HILLGROVE
RESOURCES

Monday, 6 March 2006

Institutional Placement

Hillgrove Resources Limited (ASX: HGO) is pleased to announce that it has made a further $1.5 million placement to a London based institution. This placement follows the announcement last Friday of a $1.5 million placement to the Anglo Pacific Group plc.

The placement of 7,500,000 shares is being made at $0.20 cents per share and will carry a one for two $0.30 option expiring 31 January 2009. The issue is subject to the approval of shareholders at a General Meeting proposed to be held on or about 7 April 2006.

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 General Manager – Exploration and Operations of Hillgrove Resources and has sufficient 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'.

About Hillgrove

Hillgrove is an Australian resources company listed on the Australian Stock Exchange which focuses on identifying resources opportunities that can either be brought into production readily or those where there is a clearly defined value adding route within a clearly understood risk environment. Commodities that are of particular interest include copper, gold, garnet, silver, lead, zinc, uranium and natural gas.

Hillgrove is exploring a total of 974 km^2 in the Kanmantoo Trough and the Gawler Craton, two of the most prospective regions of South Australia for copper and gold. Hillgrove is evaluating the Kanmantoo Copper Mine, a potential mid-tier copper producer, where it has established an Indicated and Inferred Resource of 18.37 MT grading 1.1% copper and 0.2 g/t gold. Additionally, the copper/gold mineralisation is associated with what is thought to be a World Class resource of garnet which has application as an abrasive.

In October 2005 Hillgrove announced the conclusion of a strategic alliance with Sempra Metals, a subsidiary of Fortune 500 Company Sempra Energy, involving an $8 million equity and debt package to assist the development of Kanmantoo.

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The Company has a 32.5% interest in the Gunnedah Basin Gas Joint Venture's PEL 238 Coal Seam Gas Project in New South Wales. The Joint Venture currently has five wells in test production. With a P3 resource of 8.7 trillion cubic feet of gas, PEL 238 contains one of the largest onshore accumulations of natural gas in Australia.

For more information contact:

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