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HILLGROVE FULL YEAR PROFIT OF \$11.1 MILLION FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2009

Hillgrove Delivers Sound Financial Performance in Lead Up to Potential Development of Kanmantoo Copper/Gold Mine

- Net profit after tax of \$11.1 million (2008: -\$4.9M)
- Revenue and other income of \$46.8 million (2008: \$0.6M)
- Investment in coal seam gas independent, Eastern Star Gas Limited, performs strongly
- Advanced West Papuan gold exploration initiative underway in prospective New Guinea orogenic belt
- Kanmantoo copper-gold mine moves closer to licensing and development

Sydney, 21 April 2009: Hillgrove Resources Limited (ASX: HGO) today announced a profit after tax of \$11.1 million for the financial year ended 31 January 2009.

The profit increase reported by Hillgrove for the period is the Company's second profit in three years, and an exceptional outcome for an exploration and development company, with exploration and development expenditure for the reporting period totalling \$10.8 million.

The strong financial result reflects the increased value of Hillgrove's shareholding in Eastern Star Gas Limited (ASX: ESG) over the last year.

In addition to the increases in revenue and profit, the net assets of the company have increased by 52.5% to \$84.2 million.

The Chairman of Hillgrove, The Hon. Dean Brown said today "As a result of the Company's operations and financial performance, Hillgrove is very well positioned to implement its corporate strategy to create a medium size resources company".

Profit Results for the Year Ended	31 January 2009	31 January 2008	31 January 2007
	\$M	\$M	\$M
Revenue and other income	46.8	0.6	0.3
Profit/(loss) after tax	11.1	(4.9)	10.8
Earnings per share – diluted (cents)	3.4	(2.0)	4.9

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The full year result includes the following significant items:

- Gain on the Eastern Star Gas shareholding of \$45.0 million.
- Unrealised net foreign exchange loss of \$13.2 million. Convertible bonds issued during the year with a 30 June 2011 maturity are denominated in US Dollars.
- Write off of goodwill on acquisition of shares in InterMet Resources of \$5.2 million.

The most significant change in the reporting was the accounting treatment for the ESG shareholding now being reported on the basis of fair value. The effect of the change is to report the investment as a financial asset with a value at reporting date of approximately \$77.3 million, with the gain being reported in the income statement.

Offsetting the gain on the ESG investment is an unrealised foreign exchange loss on the US denominated convertible bonds at the prevailing exchange rate on 31 January 2009 of A\$0.65 to the US dollar.

The Company has taken a conservative approach to its investment in InterMet Resources Limited (ASX: ITT) and has written off the goodwill upon acquisition.

Mr Archer, the Managing Director of Hillgrove, said today “We have an excellent portfolio of opportunities with a significant stake in one of Australia’s leading independent coal seam gas companies, exciting gold projects in Indonesia and potential near term copper production from Kanmantoo”.

“Hillgrove is set to undertake on-ground exploration of two recently granted Indonesian tenements with particular focus on its Bird’s Head project in West Papua, where the Company hopes to discover a world class ore body”.

“Our near term objective for Kanmantoo is to team with a well credentialed joint venture partner to assist the development, subject to financing and licensing, of Kanmantoo. Kanmantoo is very well positioned to be in production at the front end of the next major metals price rally and has thus met with a great deal of investor interest”.

About Hillgrove

Hillgrove is an Australian resources company listed on the Australian Securities Exchange (ASX: HGO) focused on developing its Indonesian, South Australian and Queensland base and precious metals projects. The Company’s portfolio includes an advanced exploration portfolio of 5,128km² in world class copper and gold terrains in eastern Indonesia targeting porphyry copper-gold and epithermal deposits.

Hillgrove’s has a strategic, fully diluted, direct 20.6% shareholding in the leading New South Wales coal seam gas company, Eastern Star Gas Limited (ASX: ESG).

Hillgrove’s most advanced project is the Kanmantoo Copper Gold Project, located less than 60km from Adelaide. Kanmantoo currently hosts a Mineral Resource of 32.2Mt (2.3Mt Measured, 22.5Mt Indicated and 7.4Mt Inferred) grading 0.9% copper and 0.20g/t gold, containing 292,200 tonnes copper, 191,100 ounces gold and 3,313,600 ounces of silver. With production targeted for 2010, Kanmantoo will be a 2Mt p.a. open-cut mine producing approximately 17,000 tonnes of copper in concentrate and 8,000 ounces of gold per annum.

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