

HILLGROVE RESOURCES

Wednesday, 30 July 2008

HILLGROVE RESOURCES TAKES CONTROLLING INTEREST IN INTERMET RESOURCES

Offer extended to Wednesday 13 August

Hillgrove Resources Limited (ASX: HGO) is pleased to announce it has received acceptances in excess of 50% in its takeover offer of InterMet Resources Limited (ASX: ITT).

As Hillgrove has now secured a controlling interest in InterMet, it must extend its offer by 14 days. The offer, which is totally unconditional and final, will now close at 5pm (EST) on Wednesday 13 August 2008.

Hillgrove advises that it cannot extend beyond the new closing date and the offer remains four Hillgrove shares for every five InterMet shares.

About Hillgrove

Hillgrove is an Australian resources company listed on the Australian Securities Exchange (ASX: HGO) focused on developing its South Australian base and precious metals projects. The Company has an exploration portfolio of over 970km² within the Kanmantoo Trough and the Gawler Craton which are recognised as being amongst Australia's most prospective regions for copper and gold.

Hillgrove's key asset is the Kanmantoo Copper Gold Project, located less than 60kms from Adelaide. Kanmantoo currently hosts a Mineral Resource of 31.8Mt (21.4MT Indicated and 10.4MT Inferred) grading 0.9% copper and 0.20g/t gold, containing 290,700 tonnes of copper, 189,300 ounces of gold and 3,218,400 ounces of silver. With production targeted for the second half of 2009, Kanmantoo will be a 2Mtpa open-cut mine producing approximately 17,000t of copper in concentrate and 8,000 ounces of gold per annum.

Hillgrove also holds a portfolio of strategic positions in emerging energy and resources companies. These include a fully diluted direct 22.6% shareholding in coal seam gas company Eastern Star Gas Limited (ASX:ESG) and a direct 51.64% shareholding in Queensland and South Australian-focussed minerals explorer InterMet Resources Limited (ASX:ITT).

The information in this report that relates to Exploration Results is based on information compiled by Mr Dale Ferguson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ferguson is the Director – Exploration and Operations of 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 Ferguson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Hillgrove Resources Limited
ACN 004 297 116

Level 41 Australia Square Tower, 264 George Street, Sydney NSW 2000

Tel: 02 8221 0404 Fax: 02 8221 0407

www.hillgroveresources.com.au

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The Mineral Resource estimate is based on information compiled by Mr Paul Payne, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is the Principal of Resource Evaluations Pty Ltd 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 Payne 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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General Manager - Business Development
Hillgrove Resources Limited
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HILLGROVE RESOURCES

30 July 2008

The Manager
Company Announcements Office
ASX Limited
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**Takeover bid by Hillgrove Resources Limited ABN 73 004 297 116
to acquire all or any lesser number of ordinary shares in
InterMet Resources Limited ABN 66 112 291 960**

EXTENSION OF OFFER PERIOD

In relation to the off-market takeover bid by InterMet Resources Limited ("Hillgrove") for InterMet Resources Limited ("InterMet"), please find attached:

- Notice extending the Offer Period in accordance with Section 624(2)(b) of the Corporations Act 2001; and
- Letter to InterMet shareholders from Hillgrove.

Yours faithfully
Hillgrove Resources Limited



Russell Middleton
Chief Financial Officer and Company Secretary

Hillgrove Resources Limited

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**NOTICE OF EXTENSION OF OFFER UNDER AN OFF-MARKET TAKEOVER BID
FOR INTERMET RESOURCES LIMITED ("INTERMET") UNDER
SECTIONS 624(2)(b) AND 630(2) AND (3)
OF THE CORPORATIONS ACT 2001**

Hillgrove Resources Limited ABN 73 004 297 116 ("**Hillgrove**") hereby gives notice under section 624(2)(b) of the Corporations Act 2001 (Cth) ("**Act**") in relation to the takeover offer dated 25 June 2008 for all of the issued shares in InterMet Resources Limited ABN 66 112 291 960 ("**Offer**"), set out in its bidder's statement dated 25 June 2008 ("**Bidder's Statement**"), as supplemented by:

- the First Supplementary Bidder's Statement dated and lodged with Australian Securities & Investments Commission ("**ASIC**") on 25 June 2008;
- the Second Supplementary Bidder's Statement dated and lodged with ASIC on 2 July 2008; and
- the Third Supplementary Bidder's Statement dated and lodged with ASIC on 11 July 2008.

that:

1. by operation of section 624(2)(b) of the Act, the Offer is now scheduled to close at 5.00pm on Wednesday 13 August 2008;
2. as indicated in a Notice of Status of Conditions dated and disclosed to the Australian Securities Exchange on 21 July, 2008:
 - (a) the Offer is free of the conditions set out in section 8.11(a) of the Bidder's Statement ("**Conditions**"); and
 - (b) so far as Hillgrove knows, each of the Conditions have been fulfilled on the date of this notice; and
3. Hillgrove has 51.64% voting power in InterMet.

This notice is dated 30 July 2008.

Yours faithfully



Russell Middleton
Chief Financial Officer and Company Secretary

* the requirement to give a further Notice of Status of Conditions, in addition to the First Status Notice, is only a formality arising due to the mandatory extension of the Offer Period under Section 624(2)(b) and is not intended to suggest that the Offer currently remains subject to any of the Conditions.

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