

Çaldağ Project Financing Mandate Signed

26 May 2010 – London: Further to the announcement on 17 May 2010, European Nickel PLC (“European Nickel” or the “Company”) (AIM, PLUS: ENK) is pleased to announce it has appointed Société Générale and UniCredit Bank AG (“UniCredit”) as the Initial Mandated Lead Arrangers (“IMLAs”) for the funding of the Çaldağ nickel laterite project in Turkey.

Société Générale and UniCredit have signed a joint mandate letter and provided an indicative term sheet to arrange a US\$300 million term loan facility and US\$25 million over-run facility for the development of Çaldağ on a best effort basis. The IMLAs intend to commit US\$50 million each subject to, *inter alia*, due diligence, internal credit approvals and related documentation.

The Company, the IMLAs and their advisors have already started work to refresh the previously drafted documentation and finalise any outstanding issues. In due course, it is anticipated that a number of other financial institutions will join the IMLAs and form a club of banks to complete the financing. Société Générale was part of the original group of banks involved with the arranging of the debt financing of Çaldağ in 2006/2007.

Simon Purkiss, Managing Director, said “I am delighted that Société Générale and UniCredit have agreed to be initial Mandated Lead Arrangers. We look forward to working with them and towards closing the project financing of Çaldağ by the end of this year.

Along with our advisers, Endeavour Financial Corporation, we will continue to fast track the securing of the project financing during the second half of 2010.”

European Nickel will provide a further update on the financing process and timeframe once the bank club has been completed.

The merger with Rusina Mining NL (“Rusina”) is proceeding according to the schedule announced on 23 April 2010 with the Rusina shareholders’ meeting to approve the merger being held on 2 June 2010 and the merger is expected to become effective on 10 June. The second tranche of the placing, raising approximately £6.7 million (US\$9.6 million), is expected to be completed on 16 June.

European Nickel also announces that the Company’s Nominated Adviser and Joint Broker has undertaken a change of name from Canaccord Adams Limited to Canaccord Genuity Limited following the acquisition by its parent company, Canaccord Financial Inc., of Genuity Capital Markets, a leading independent advisory and restructuring firm in Canada.

For more information, please visit www.enickel.co.uk or contact:

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Note to editors:

European Nickel (AIM, PLUS: ENK) is an emerging mid-tier nickel laterite producer focused on growth. The Çaldağ project in Turkey is the Company's flagship asset with near-term production and will be the world's first commercial scale nickel laterite heap leach operation. The Company is currently in the process of merging with Rusina Mining, which will increase its nickel laterite resource base and increase its ownership of the Acoje project in the Philippines to 92%. Acoje is the Company's next heap leach development project.

Société Générale ("SG") is one of Europe's largest banking groups, with over 163,000 employees and 30 million clients in 82 countries. SG is a leader in the mining finance sector with specialised mining finance teams located in London, New York and Toronto. SG has a track record of arranging major international mining finance transactions, across a wide range of client profiles and has demonstrated its long term commitment to the mining sector. With a strong international track record, SG's recognised in-house technical expertise and risk management platforms allow it to provide its clients with a broad spectrum of financing and risk management solutions.

UniCredit has been an active mining finance house for over 20 years catering to the needs of its diverse and broad client base. Its deep rooted industry and sector knowledge, coupled with its expertise in complementary banking and risk management services, makes UniCredit a strong partner in financing the mining and metals industries. UniCredit is a major international financial institution with strong roots in 22 European countries as well as representative offices in 27 other markets, with approximately 10,000 branches and 160,000 employees.