



Nickel Australia Limited

ABN 46 106 346 918

24 August 2006

The Manager
Companies Announcement Office
Australian Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir

RE: COMPLETION OF SHARE PLACEMENT

The Board of Nickel Australia Limited (ASX: **NKL**) is pleased to announce that a placement of 12,750,000 ordinary shares at an issue price of 10 cents per share to raise \$1,275,000 (before expenses of the issue) has been completed. These additional funds will be used to continue the Company's intensive exploration program in Mexico.

Following completion of the placement, Nickel Australia will have 97,750,004 ordinary shares on issue and cash of approximately \$3.8 million.

The Company has recently commenced a program of diamond core and Reverse Circulation drilling on four of its most prospective projects in Mexico. These projects are Cardeleña (gold-silver), Jagüey (silver-lead-zinc massive sulphides), and Pozo de Nacho and Potreritos (porphyry copper-gold-molybdenum). Drilling of these projects is expected to be in progress for approximately three months.

The Placement Issue shares were issued to professional and sophisticated investors who are clients of Patersons Securities Limited acting as the Lead Manager.

Yours faithfully,

Tony Rovira
Managing Director