

13th November 2012

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

Dear Sir

Re: POSEIDON GAINS SIGNIFICANT NEW SHAREHOLDER

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

Mr David Singleton – MD & CEO
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F: 61 8 9382 4760

E: admin@poseidon-nickel.com.au

Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

Computershare Investor Securities
GPO Box D182, Perth WA 6840
P: 61 8 9323 2000

Principal Office

Unit 8, Churchill Court
331-335 Hay Street
SUBIACO WA 6008
P: 61 8 9382 8799
F: 61 8 9382 4760

Registered Office

Level 2, Spectrum
100 Railway Road
SUBIACO WA 6008
P: 61 8 9367 8133
F: 61 8 9367 8812

Media Enquiries

Mr Cameron Morse
FTI Consulting
P: 61 8 9485 8888 M: 0433 886 871
E: Cameron.Morse@fticonsulting.com

Home Exchange

The Company's shares are listed
on the Australian Securities Exchange
and the home exchange is Perth
ASX code: POS

ASX Announcement

13th November 2012

Poseidon Gains Significant New Shareholder

Poseidon Nickel Limited (ASX:POS) is pleased to announce that Jefferies Bank, headquartered in New York, has become a significant shareholder in Poseidon Nickel. Jefferies Bank has acquired shares and the Convertible Notes from Harbinger Capital Partners, who have been a long standing shareholder and supporter of Poseidon. Some restructuring of the Harbinger Funds has been underway and this move removes any speculation about their position in Poseidon.

Jefferies is a global securities and investment banking group which has been operating for over 50 years in 30 cities around the world. Poseidon has been in active discussion with Jefferies about its financing needs in bringing the Windarra Nickel Project into production and looks forward to their support in the future.

Poseidon Nickel is developing the first new Nickel Project in Western Australia for many years. The Windarra Project is a higher grade nickel sulphide deposit that has demonstrated high recovery levels through a standard nickel floatation concentrator.

The total current Mineral Resource is located at two positions approximately 10kms apart and includes the existing brownfields mine at Mt Windarra and a new discovery at Cerberus.

Poseidon has completed its Definitive Feasibility Study (DFS) and is targeting initial concentrate production in 2014. The concentrator plant to be constructed at Mt Windarra is expected to have a minimum throughput capacity of 700,000 tonnes of ore per annum.