

4th September 2008

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

Dear Sir

Re: POSEIDON APPOINTS ENGINEER FOR WINDARRA NICKEL PROJECT

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

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Principal Office

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SUBIACO WA 6008
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Registered Office

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Media Enquiries

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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

4th September 2008

Poseidon Appoints Engineer for Windarra Nickel Project

Poseidon Nickel is pleased to announce that it has taken another major step in developing the Windarra Nickel Project by appointing leading engineering group Bateman Engineering to conduct pre-feasibility level engineering work for the Project. This pre-feasibility study is due for completion by the end of this year, at which point it will be reviewed by the Poseidon Board prior to making a decision to commence a bankable feasibility study.

Poseidon selected Bateman following an exhaustive review to identify an engineering company with the necessary level of relevant expertise to undertake the Windarra Pre-feasibility Study.

Bateman's scope of work includes conducting a Peer Review on Poseidon's selected ore processing route and undertaking the necessary engineering to develop a revised project capital and operating cost. Poseidon will continue to manage the necessary process and metallurgical test work underway at Lakefield Orestest's facilities in Perth, and will supply the resulting data to Bateman. As announced to the ASX on 28 August 2008 following the completion of successful batch work at Lakefield, Poseidon has committed to undertake a programme of continuous pilot testing on the ore. Other necessary prefeasibility inputs such as environmental surveys, tailings studies and water access are being conducted by third parties, and will also be incorporated with the Bateman study. Bateman will also have the benefit of the results of process simulation work completed previously by Poseidon during its scoping study for the Windarra project.

Bateman's contract is for reimbursable man hours against a defined scope of work. The project will be based in Perth using expertise from other centres around the world.

David Singleton MD & CEO of Poseidon said: "The letting of this contract is an important milestone in the development of the Windarra Nickel Project and we are confident that Bateman's expertise and capabilities will ensure the delivery of a comprehensive and robust pre-feasibility study".

Poseidon is planning a major nickel mining operation at Windarra capable of producing in the order of 20,000 tonnes of nickel per annum. The Project currently has JORC-compliant Indicated and Inferred resources of 60,370 tonnes (as reflected in the table below) of contained nickel, and significant potential for further increases as exploration progresses along the previously unexplored 24kms strike length host ultramafics.

Total Indicated	1,003,127	1.09	10930	Indicated
Total Inferred	3,164,723	1.56	49441	Inferred
Total All Categories	4,167,850	1.45	60370	

The following parameters were used in the Indicated and Inferred Resource calculations:

Inferred Resource: cut-off grade of 1.0% Ni using IDW² block modelling.

Indicated Resource: cut-off grade of 0.75% Ni using IDW² block modelling.

ENDS

Note: The information in this report relates to Exploration Results and Mineral Resources based on information compiled by Mr N Hutchison and Mr M O'Mara who are both Members 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.