

HILLGROVE

RESOURCES

Monday, 11 May 2009

HILLGROVE TO RAISE \$4.05M FROM SHARE PLACEMENT

Hillgrove Resources Limited (ASX:HGO) is pleased to announce that it has agreed to place 27 million fully paid ordinary shares at 15 cents per share to a number of sophisticated investors from the Copulos Group.

The funds raised from the placement will be used to:

1. Meet the ongoing costs of gold and copper exploration programmes in Indonesia;
2. Fund activities associated with the Kanmantoo Project near Adelaide, South Australia, including the acquisition of long lead time items and costs associated with licensing and statutory approvals and
3. Meet the Company's corporate costs and general working capital needs.

The Managing Director of Hillgrove, Mr David Archer, said "We are delighted to welcome the Copulos Group as a substantial shareholder of Hillgrove. This raising will help with our plans to launch a major exploration initiative at the advanced Alpha and Delta prospects at our Bird's Head Project".

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 20.8% 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. Subject to licensing and financing, production is targeted for late 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 p.a.

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The information in this report that relates to Exploration Results is based on information compiled by Mr. Adam Freeman, who is a Member of The Australasian Institute of Geoscientists. Mr. Freeman is an Exploration Manager for Hillgrove Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Freeman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For more information contact:

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