plunge of the previously reported intersections and is an exciting step out from the previous intersections at Denny Bore.

Diamond drill hole **PND0038** returned **1.15m @ 2.24%** of disseminated nickel sulphide from 588.6m, and **1.18m @ 3.33%** of nickel sulphide from 595.8m, which includes a high grade stringer/massive sulphide zone of **0.32m @ 7.36%** nickel (all depths are down-hole).

WED9 is the next adjacent drill hole to PND0038, and was historically drilled 280m further south by Windarra's former owner WMC (see attached long section). WED9 returned 0.85m @ 0.97% Ni and has led to the reinterpretation of the mineralised trend direction. PND0038 intersected the mineralised zone up dip and to the south of the previously reported drill intercepts and modelling suggests that the mineralisation is north plunging. A Down Hole Electromagnetic (DHEM) survey was completed on PND0038 and reported a local in-hole anomaly associated with the sulphide intersected in the hole, as well as an off-hole anomaly which is centred above and to the south of the hole. The off-hole DHEM anomaly supports the interpretation depicted on the long section

This is an exciting result for Poseidon as it significantly increases the mineralisation potential at Denny Bore which is open in all directions. Further drilling is underway in order to test for mineralisation around and then south of PND0038.

*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.*

