



2 July 2008

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Letter to shareholders regarding takeover offer from Hillgrove Resources Limited

The attached letter was posted to shareholders of InterMet Resources Ltd on Tuesday 1 July 2008.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'G. Ferris', with a long horizontal stroke extending to the right.

Gary Ferris
Managing Director

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InterMet Resources Limited
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Tuesday 1 July 2008

Dear Shareholder

Hillgrove Resources Limited's offer – TAKE NO ACTION

You will shortly receive a Bidder's Statement from Hillgrove Resources Limited (**Hillgrove**) for an offer to acquire your shares in InterMet Resources Limited (**InterMet**). The InterMet board has formed an Independent Board Committee (**IBC**) to consider the offer in light of the potential conflict of interest that InterMet's chairman, Mr David Archer, has (Mr Archer is also the Managing Director of Hillgrove).

After its preliminary consideration of Hillgrove's offer, the IBC strongly recommends that you **TAKE NO ACTION** in relation to the offer until you receive and have considered InterMet's Target's Statement, which will be sent to shareholders very shortly. The Target Statement will include a more definitive 'accept' or 'reject' recommendation from the IBC, the reasons for that recommendation, and explain in detail any concerns that the IBC has with Hillgrove's offer.

The IBC has engaged KPMG Corporate Finance (Aust) Pty Ltd (**KPMG**) to prepare an Independent Expert's Report (**IER**), which will be attached to the Target's Statement. The KPMG IER will provide an opinion as to whether the Hillgrove offer is fair and reasonable. The Target's Statement will also contain the IBC's recommendation relating to Hillgrove's offer.

You will receive InterMet's Target's Statement shortly. As Hillgrove's offer is stated to be open for at least a month from the date of dispatch, you will have plenty of time after receiving InterMet's Target's Statement before you have to make a decision in relation to your InterMet shares. It is important that you **TAKE NO ACTION** until you have considered all of the information in InterMet's Target's Statement.

For further information regarding the offer by Hillgrove, please contact InterMet's corporate advisers, Adelaide Equity Partners, on (08) 8232 8800.

Yours faithfully

InterMet Resources Limited

A handwritten signature in blue ink, appearing to read 'GF', with a horizontal line extending to the right.

Gary Ferris
Managing Director

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