

28 May 2012

POSEIDON\CORRESPONDENCE\017

ASX Market Announcements
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POSEIDON NICKEL LIMITED'S RENOUNCEABLE ENTITLEMENT OFFER STRONGLY SUPPORTED

Poseidon Nickel Limited (ASX code **POS**) is pleased to advise that its 0.965 for one (1) renounceable entitlement offer (**Rights Issue** or **Offer**) as announced on 3 April 2012 has closed with strong support from participants.

All Shares available under the Offer will be taken up through a combination of Entitlement Applications and the Underwriting Agreement with Forrest Family Investments Pty Ltd.

The number of new Ordinary Shares subscribed by Entitlement Application Holders was 122,022,262 of the total available under the Offer. The remaining Shares will be dealt with under the terms of the Underwriting Agreement.

The holding statements for the new Shares will be dispatched according to the time-table already advised.

The Company would like to thank all participants for their continuing support.

Yours faithfully



David P.A. Singleton
Managing Director &
Chief Executive Officer