

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

20 July 2010

Poseidon Nickel Limited**TRADING HALT**

The securities of Poseidon Nickel (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Thursday, 22 July, 2010 or when the announcement is released to the market.

Security Code: POS
 POSOA

Jill Hewitt
Senior Adviser Issuers (Perth)

POSEIDON NICKEL

19 July 2010
POSEIDON NICKEL

Ms J Hewitt
Senior Issuers Adviser
Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

BY EMAIL

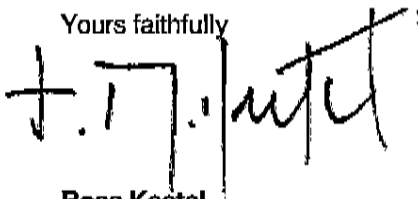
Dear Ms Hewitt

Trading Halt

Poseidon Nickel Limited ("**Poseidon**" or "**the Company**") (**ASX Code: POS**) requests an immediate trading halt be put on its Securities, pending an ASX announcement regarding a capital raising.

Poseidon can see no reason why a trading halt should not be put on its Securities. The Company's Securities are expected to remain in the trading halt until the commencement of trade on Thursday, 22 July 2010 and if an announcement is not made at the end of the trading halt period, the Company will request suspension of its securities.

Yours faithfully



Ross Kestel
Company Secretary