Building the World's First Commerical Nickel Laterite Heap Leach Operation

European Nickel PLC

Proactive Investor Presentation

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EUROPEAN NICKEL OVERVIEW

Emerging mid-tier nickel producer offering:

- ✓ Proprietary, low cost, proven technology
- ✓ Large attributable resource base of ≈2.Mt (JORC +1Mt)
- ✓ Near term financed nickel production of 20,000tpa
- ✓ Strategic alliance with Chinese partners = long-term opportunities
- ✓ Identified pipeline of growth projects
- ✓ Geographic diversification: Turkey, Philippines & Albania
- ✓ Production target 50,000tpa within 5 years
- ✓ Solid management and heavy hitting Board

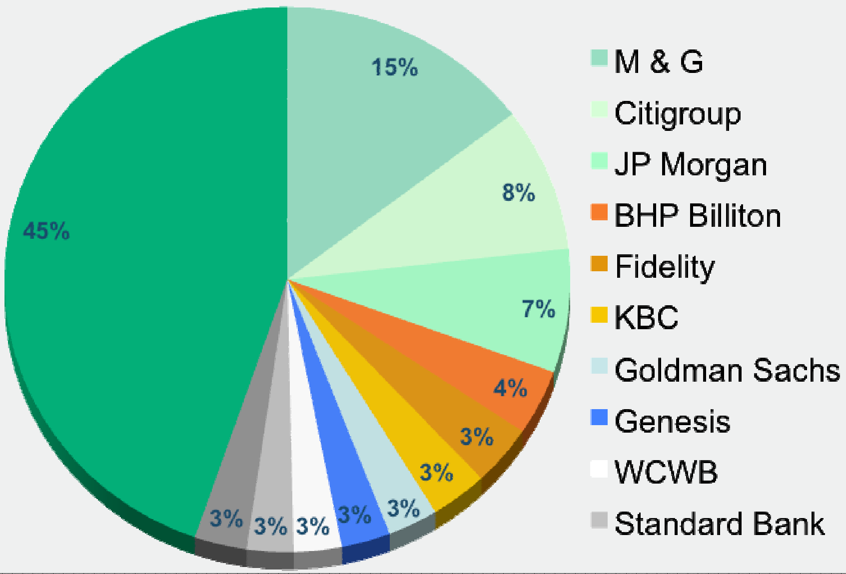
We produce an intermediary mixed hydroxide product (MHP)

European Nickel PLC

COMPANY INFORMATION

- Listed on AIM and PLUS: ENK
- £115m raised since listing in 2004
- 385m shares in issue, 393m shares, fully diluted
- 6-month price range:17p – 2p

Significant Shareholders



A Strong Board

David Whitehead, Chairman (ex BHP Billiton)

Simon Purkiss, MD (ex Impala Platinum, BHP Billiton)

Andrew Lindsay, FD (ex Anglo American)

Chris Pointon, NED (ex BHP Billiton)

Euan Worthington, NED (ex City of London)

Sir David Logan, NED (former British Ambassador to Turkey)

Paul Lush, NED (ex Rio Tinto & BHP Billiton)

Analyst Coverage

Nick Chalmers, Canaccord Adams (House Broker & NOMAD)

Des Kilalea, RBC Capital Markets

Marc Elliott, Fairfax

Brock Salier, Ambrian

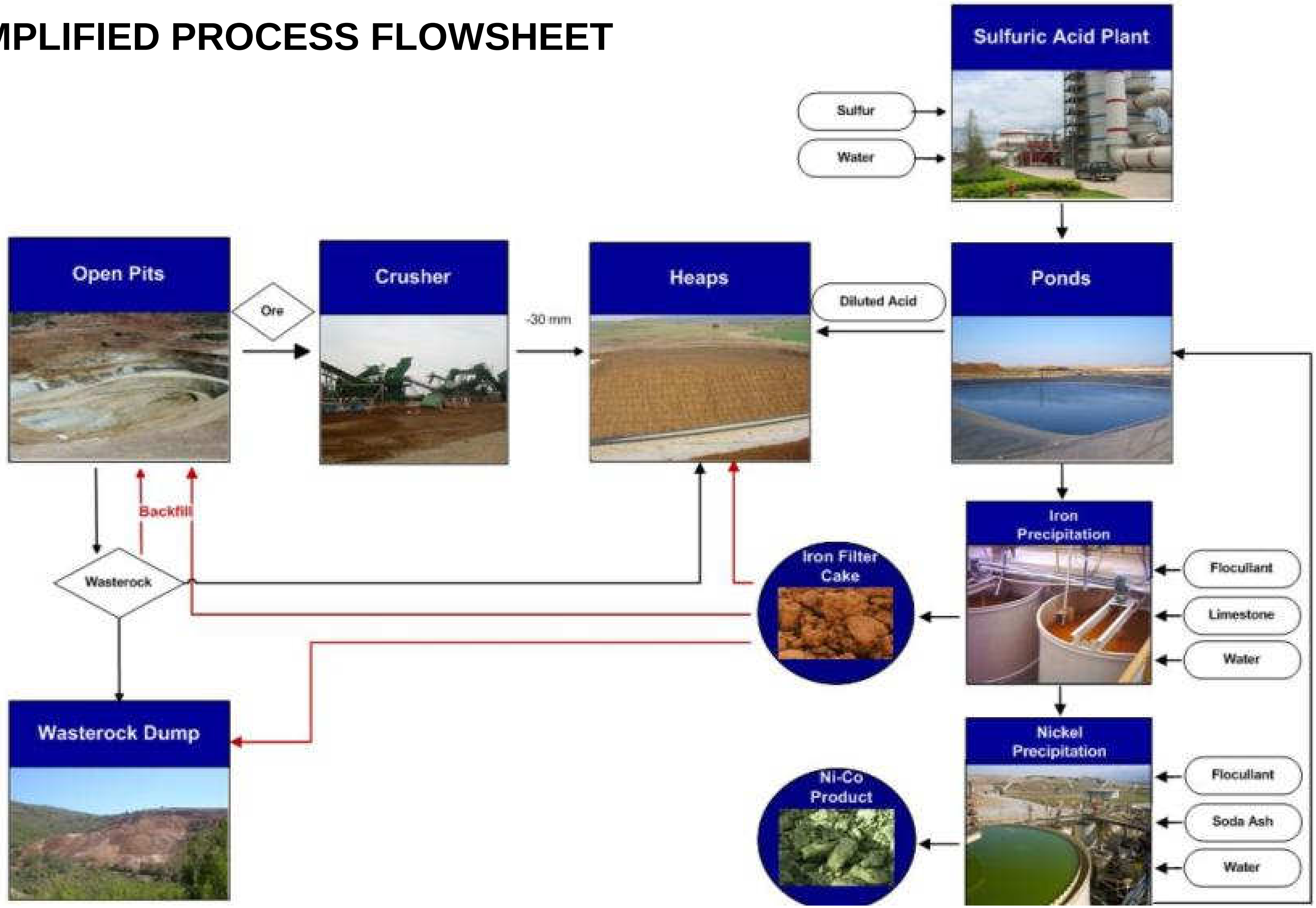
Chris Rollanson, BMO (initiation shortly)

* Based on latest information available to the company

EUROPEAN NICKEL'S USP – SIMPLE, LOW COST HEAP LEACHING

- Heap leaching technology commercialised by European Nickel
- Low cost production
- Continuous testing over 3 year period at Çaldağ
  - Full height trial heaps
  - Demonstrate permeability and recovery
- Heap recovery 75%
- Precipitation plant
  - Generates plant design data
  - Mixed hydroxide product is bagged and shipped
- Partnering with BHP Billiton
  - Joint technology development
  - "Take or pay" off-take agreement for Çaldağ

ÇALDAĞ SIMPLIFIED PROCESS FLOWSHEET



OUR COMPETITIVE EDGE OVER OTHER LATERITE TECHNOLOGIES

Atmospheric acid heap leach

- ✓ Low cost so viable for 'smaller' deposits
- ✓ Capex per annual lb Ni $6/lb
- ✓ Simple process = straightforward engineering
- ✓ No army of specialists or expensive skills required
- ✓ Proprietary = 1st mover advantage
- ✓ Applicable to 'wet' and 'dry' clay laterites
- ✓ Produces intermediate product – oversupply of global smelting capacity
- ✓ Generates own power
- ✓ Low carbon footprint

Conventional Technologies

- High capex demands large deposits
- Ferronickel = high energy consumption
- HPAL = engineering complexity & high energy consumption
- Expensive personnel & contractors
- All big projects facing cost pressure & execution delays
- Avg. capex per annual lb Ni $20 - 30/lb & rising

GEOGRAPHIC DIVERSIFICATION

OUR FLAGSHIP PROJECT – ÇALDAĞ

- ✓ Forestry permit approved
- ✓ Ready for construction
  - – Major mine infrastructure projects complete
  - – Construction permit granted
  - – Engineering design work 80% complete
  - – US$70m spent & long lead items purchased
  - – EIA granted
  - – LOM off-take agreement with BHP Billiton & JXTC
- ✓ Financing agreement in place with TCC & JXTC
- US$16m sustainable development programme over 3 years agreed with local Govt.
- Targeting start of construction in 2H 2009

Open pit, low cost, heap leach operation

JORC Proven Reserve: 33.2Mt @1.13% Ni = 375,000t

Production 20,400tpa Ni & 1,000 Co in MHP

14 year Life of Mine

Total Ni Production 257,000t

OUR SUSTAINABLE DEVELOPMENT INVESTMENT PROGRAMME

- Social “licence to operate”
  - imperative to success of the project
  - improves broader sustainable development in the local community
- In partnership with the local government
- US$16m investment over 3 years (included in total project capital cost)
  - Planting of city forest by rehabilitating river bank area
  - Building local educational and cultural facilities
  - Construction of a waste water treatment plant
- Programme begins on receipt of project finance

Our corporate sustainability report is available online

OUR CHINESE PARTNERS

Jiangxi Rare Earth & Rare Metals Tungsten Group Corp ("JXTC")
Large state-owned industrial enterprise based in the Jiangxi province

Focus is rare earth & rare metals, with vertical integration from mining, metallurgy, processing, sales to equipment manufacturing

This is JXTC's first investment into an international mining project

In 2007, revenues were RMB4.4 billion (US$640 million), Group's total assets are worth ≈ RMB8.6 billion (US$1.3 billion) with a net asset value of RMB3.8 billion (US$558 million)

Building world's first dedicated MHP nickel refinery, due to come on stream in 2010

2009 is the Year of the Ox

Symbolises prosperity through fortitude and hard work

China Tianchen Engineering Corporation ("TCC")
Engineering design, EPC and other engineering services company based in Tianjin, China
1 of top 225 Global International Contractors (American publication Engineering News Records)
Currently undertaking 22 projects outside of China
International clients include ExxonMobil, Shell, Dow, DuPont, GE, Procter & Gamble, Mitsubishi Heavy Industries

FINANCING FRAMEWORK AGREEMENT SIGNED

- ✓ Financing agreement in place with TCC & JXTC
  - TCC to arrange credit guarantee insurance for +/-$350m
  - Debt financing from predominantly Chinese banks
  - JXTC to acquire 20% of Çaldağ for US$20m
  - JXTC to off-take 50% Çaldağ nickel production at market related prices (verbal agreement with BHP Billiton)
  - TCC will be the EPC contractor
  - TCC will get 2% interest in Çaldağ project
  - Çaldağ ownership: ENK:78%, JXTC:20%, TCC:2%
- ✓ Positive impact
  - Mitigates shareholder dilution
  - Strategic alliance with long-term potential
  - China less credit constrained than Western markets
- Expect to conclude financing in 2009

Jiangxi Rare Earth & Rare Metals Tungsten Group Corp ("JXTC")

China Tianchen Engineering Corporation ("TCC")

Signing ceremony in China with JXTC, TCC and ENK

UPDATED PROJECT ECONOMICS

	2006	2009
Production (tpa)	20,400 Ni in conc.	
Construction cost (US$m)	238*	277
Long-term Ni price (US$/lb)	4.25	6.00
Capital intensity cost (US$/lb)	5.57	6.12
Annual cash operating cost (US$m)	70	103
Unit cost to Ni in concentrate ($/lb)	1.41	1.99
NPV (US$m at 10% discount)	180	207
Project IRR (%)	23.4	20.5
Total project capital cost (US$m)	300	428
Equity/Debt (US$m)	120/180	78/350
Payback (years)	5.0	5.5
Free annual cashflow (US$m)	46	51

Construction Cost ↑US$39m

$21m - processing plant, escalation & forex
$10m - acid plant cost escalation & forex
$5m - earthworks & engineering optimisation
$3m - IFC storage plan change

Cash Operating Costs ↑US$33m

$25m increase in processing costs
- $5m sulphur
- $9m soda ash
- $8m IFC transport

$6m increase in mining costs

Total Project Capital Cost ↑US$128m

$36m - decrease in Ni production resulting from schedule changes & increase in operating costs
$33m - increase in finance fees & interest
$7m - sustainable development projects during max exposure period
$6m - mine environmental management during start-up
$4m - increase in acid costs ($125/t)

9 year period of full production
** Previously US$254m in 18 April 2006 update included pre-operating expenditure which is now included in working capital*

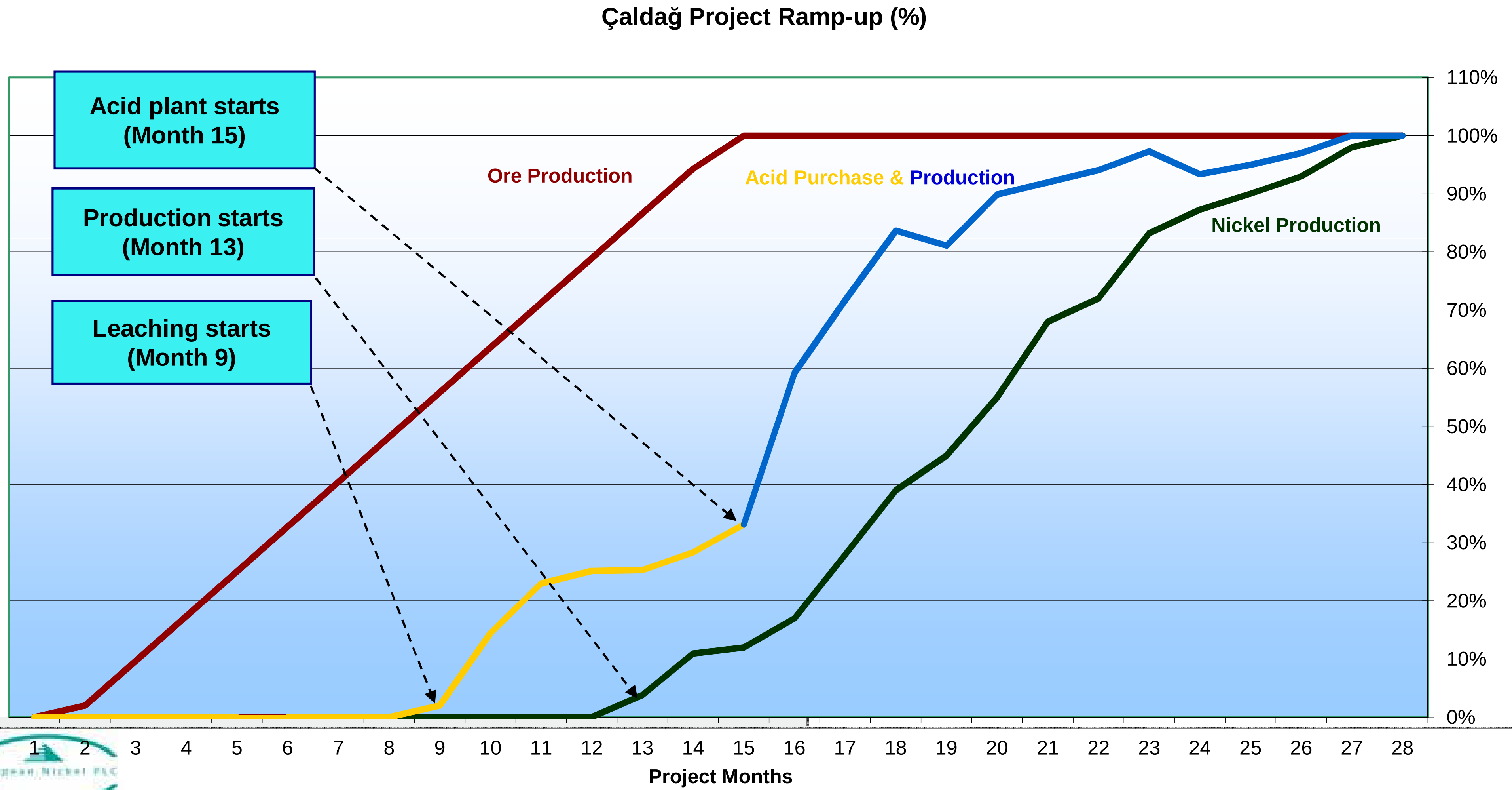
PROJECT FINANCING

	US$m
Project finance	350
Equity	
– Already spent	70
– From JXTC equity injection*	8
	428

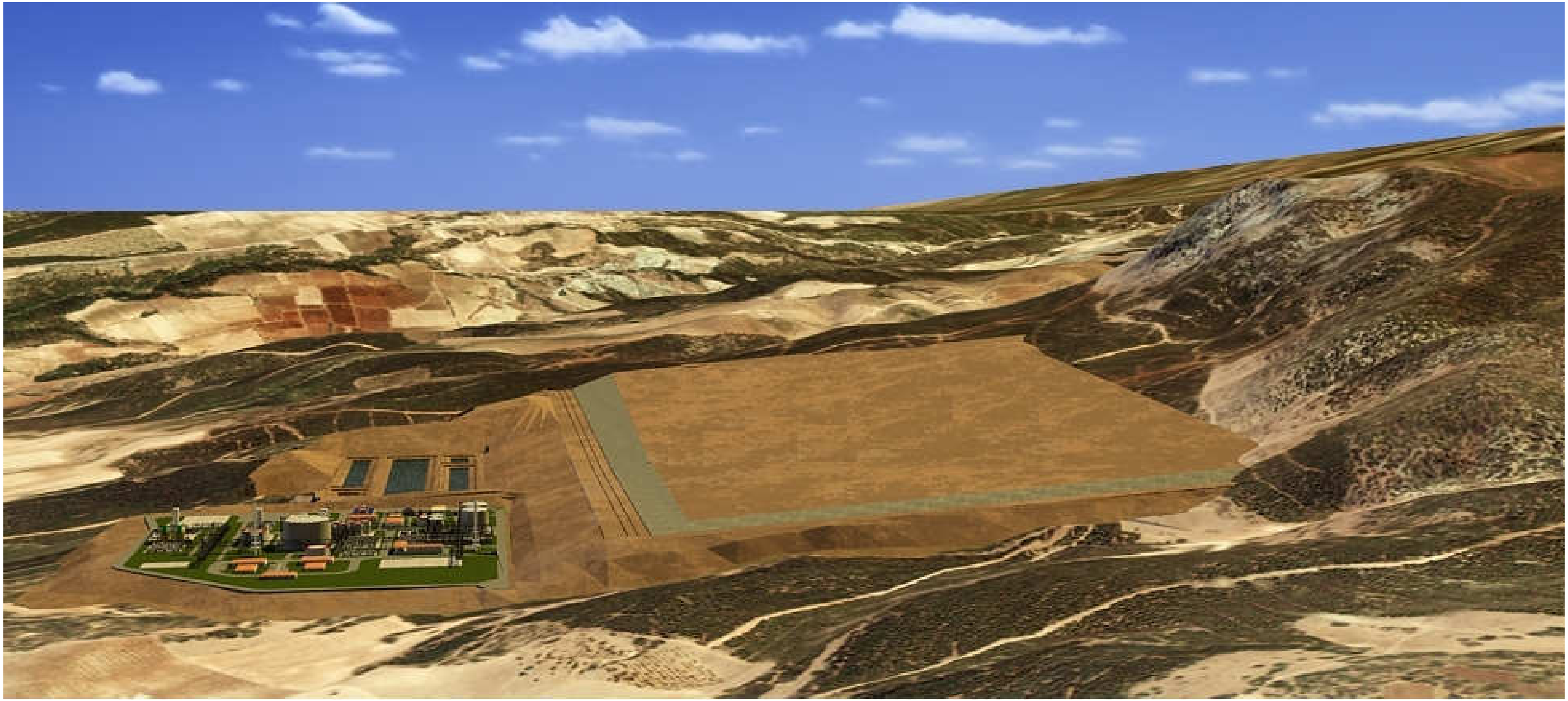
Conditions precedent to JXTC equity:

1. Approval of the forestry permit - ✔
2. BHP Billiton formal approval to release 50% of off-take
3. Jiangxi Provincial Govt. approval for foreign equity investment

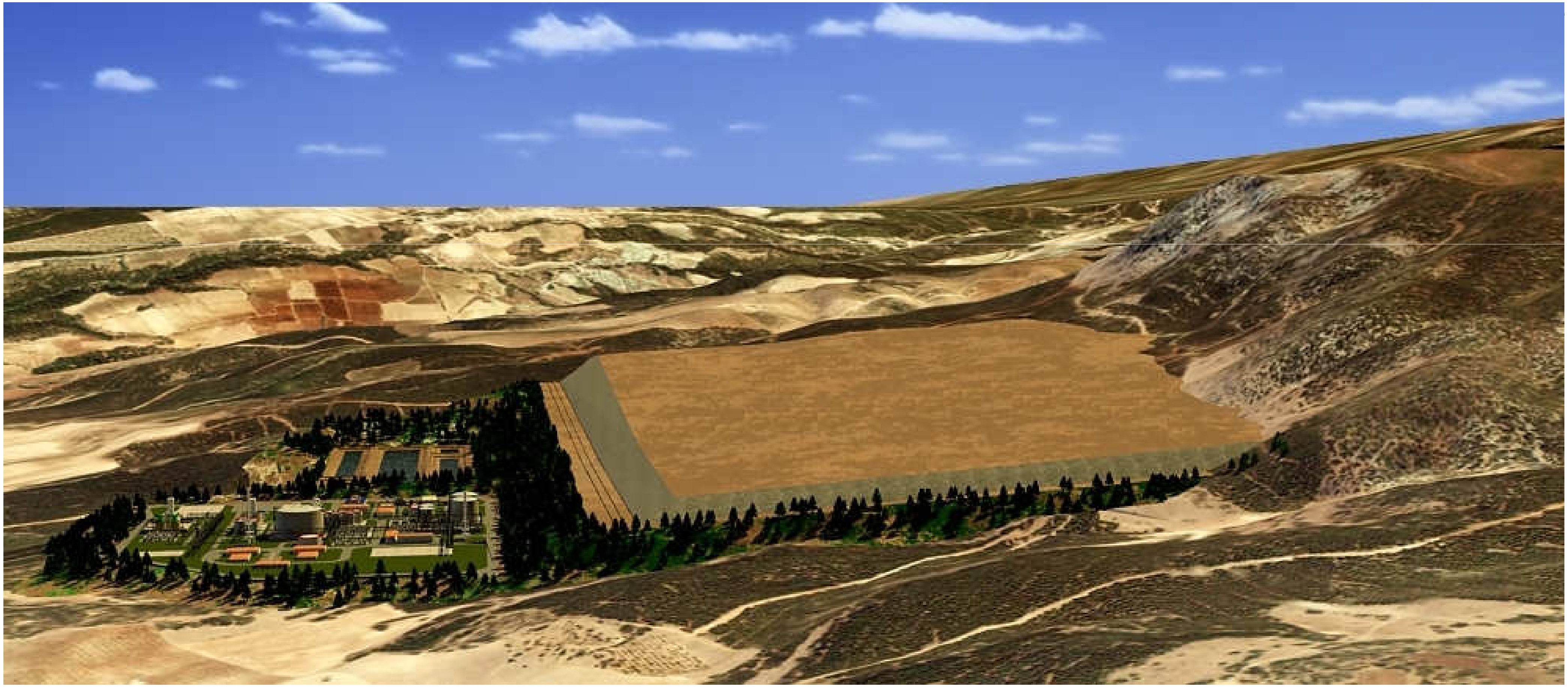
ÇALDAĞ PROJECT TIMELINE AFTER FINANCING



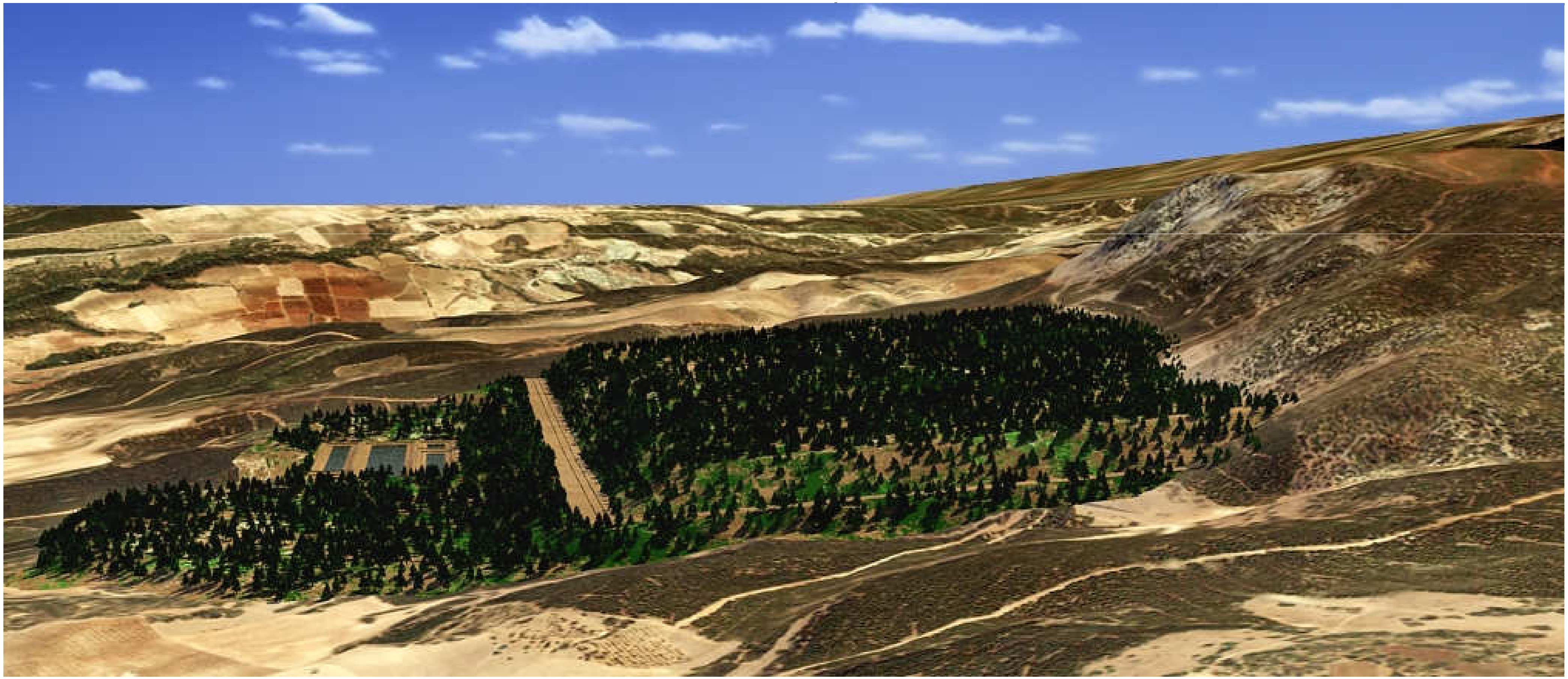
OUR REHABILITATION – YEAR 1



OUR REHABILITATION – DURING OPERATION



OUR REHABILITATION – LAST YEAR



THE PHILIPPINES - ACOJE & ZAMBALES DEPOSITS

- JV with Rusina Mining
- Acoje is the next "cab off the rank"
- **Highlights from the Acoje Pre-Feasibility Study**
  - Production of 24,500tpa Ni & 930tpa Co
  - Cash cost of US$3.10/lb of nickel, net of by-products
  - Total development cost US$498 million
  - Capital cost per annual pound of nickel of US$7.84
  - Post-tax NPV US$375 million (at a 10% discount rate, US$6/lb Ni price, US$10/lb Co price)
  - IRR 28.3%
  - 3 year payback period
  - Further upside from converting additional Acoje & Zambales Chromite resources to JORC
- Heap leach trials at site to start in May 2009
- Permiting for commercial development underway

JV with Rusina (AIM: RMLA, ASX:RML)
Current interest 10%, 40% earn-in right
ENK will fund first US$10m of Feasibility Study
Then ENK 40%, Rusina 40%, Local Partner 20%

THE PHILIPPINES – BERONG & IPILAN

- 19.3% strategic stake in Toledo Mining (AIM:TMC)
- Berong & Ipilan will fuel long-term growth & production increase
- Berong is one of the world's largest deposits
  - pre-JORC resource: 275Mt @1.3% Ni (3.6 Mt Ni)
  - ENK direct 18.7% interest
  - Direct ore shipping contract with BHP Billiton (depending on Ni price)
- **Positive Heap Leach Concept Study at Berong**:
  - Capital cost per annual pound of nickel of US$7.62
  - Production of 25,000tpa Ni @ cash cost of $2.99/lb (incl. by-product credits)
  - LOM +33 years
  - Capital cost $420 million, incl. port & infrastructure upgrades
  - Project NPV $625 million & ungeared IRR of 25%

European Nickel has a 19.3% stake in Toledo Mining and an 18.7% direct interest in Berong

Toledo Mining's Deposits in the Philippines

ALBANIAN JV WITH BALKAN RESOURCES

- 50:50 JV with Balkan Resources
- Balkan contributes Koko deposit & completes PFS
- Devolli JORC resource 427,000t Ni (35.6Mt at 1.20% Ni)
- Koko historic resource estimate of ≈30Mt at 1.2% Ni
- PFS estimated to cost US$5-7 million
- Ni production potential 15,000-20,000tpa
- PFS expected to be completed by end 2009

IDENTIFIED PIPELINE OF GROWTH TOWARDS 80,000TPA NICKEL PRODUCTION

Devolli
PFS 2010
BFS 2011
1st Production 2013

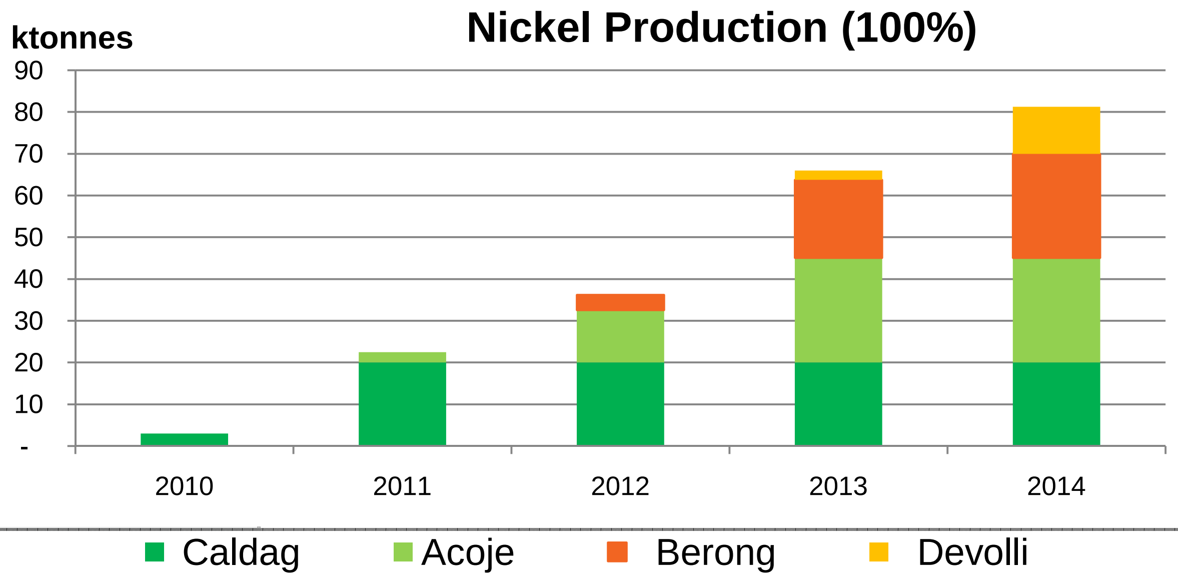
Berong
PFS 2010
Pilot Plant 2010
1st Production 2012

Acoje
Heap leach site trials 2009
BFS completion 2010
1st Production 2H 2011

Çaldağ
Construction 2H 2009
1st Production 2H 2010

		Project NPV	EN - Attributable NPV
Caldag*	78.0%	227	177
Acoje	40.0%	375	150
Berong	29.5%	664	196
Devolli**	100.0%	100	100
	TOTAL	**1,366**	**623**

* Caldag NPV includes the $20m for 20% of project
** In 50/50 JV now which doubles the projects size



POSITIVE OUTLOOK AND FUNDAMENTALS FOR NICKEL

- Current financial turmoil is setting the stage for a price recovery
  - Marginal cost producers shut down
  - ≈150,000 tonnes of Ni supply cut
  - Consensus is positive for 2010 onwards, coinciding with 1st production from Çaldağ
- BRIC economies still need to urbanise & modernise
- JXTC building new refinery – sign of positive Ni outlook
- Best Insurance: good deposits & cost effective technology
  - Conventional entry point is high cost
  - Project approval to production at least 5 years
  - Development costs continue to be high & funding tight
- Survivors will need to have low capex & opex to weather the lows and take full advantage of the highs

INVESTMENT CASE

- ✓ Low cost technology offers competitive edge
- ✓ Near term financed nickel production
- ✓ Identified pipeline of projects & growing resource
- ✓ Strategic alliance with Chinese partners = long-term opportunities
- ✓ Geographic diversification: Turkey, Philippines & Albania
- ✓ Solid fundamentals for nickel post-2009 times well with 1st production from Çaldağ