

4 November 2011

POSECOR/C413

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Expiration of Quoted Options (POSOA)

Poseidon Nickel Limited ("the Company") has 6,157,403 quoted Options due to expire on 5 December 2011 (ASX Code POSOA). The Company has recently applied to the ASX seeking a waiver from the requirements of Listing Rule 6.24 which would allow the Company not to mail out an option expiry notice to holders of these Quoted Options.

In accordance with Appendix 6A Clause 6.1 a company must send a notice to each holder of quoted convertible securities at least twenty (20) business days before the expiry date of the option.

Given the significant differential between the option exercise price (92 cents) and the last recorded market price of Poseidon Nickel Limited Shares (20.50 cents), the Company applied to the ASX for a waiver on the basis that the likelihood of Option Holders exercising their right to convert their Options to fully paid Ordinary Shares is very low and there is no justification for the cost of preparing, printing and dispatching the option expiry notices.

The ASX has granted Poseidon Nickel Limited the waiver subject to the Company satisfying certain disclosure conditions.

In accordance with the waiver granted by the ASX in relation to the Poseidon Nickel Limited Quoted Options (POSOA) expiring 5 December 2011; this Announcement serves to advise that the Company **will not be sending expiry notices to Option Holders.**

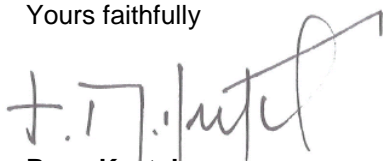
Furthermore; the Company provides the following information which would normally be contained on an option expiry notice in accordance with Appendix 6A:

1. The Quoted Options (POSOA) expire at 5.00pm (WST) on Monday, 5 December 2011;
2. The exercise price of the Options is 92 cents per Option;
3. The due date for payment is Monday, 5 December 2011;
4. The consequences for Option Holders not exercising the Options on 5 December 2011 is that the Options will lapse with no value and no further entitlement will exist;
5. Quotation of the Options will cease at the close of trading on Monday, 28 November 2011;

6. The latest available market share price on the ASX as at the close of trading on 3 November 2011 was 20.50 cents; and
7. Over the last twelve months the highest closing Share price was 34.50 on 18 February 2011 and the lowest closing price share price was 15.0 cents on the 26 September 2011.

Should the market price of Poseidon Nickel Limited Shares exceeds 69 cents at any time before 5 December 2011, the Company is obligated in accordance with the ASX waiver to immediately send option expiry notices to Option Holders.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R. Kestel', with a large, sweeping flourish extending upwards and to the right.

Ross Kestel
Company Secretary