HILLGROVE
RESOURCES

Monday, 21 August 2006

Director Resignation

The Board of Hillgrove Resources Limited (ASX:HGO) advises that Pearce Bowman has resigned as a director of the company to take up a full time role as Managing Director of Queensland Energy Resources Limited in Brisbane.

David Archer, the Chairman of Hillgrove said today "Pearce has made a terrific contribution to Hillgrove as a non-executive director particularly in relation to the Kanmantoo Project. We are looking to make an announcement about a new board appointment shortly".

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 km² in the Kanmantoo Trough and the Gawler Craton, two of the most prospective regions of South Australia, for copper and gold. Additionally, Hillgrove has a 31% shareholding in InterMet Resources Limited (ASX:ITT) which has over 6,000 km² of ground in the Gawler Craton prospective for copper, gold, nickel and uranium.

Hillgrove is currently undertaking a pre-feasibility study of the Kanmantoo Copper Mine, a potential mid-tier copper producer, where it has established an Indicated and Inferred Resource of 25.375 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.

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 nine well production pilot currently being drilled. PEL 238 contains one of the largest onshore accumulations of natural gas in Australia totalling 17,000 PJ's (17 TCF) of gas-in-place within two thick coal seams.

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