



### **Cautionary Statements and Important Information**

This presentation includes information extracted from Paringa's ASX announcements dated 24 March 2014 entitled 'Scoping Study Confirms Strong Fundamentals of the Buck Creek Project'. The Company advises that the information relating to the Scoping Study referred to in this presentation is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

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Although Paringa believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward looking statements include the potential that Paringa's projects may experience technical, geological, metallurgical and mechanical problems, changes in mineral product prices and other risks not anticipated by Paringa.

### **Competent Persons Statement**

The information in this presentation that relates to the Exploration Results, Coal Resources, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa's ASX announcements dated 24 March 2014 entitled 'Scoping Study Confirms Strong Fundamentals of the Buck Creek Project' and 4 November 2013 entitled 'Maiden Coal Resource of 154 Million Tons Defined in Illinois Coal Basin' which are available to view on the Company's website at [www.paringaresources.com.au](http://www.paringaresources.com.au).

The information in the original ASX announcements that related to Exploration Results and Coal Resources is based on information compiled or reviewed by Mr. Kirt W. Suehs, a Competent Person who is a Member of The American Institute of Professional Geologists. Mr. Suehs is employed by Cardno MM&A. Mr. Suehs has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as a Qualified Person as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining's Definition Standards on Mineral Reserves and Mineral Resources.

The information in the original ASX announcements that related to Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on information compiled or reviewed by Messrs. Justin S. Douthat, Gerard J. Enigk and George Oberlick, all of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration (SME). Messrs. Douthat, Enigk and Oberlick are employed by Cardno MM&A. Messrs. Douthat, Enigk and Oberlick have sufficient experience that is relevant to the type of mining, coal preparation and cost estimation under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as Qualified Persons as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining's Definition Standards on Mineral Reserves and Mineral Resources.

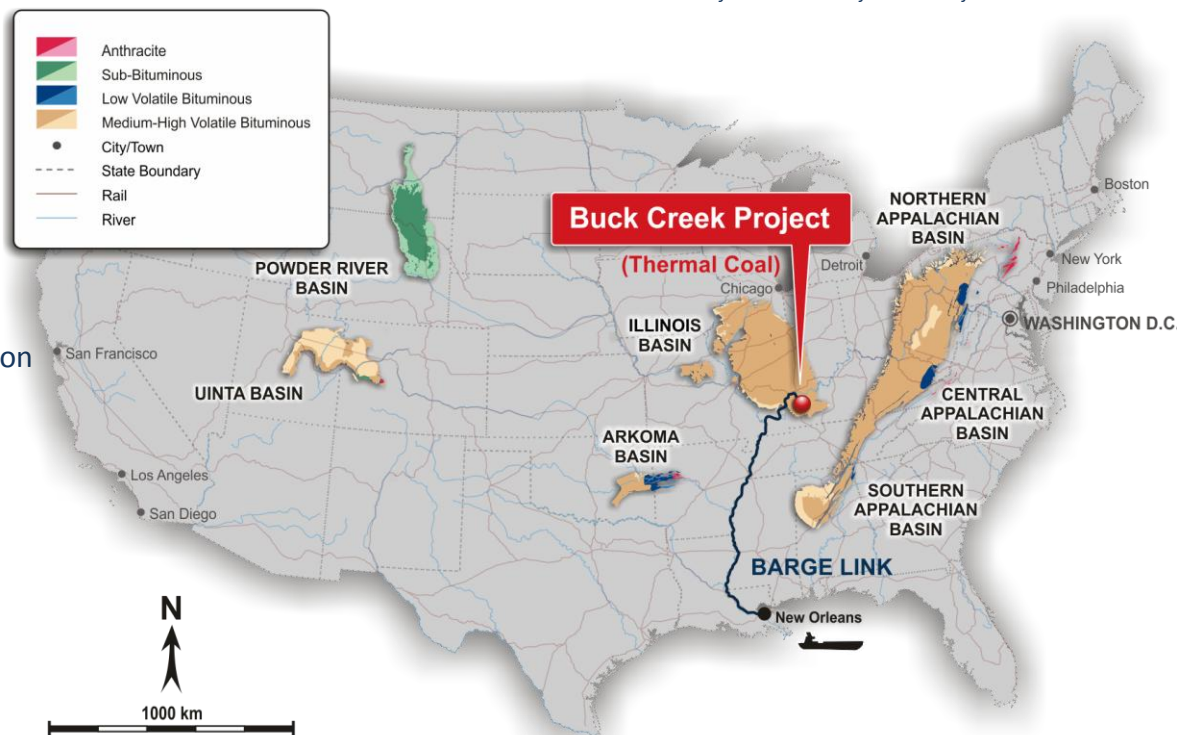
Paringa confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; b) all material assumptions and technical parameters underpinning the Coal Resource, Production Target, and related forecast financial information derived from the Production Target included in the original ASX announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this presentation have not been materially modified from the original ASX announcements.

*Paringa owns 100% of the high margin, low capex Buck Creek Project located in the growing Illinois Coal Basin in Western Kentucky, USA*

## Buck Creek Scoping Study Highlights:

- ✓ Low Opex<sup>1</sup>: US\$28.4 /ton
- ✓ High Margins<sup>2</sup>: US\$18.1 /ton
- ✓ Strong cashflows<sup>1</sup>: US\$88 million
- ✓ Low Capex<sup>3</sup>: US\$109 million
- ✓ Potential scalability of base case 3.4Mtpa production
- ✓ Established barge, rail and road infrastructure
- ✓ Long lead-time mine permits completed
- ✓ Growing domestic market for Illinois Basin coal
- ✓ Export market optionality
- ✓ Mine construction to begin in 2015

Location of Buck Creek Project and Major US Coal Basins



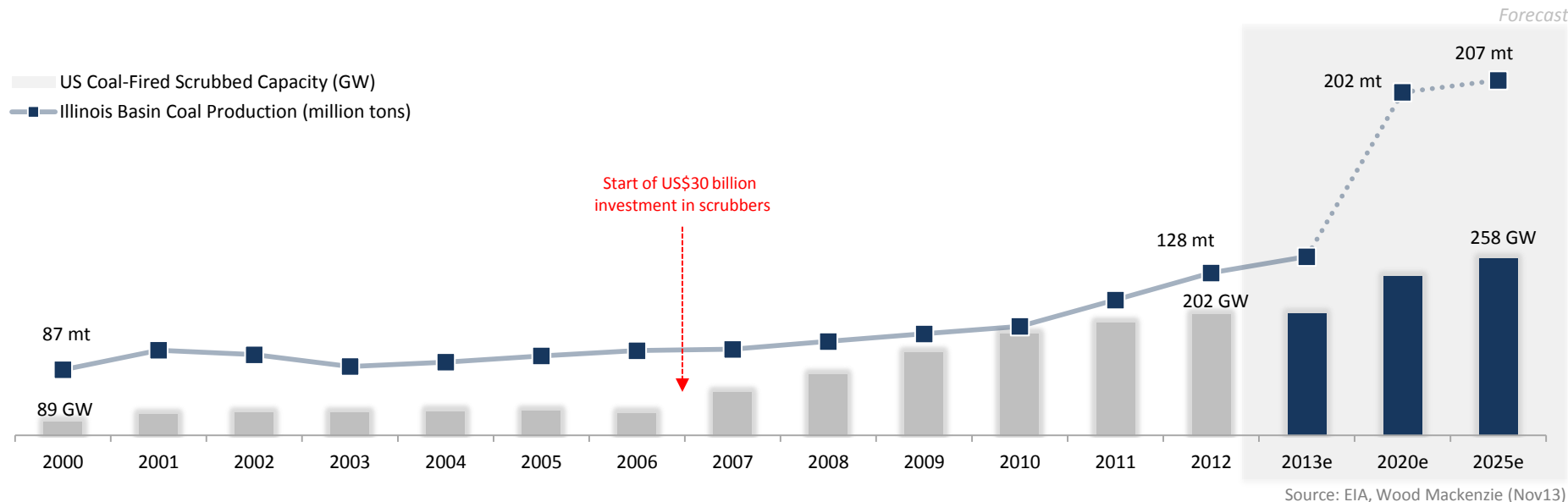
(1) Excludes severance taxes and royalties

(2) Paringa's margins obtained from Scoping Study released on 24 February 2014 and is based on conservative sales price of US\$51/ton less Life of Mine operating costs, royalties and severance taxes

(3) Excludes cost of leased equipment

# Illinois Basin: A Growth Story

*Illinois Basin is now the second largest and the fastest growing coal basin in the US with production forecast to increase from 128 million tons in 2012 to over 200 million tons by 2020*



## Factors Driving US Scrubber Power Capacity

- Stricter SO<sub>2</sub> emission regulations released in 2005 imposed additional operating costs for “unscrubbed” power plants burning high sulphur coal
- Plants began to retrofit Flue Gas Desulphurisation units (“scrubbers”) which remove up to 97% of SO<sub>2</sub> from emissions to lower operating costs
- Scrubbers also remove the majority of mercury from emissions, significantly assisting compliance with Mercury and Air Toxics Standards (“MATS”)
- +US\$30 billion investment from coal power plants installing 100GW of scrubbed power capacity between 2007 to 2012
- ✓ Scrubbed power plants now free to burn the lowest cost coal adjusted for heating value and transportation, sulphur no longer a key factor
- ✓ US scrubbed power plant capacity forecast to increase by 28% from 202 GW in 2012 to 258 GW by 2025
- ✓ Underpinning the demand for high heating value (kcal/kg), low cost Illinois Basin coal

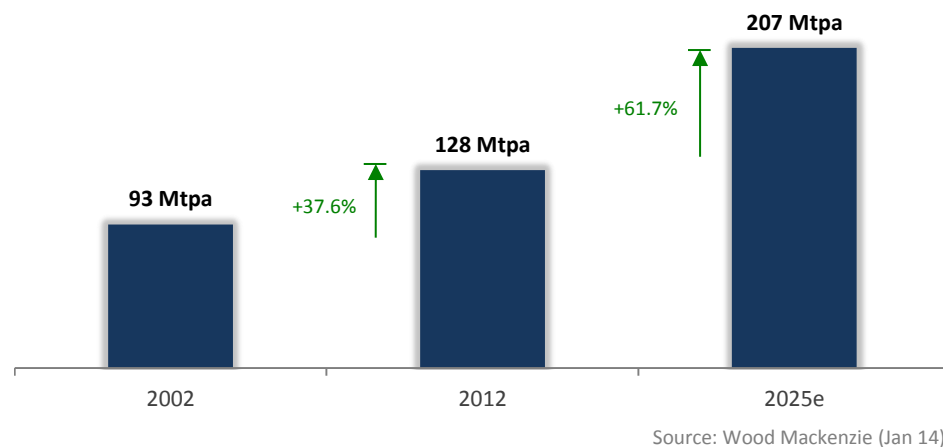
# “Basin Switching”: High Cost to Low Cost Coal

*Basin switching by scrubbed power plants out of higher cost Appalachian coal and into lower cost Illinois Basin coal, set to continue*

## Illinois Basin the most attractive growth market:

- ✓ Premium product - higher heating value (kcal/kg) than the Powder River Basin
- ✓ Superior transportation logistics compared to Powder River and Central Appalachian Basins
- ✓ Low operating costs (~US\$30 to US\$35 per ton FOB Barge) and highly productive underground mining operations
- ✓ Favourable permitting and highly skilled mining jurisdiction

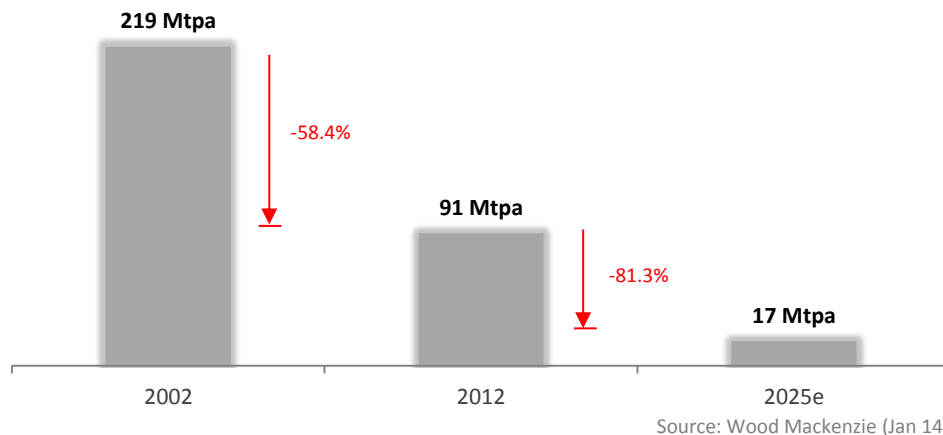
*Illinois Basin Thermal Production (2002 to 2025e)*



## Terminal Decline of Central Appalachia:

- ✗ High cost production profile (~US\$60 to US\$70 per ton mine gate)
- ✗ Significant coal reserve depletion and limited truck/rail transportation infrastructure
- ✗ Difficult permitting regime and high environmental risks
- ✗ Typically one of the highest cost of coal adjusted for heating value and transportation

*Central Appalachian Thermal Production (2002 to 2025e)*



# The Illinois Basin Advantage

*Illinois Basin coal is one of the lowest cost fuels delivered into the US power market which has underpinned stable and consistent sales prices for Illinois Basin producers*

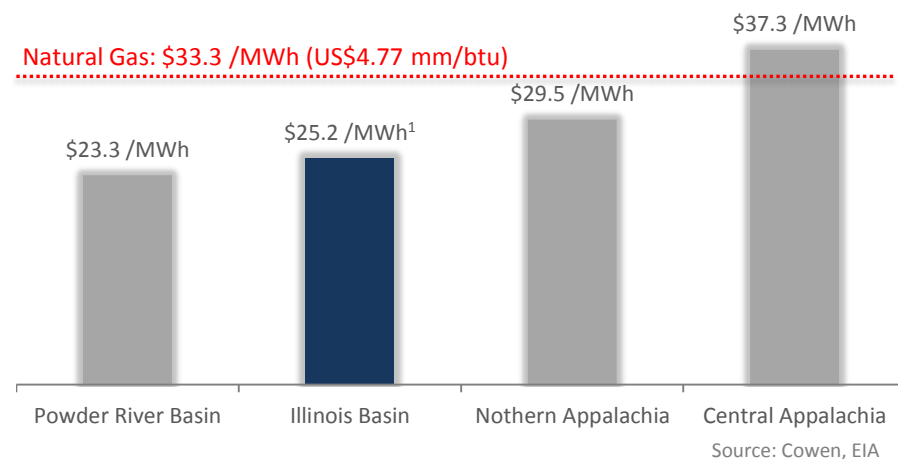
## Illinois Basin remains “in the money” compared to Natural Gas

- ✓ Average dispatch price (\$/MWh) for Illinois Basin coal is significantly lower than natural gas
- ✓ High dispatch power prices for Central and Northern Appalachia coal is driving the majority of power plant retirements and negative investor sentiment in the US
- ✓ Low cost Illinois Basin has the capacity to remain competitive against natural gas and additional costs imposed future environmental regulations (e.g. MATS and Greenhouse Gas Regulations)

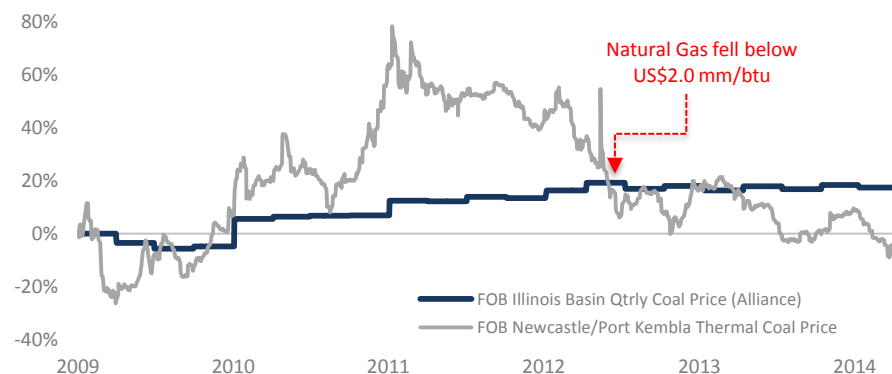
## Sales prices for Illinois Basin coal are very stable

- ✓ Typically long-term supply contracts with large, highly efficient scrubbed power plants
- ✓ Compared to underperforming international thermal markets, Illinois Basin coal offers stable and consistent pricing
- ✓ Alliance’s Illinois Basin coal price has remained stable despite volatility in US natural gas markets, including the period when natural gas prices fell below US\$2.0 mm/btu in April 2012 (lowest level since 2002)

Average Cost of Dispatch at Power Plant per Coal Basin (US\$/MWh)



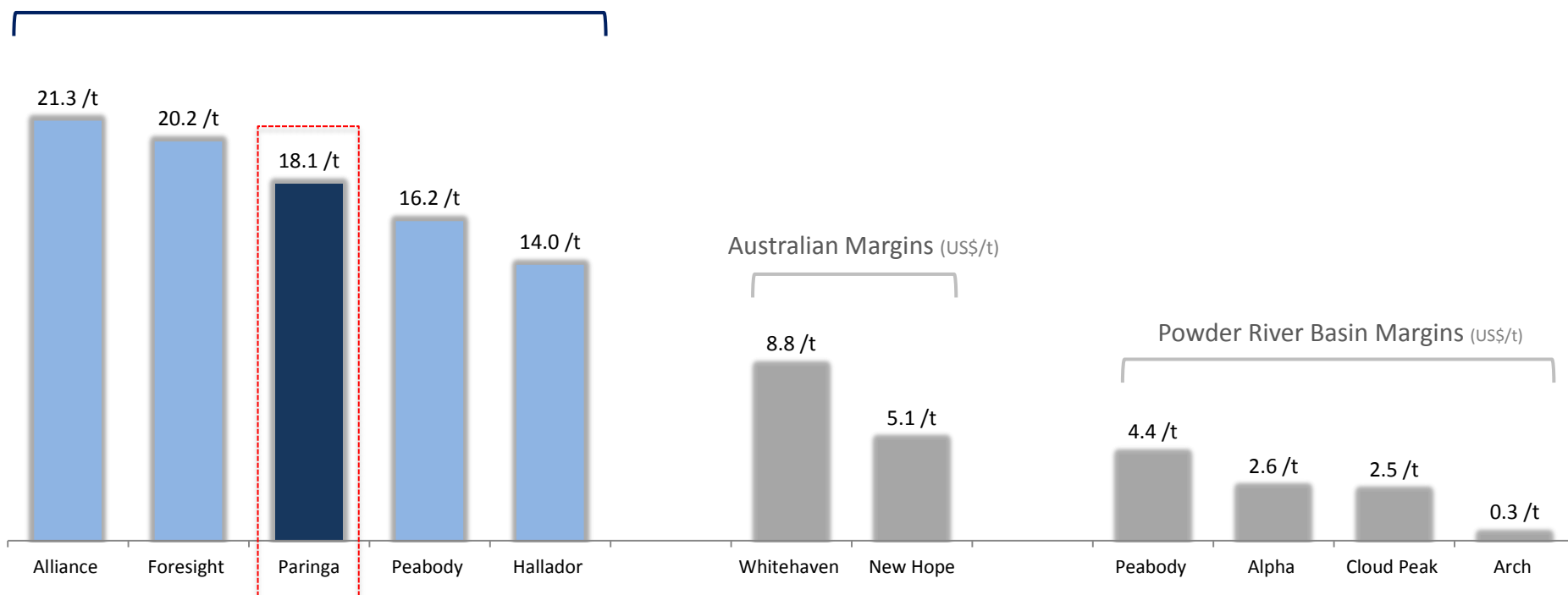
Illinois Coal Price vs Australian Thermal Coal Price (rebased from 2009)



# High Margin Illinois Basin

*Margins for Illinois Basin producers outperform traditional thermal coal operators in Australia and the Powder River Basin*

## Illinois Basin Margins (US\$/t)



***Paringa's margin based on conservative sales price of US\$51/ton, with current sales prices for Buck Creek's coal specification of around US\$53/ton to US\$55/ton***

(1) Source: Company Filings, US companies year ended 31 Dec 2013; Australian companies 1H 2014 (New Hope is an estimate based on company data)  
 (2) Paringa's margins obtained from Scoping Study released on 24 February 2014 and is based on conservative sales price of US\$51/ton less Life of Mine operating costs, royalties and severance taxes



# Key Illinois Basin Players

*Focused Illinois Basin producers with quality coal reserves have experienced significant production growth, high margins and strong cashflows from servicing the US domestic power market*



Company	Hallador	Peabody	Foresight <sup>1</sup>	Alliance	Paringa <sup>2</sup>
Ticker	NASDAQ:HNRG	NYSE:BTU	NYSE:FELP	NASDAQ:ARLP	ASX:PNL
Market Cap (US\$m)	US\$270 million	US\$4.5 billion	~US\$2.5 billion	US\$3.3 billion	US\$40 million
Coal Type	Thermal	Thermal & Coking	Thermal	Thermal	Thermal
Coal Market Focus	Domestic	Global	Domestic	Domestic	Domestic
Direct Barge Access to Ohio River?	No	No	No	Yes	Yes
Illinois Basin Production (2013, tons)	3.1 million	26.3 million	18.6 million	30.7 million	3.4 million <sup>3</sup> (steady-state)
% of Total Production (2013, tons)	100%	12%	100%	79%	100%
ILB Production Growth (3yr CAGR)	-	-	22%	6.5%	n/a
Illinois Basin EBITDA Margins (FY13)	US\$14.0 /t	US\$16.2 /t	US\$20.2 /t	US\$21.3 /t	US\$18.1 /t <sup>3</sup>
Illinois Basin EBITDA (FY13)	US\$45 million	US\$426 million	US\$365 million	US\$657 million	US\$62 million <sup>3</sup>
% of Total EBITDA	70%	30%	100%	88%	100%

(1) Based on public information detailed in the Foresight S-1 IPO document

(2) Based on Scoping Study released on 24 February 2014, company still in development stage and set to start production in 2017

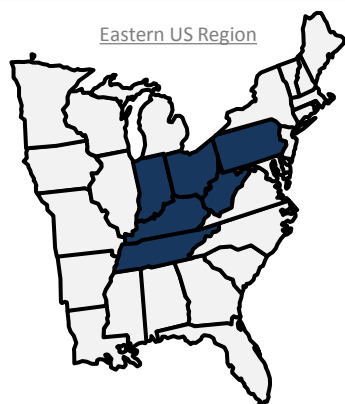
(3) Paringa's margins obtained from Scoping Study released on 24 February 2014 and is based on a conservative sales price of US\$51/ton less Life of Mine operating costs, royalties and severance taxes



*Illinois Basin Coal Sales are split into three distinct domestic markets with the optionality to export into international markets*

## Domestic Markets

### Ohio River Market



#### Overview

Large market with direct barge access to the Ohio River providing the lowest cost Illinois Basin coal adjusted for heating value and transportation

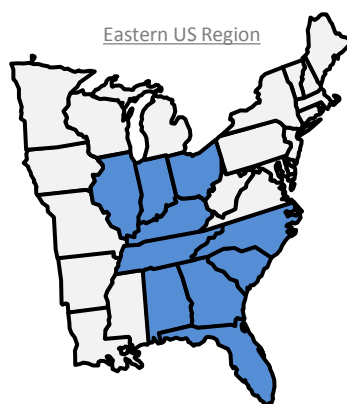
#### Typical Cost Structure

Low

#### Key Illinois Basin Suppliers

Alliance Resource Partners, L.P.  
Paringa Resources Ltd (from 2017)

### Midwest/South East Rail



#### Overview

Limited local market, increasingly focused on the South East coal market via rail transportation

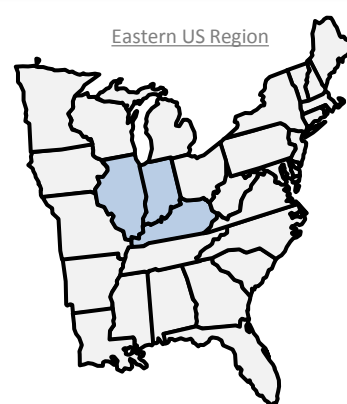
#### Typical Cost Structure

Low to High

#### Key Illinois Basin Suppliers

Foresight Energy, LLC  
Peabody Energy Corporation  
Hallador Energy Company

### Regional Truck Served



#### Overview

Small closed market with coal trucked to local power plants

#### Typical Operating Cost Structure

High

#### Key Illinois Basin Suppliers

Peabody Energy Corporation  
Armstrong Energy, Inc.

## Export Markets

### German / UK / Turkey



*Modern, High Efficiency, Low Carbon, German Coal Fired Power Plant*

#### Overview

Comprises modern, scrubber equipped coal fired power plants - Germany now increasing its coal plant capacity following failed renewable energy programs and nuclear retirements

#### Typical Cost Structure

High

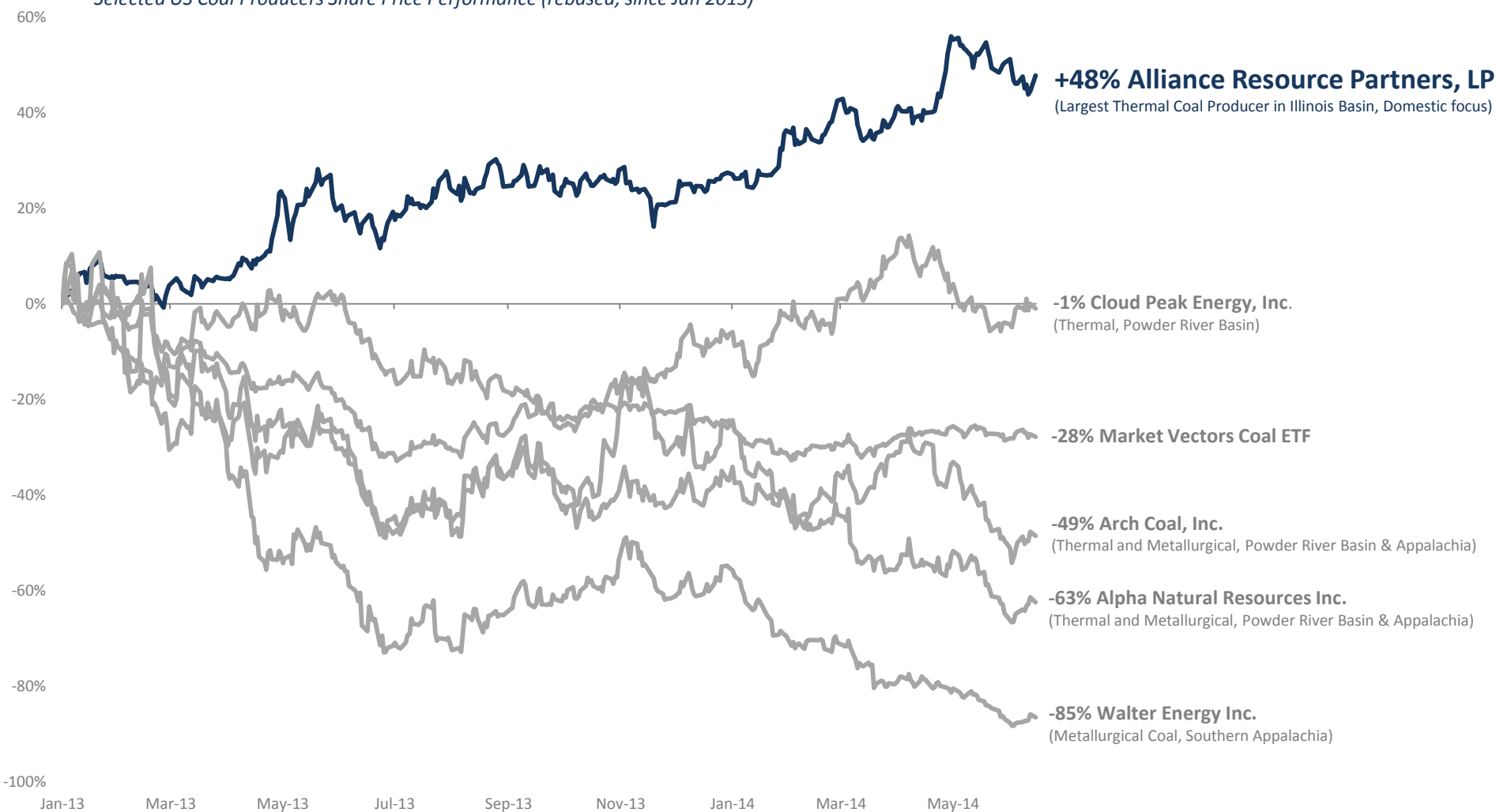
#### Key Illinois Basin Suppliers

Foresight Energy, LLC

# US Coal Basin Market Performance

*Exposure to the Illinois Basin with a focus on domestic thermal coal markets has been rewarded by equity markets*

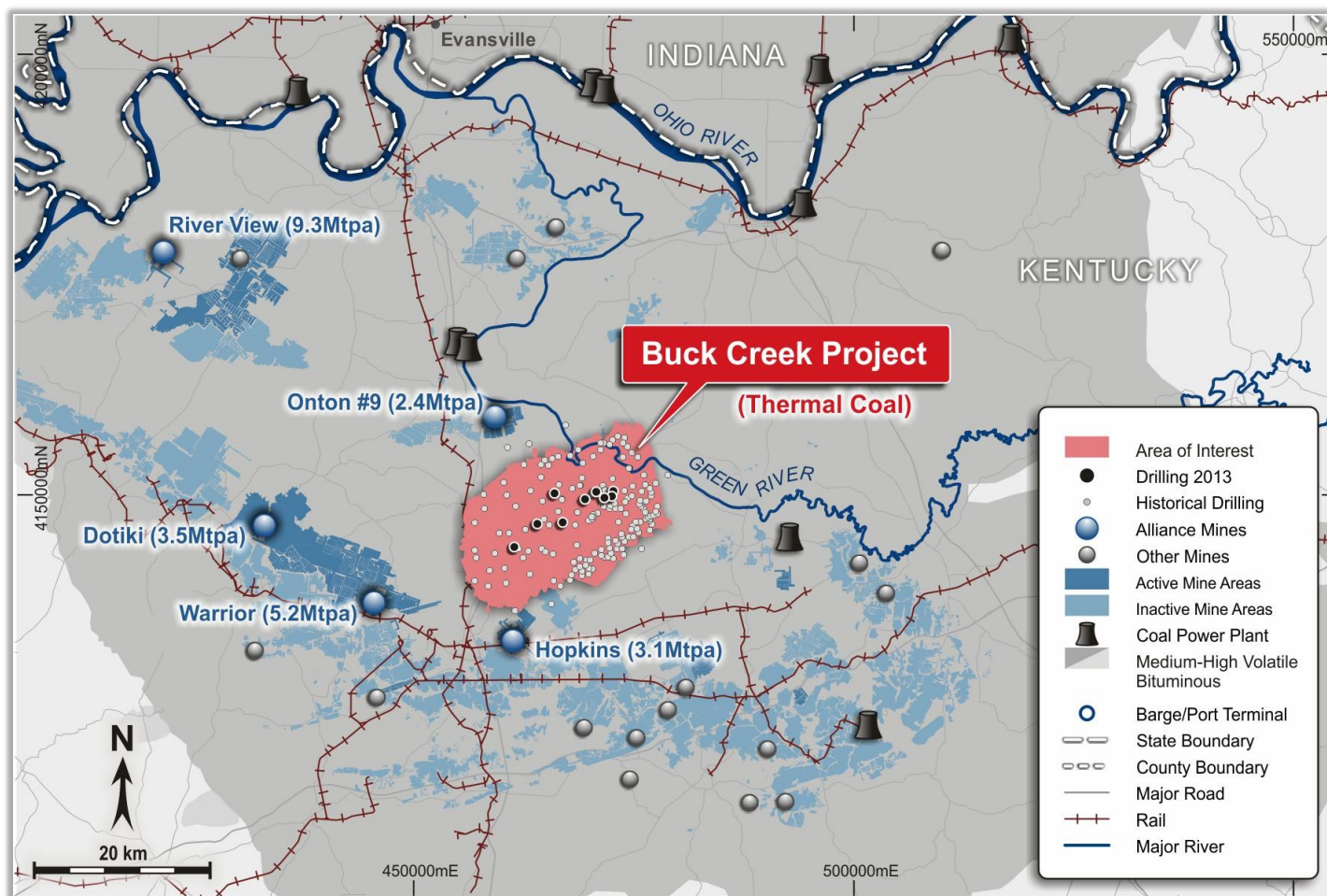
*Selected US Coal Producers Share Price Performance (rebased, since Jan 2013)*



# Buck Creek: Strategic Illinois Basin Location

*Buck Creek Project is one of the last remaining large-scale undeveloped coal deposits in the Illinois Basin with direct low cost barge access to the Ohio River coal market, not controlled by a major coal producer*

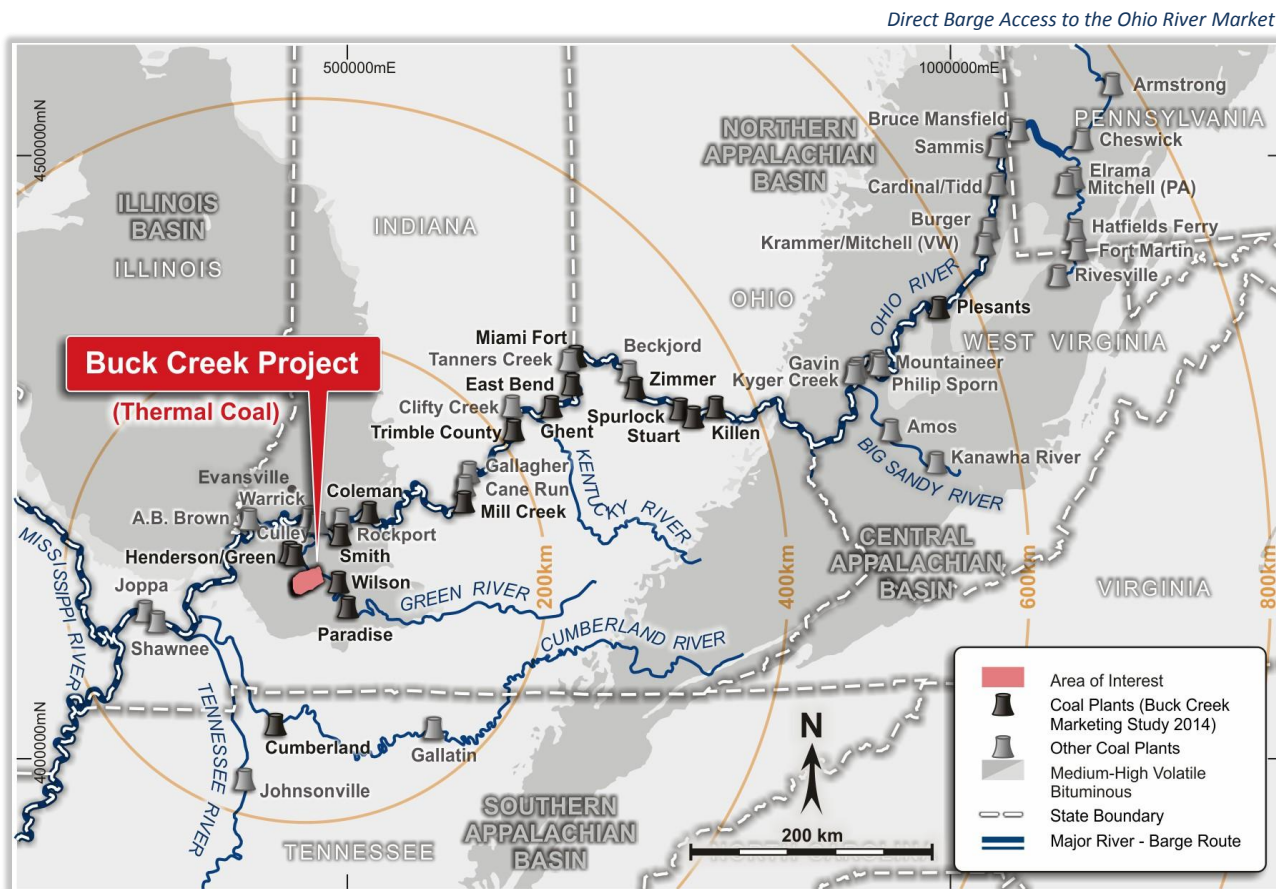
*Located of Buck Creek Project, Regional Operations and Access to Infrastructure*





# Access to the Lucrative Ohio River Market

*Buck Creek Project has direct low cost barge access to the lucrative Ohio River market and provides optionality to export from the Gulf of Mexico*



Stuart Coal Power Plant (2.4GW)



Zimmer Coal Power Plant (1.4GW)

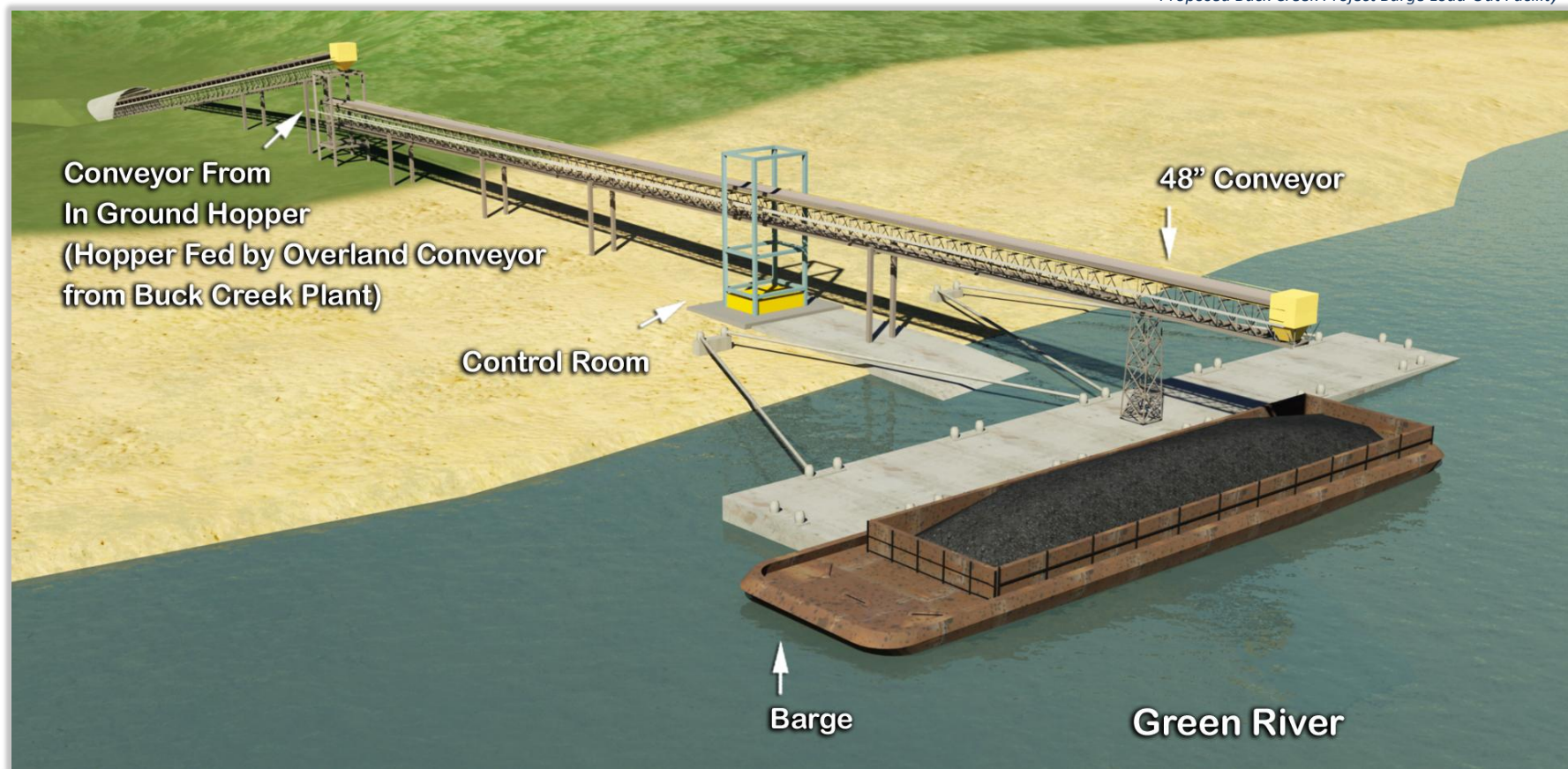


***Buck Creek Marketing Study identified 18 power plants that received Buck Creek's coal specification in 2012, future studies to identify additional power plants that are now accepting Illinois Basin coal***

# Low Cost Direct Barge Access to Market

*The Buck Creek Project has a permitted barge load-out facility and is studying multiple options in the transportation of coal from the mine site including the use of an overland conveyor, providing all-year round access to the Ohio River market*

*Proposed Buck Creek Project Barge Load-Out Facility*



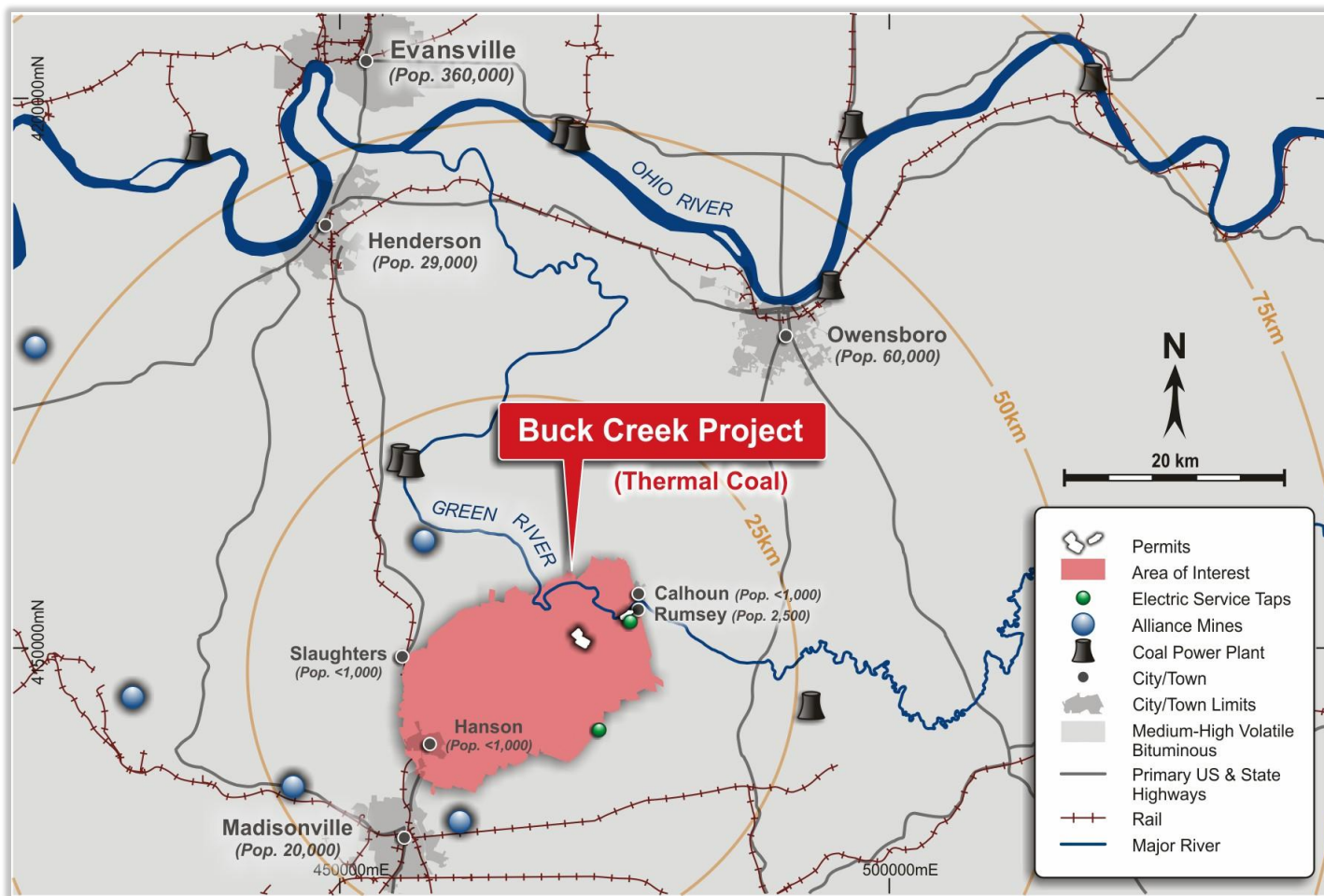
*Direct barge access to the Green and Ohio Rivers provides a significant cost advantage over other Illinois Basin operators that rely on road and rail infrastructure to sell into the Ohio River market*



# Excellent Regional Infrastructure

*Buck Creek is located in the heartland of the Illinois Basin coal mining region with established barge, road and rail infrastructure, proximity to highly skilled population centres and established mining equipment and service industries*

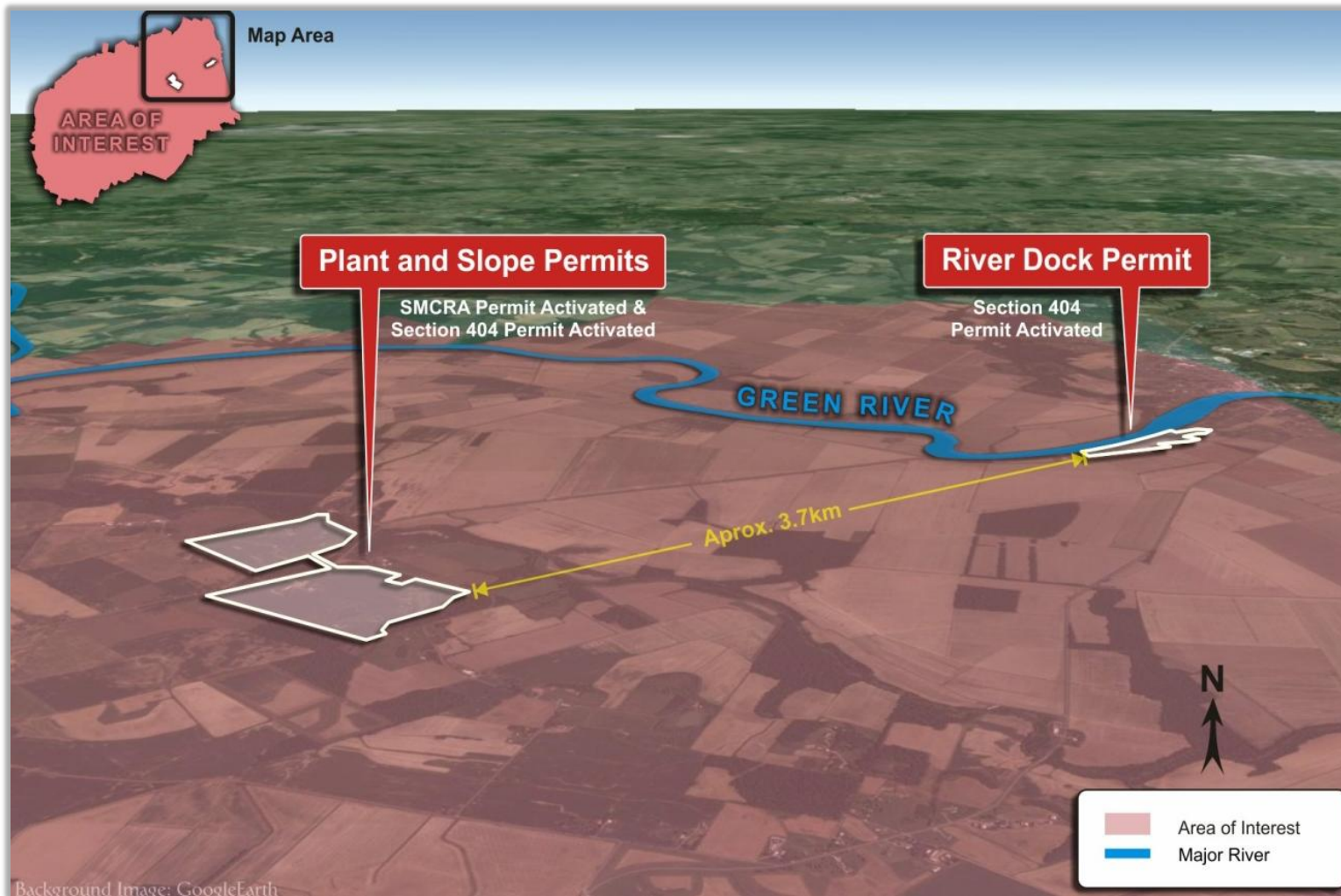
Regional Infrastructure of Buck Creek Project



# Key Environmental Permits Completed

*Recently received SMCRA permit, together with the previously granted US Army Corps of Engineers Section 404 permit, completes the long lead-time permits required to construct and operate the Buck Creek mine*

*Mine Permits Activated at Buck Creek*

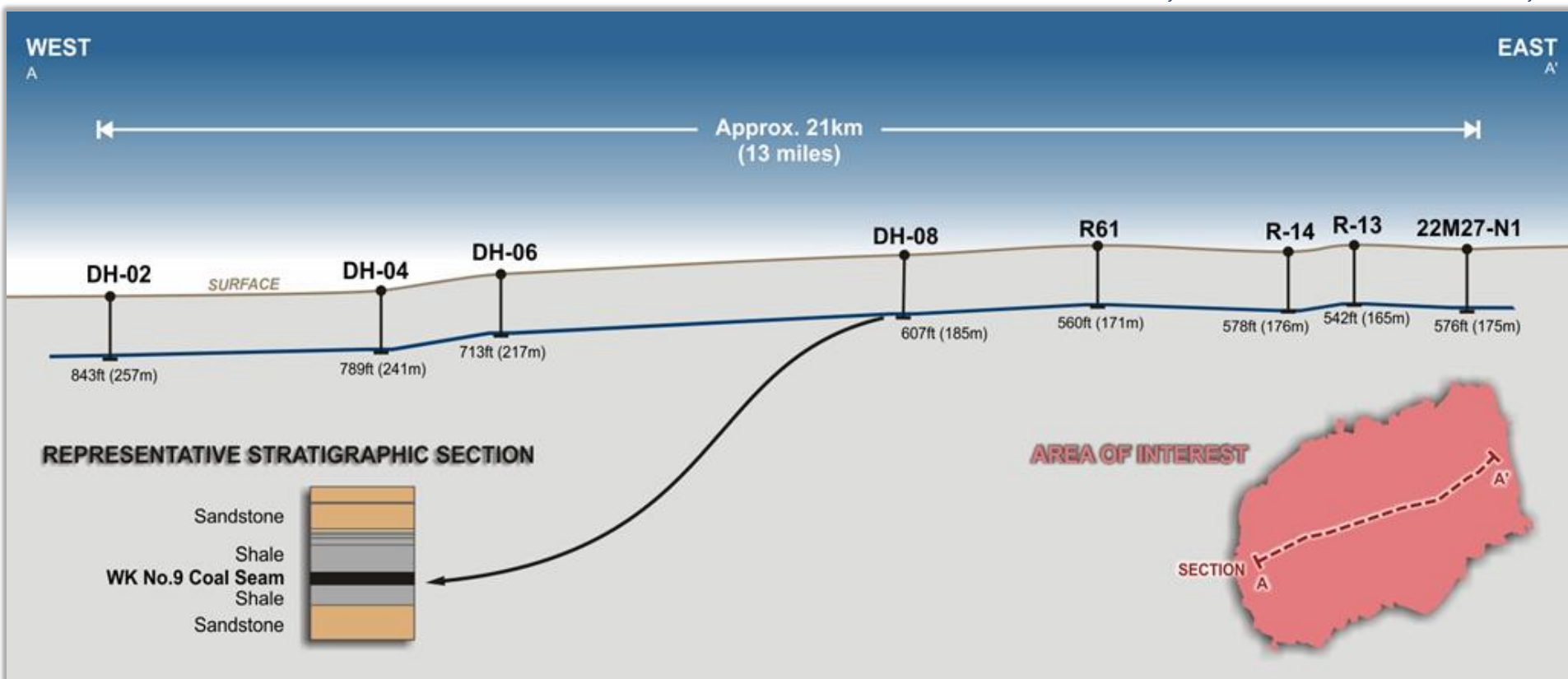




# Favourable Mining Geology

*The Western Kentucky No.9 coal seam ("WK No.9 seam") within the Buck Creek Project is a flat (1° to 2° degree dip), consistent, and laterally continuous coal seam with coal core yields of +93%, resulting in high mining productivity*

*Cross Section of the WK No.9 coal seam within the Buck Creek Project*



*The WK No.9 coal seam is the second largest producer of coal in the US (by coal seam)*

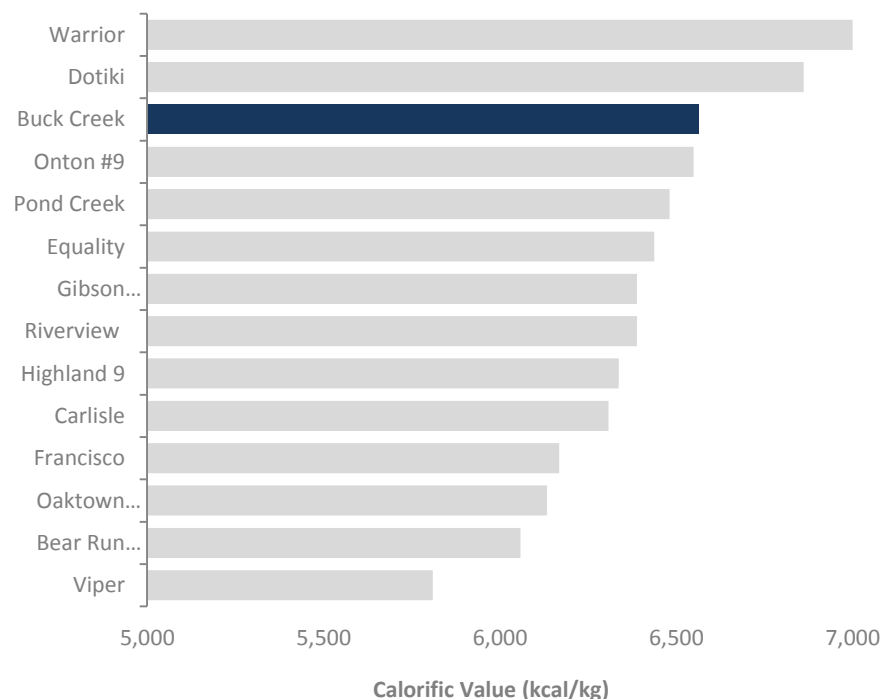
# Large, High Quality & Growing Resource

*Paringa has secured a very large undeveloped position (+26,000 acres) in the Illinois Basin and is continuing to acquire leases to substantially increase the high energy, high quality and low chlorine resource base*

## Buck Creek: JORC Coal Resource Estimate<sup>1</sup> (million tons)

Measured	32.1
Indicated	104.8
<b>Total Measured &amp; Indicated</b>	<b>136.9</b>
Inferred	17.5
<b>Total Coal Resource Estimate</b>	<b>154.4</b>
<b>Product Quality (+4% Eq. Moisture)</b>	
Calorific Value	6,564 kcal/kg (11,814 Btu/lb)
Ash	8.7%
Yield	92.3%
Chlorine	<0.17%

## Buck Creek Coal Quality Comparison<sup>2</sup> (Calorific Value: kcal/kg)



***One of the most important characteristics to be considered in the Illinois Basin is the chlorine content (corrosive effect on boilers). The Buck Creek Project's chlorine content is a relatively low 0.17% and thus has a significant advantage over many other new developments in the Illinois Basin which typically have values exceeding 0.3%.***

(1) 163 bore holes were used in the calculation  
 (2) Source: Hanou Energy Consulting, LLC 2011

# Robust Project Fundamentals

*Strong fundamentals, low development cost, existing infrastructure advantage and scalability confirms the potential for the Buck Creek Project to be developed as a significant new production source in the highly sought after Illinois Coal Basin*

**Cash Flow Potential<sup>1</sup>**

**US\$88 million p.a.**

**Initial Capital Cost<sup>2</sup>**

**US\$109 million**

**Operating Cost<sup>3</sup>**

**US\$28/ton**

## Buck Creek Scoping Study Key Parameters

Clean Coal Production Target	3.4Mtpa	
ROM Production Target	4.7Mtpa	
Initial Mine Life	16 years	
Coal Geology	Highly Productive (1° to 2° Degree Dip)	
Mining Method	Room-and-Pillar (with continuous miners)	
Mine Access	Slope and Shaft	
Coal Handling & Process Plant	3-Stage Dense Media	
Access to Market	Barge Load-out (directly onto Green River)	
Average Sales Price Received	2015	2030
	US\$51/ton	US\$58/ton

(1) Based on steady state production, inclusive of leased equipment costs and exclusive of royalties and severance taxes

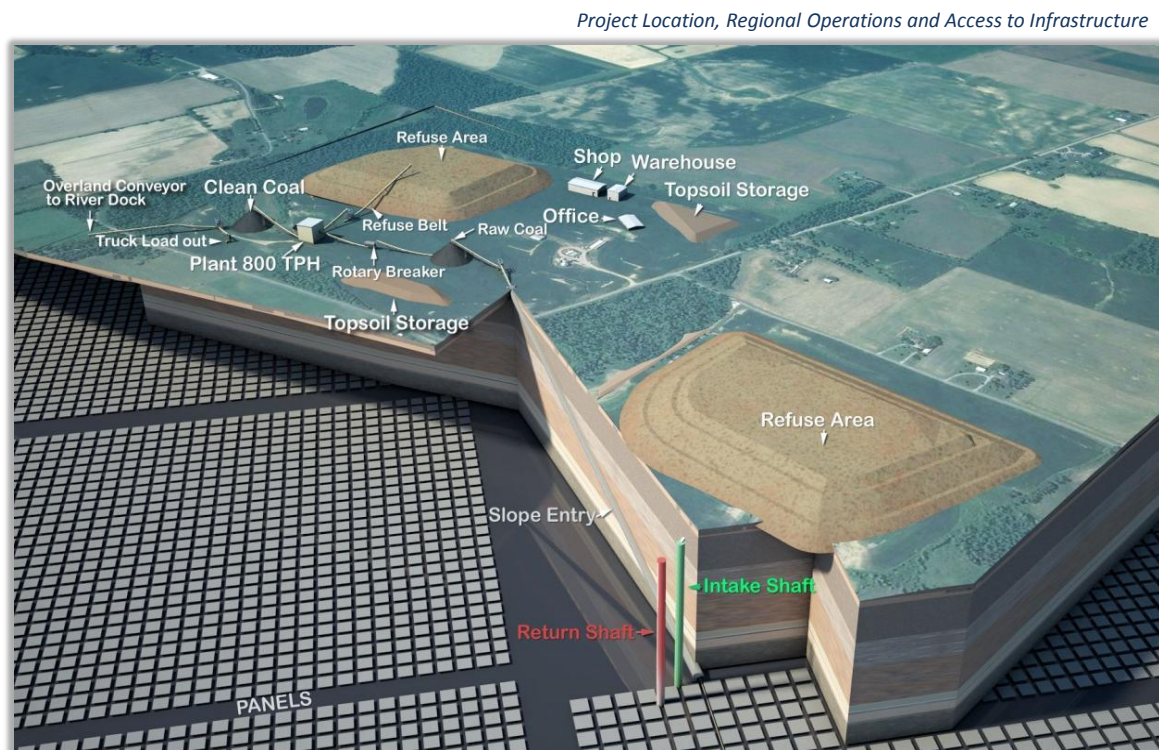
(2) Excludes cost of leased equipment

(3) Inclusive of leased equipment costs and exclusive of royalties and severance taxes

# Low Cost Capital Development

*Low mine development capital costs of US\$76 million and coal handling and process plant ("CHPP") and barge load-out facility capital costs of US\$33 million, totaling US\$109 million of initial capital*

<b>Buck Creek Initial Capital Costs</b>	<b>US\$ million</b>
Mine Development Costs	14.4
Slope	33.7
Shafts	12.0
Surface Facilities & Infrastructure	15.7
<b>Sub-total Mine Development</b>	<b>75.8</b>
CHPP	22.0
Overland Conveyor	7.9
Barge Load-Out Facility	3.0
<b>Sub-total CHPP &amp; Barge Load-Out</b>	<b>32.9</b>



*All mining services, construction personnel, contractors and parts are expected to be supplied and/or built by firms currently operating in the region*

# Low Operating Costs

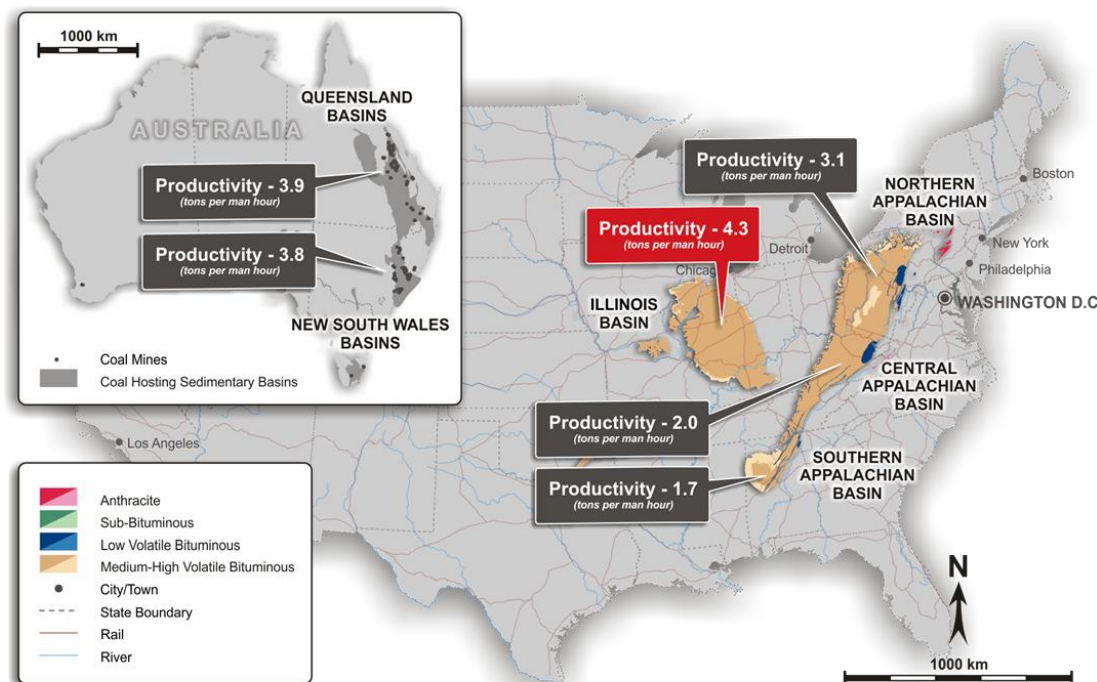
*Buck Creek's location in one of the highest productivity coal regions in the world and direct access to the Ohio River market, results in extremely competitive operating costs*

## Buck Creek Operating Costs

US\$ per ton

Labour Costs	7.1/t
Operating & Maintenance	12.7/t
Power & Utilities	1.0/t
Mine General Administration	0.1/t
Leased Equipment	2.4/t
<b>Sub-total Direct Mining Costs</b>	<b>23.3/t</b>
CHPP	4.1/t
Other	1.0/t
<b>Average Annual Operating Costs</b>	<b>28.4/t</b>

Key Coal Basin Productivity Comparison (tons per man hour ("tpmh"))



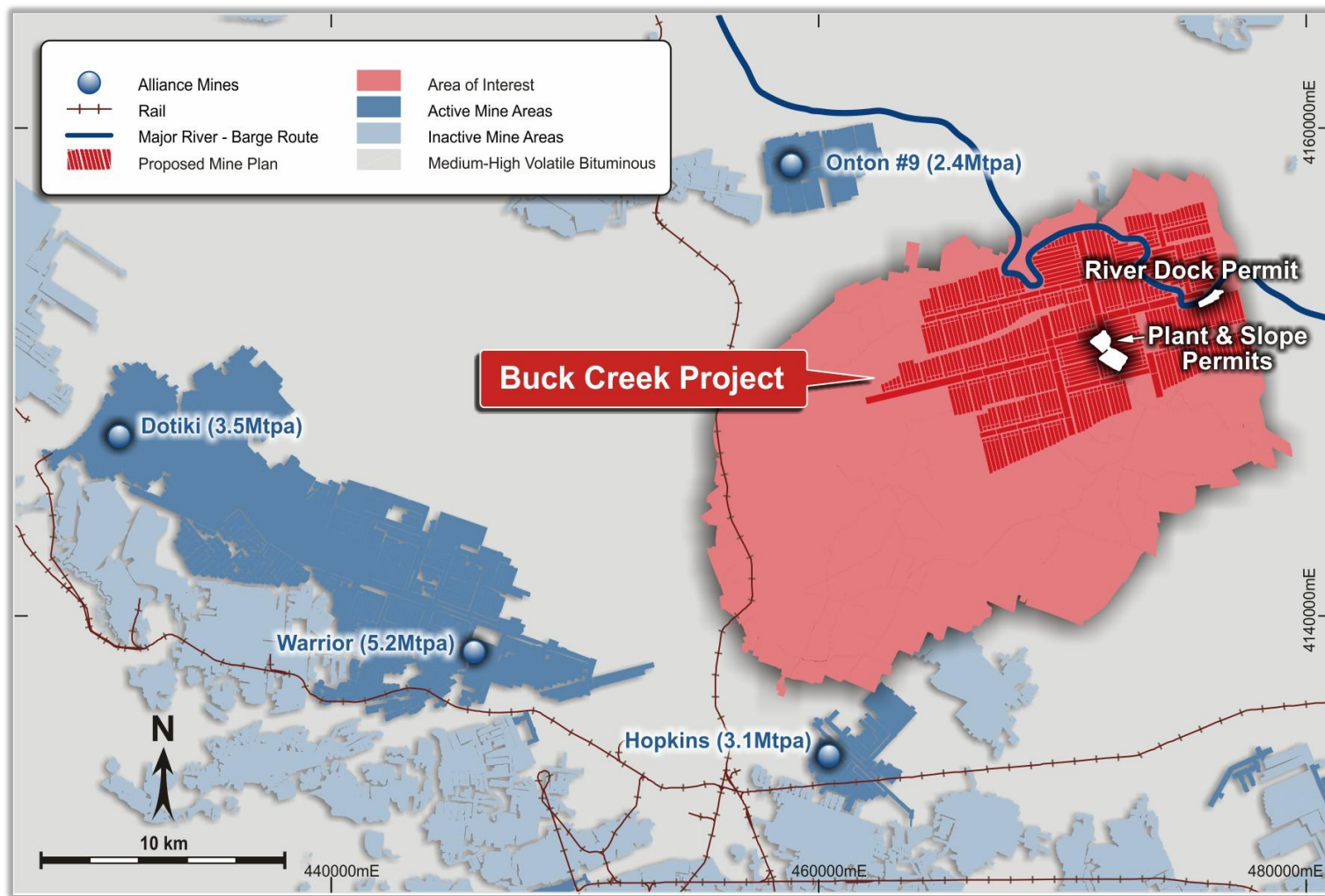
*Operating costs are based on productivities, labor rates and key cost factors from similar mines currently operating adjacent to the Buck Creek Project*



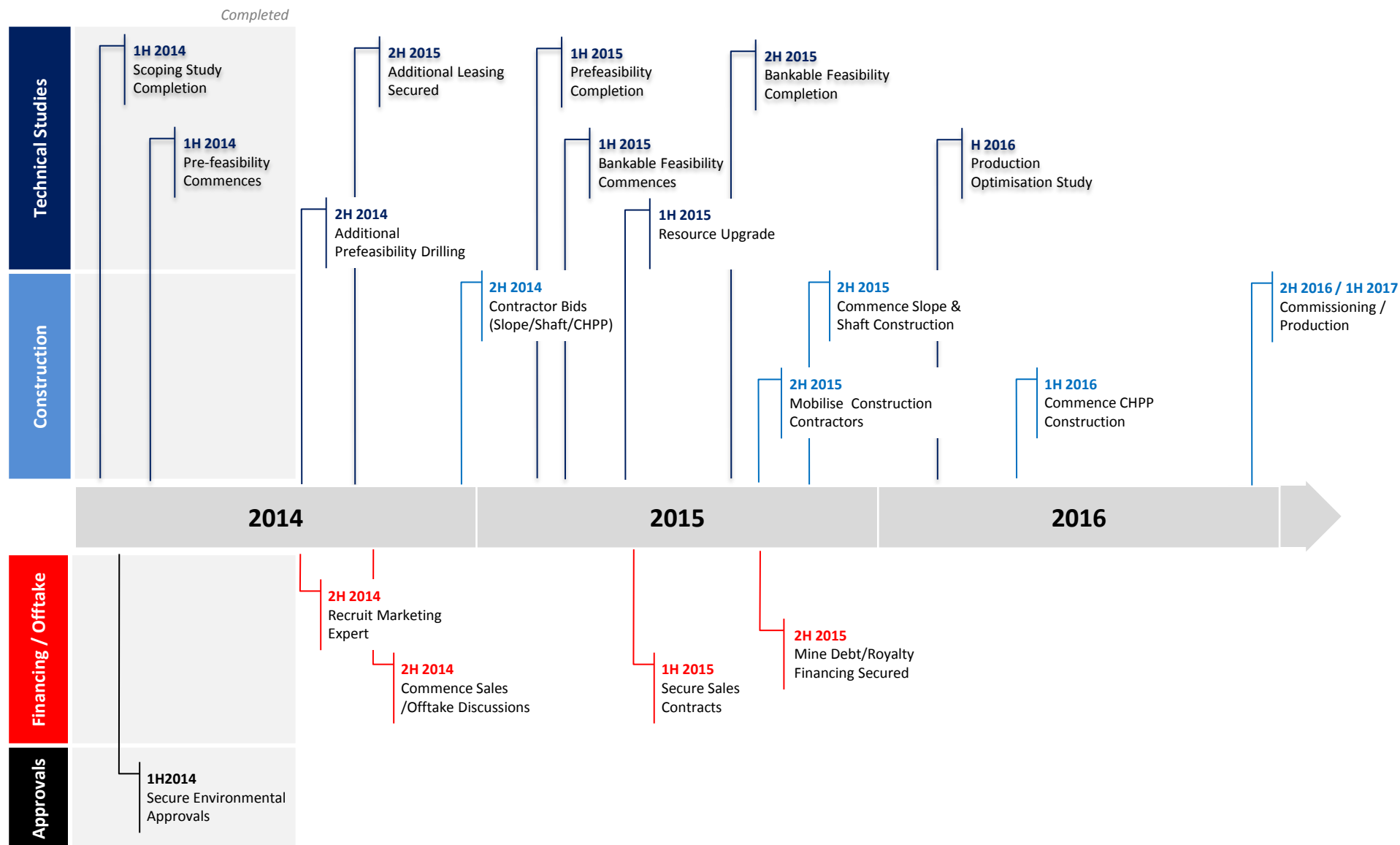
# Significant Potential Scalability

*Buck Creek Project's size can potentially accommodate increases to the base case production rate of 3.4Mtpa and leverage off cash flows from the first mine development to increase production*

Buck Creek Project Map with Proposed Mine Plan showing size of operation compared to other operations



# Timeline to First Coal





*An Executive team with large cap coal mining experience in the USA, including the Illinois Basin, which will continue to strengthen with high calibre appointments*

**David Gay**  
CEO - USA

- Mining Engineer with over 30 years of experience in developing coal resources projects covering the entire coal development chain
- Business Unit President at Pittston Coal Group (20 years experience)
- Vice President Mergers and Acquisitions and Business Development at Alpha Natural Resources, one of the USA's largest coal producers

**Jim Plaisted**  
VP Coal Sales and  
Marketing - USA

- Former General Manager of Alliance Coal, LLC, subsidiary of Alliance Resource Partners, LP and was responsible for the marketing of coal from all seven of Alliance's Illinois Basin mining operations
- Instrumental in building Alliance up to a 39Mtpa coal producer which included the development of four "greenfield" coal projects

**Matt Haaga**  
COO - USA

- Mining Engineer with over 35 years of experience in developing coal resources throughout the USA
- Business Unit President and Vice President Engineering and Land at Peabody Energy (27 years experience), the world's largest private sector coal company

**Mike Curry**  
Manager - USA

- Mining Engineer with Consol Energy and Alpha Natural Resources' Mergers and Acquisitions team
- Bachelor of Science from West Virginia University

**Daniel Trentham**  
Accounting - USA

- Senior Accountant with Alliance Resource Partners, LP
- Bachelor of Accounting from Oakland City University

**Nathan Ainsworth**  
Business Development

- Experience in Investment Banking and Investment Advisory specialising in the resources industry across North America, Europe, Middle East and Asia
- CFA Charterholder and member of Institute of Chartered Accountants

*A high quality Board with coal mining experience covering the entire coal development cycle, including exploration, development, financing and production*

**Ian Middlemas**  
*Chairman*

- Highly respected resource executive with extensive finance, commercial and capital markets experience
- Current Chairman of Papillon Resources Ltd, Equatorial Resources Limited, Prairie Downs Metals Ltd, Berkeley Resources Limited & former Chairman of Coalspur Mines Limited and Mantra Resources Limited

**Todd Hannigan**  
*Director*

- Formerly the CEO of Aston Resources Ltd and was instrumental in developing the company into one of the largest publicly listed coal companies in Australia before merging with Whitehaven Resources Limited in a deal valued at over \$5 billion
- Graduate of the University of Queensland, holds a Bachelor of Engineering (Mining) with Honours, holds a Queensland first class mine manager's certificate and has a MBA from INSEAD

**Tom Todd**  
*Alternate Director*

- Chief Financial Officer of Aston Resources from 2009 to November 2011 and prior to this role, was Chief Financial Officer of Custom Mining, where his experience included project acquisition and funding of project development for the Middelmount project to the sale of the company to Macarthur Coal
- Graduate of Imperial College, Mr Todd holds a Bachelor of Physics with first class Honours. He is a member of The Institute of Chartered Accountants in England and Wales and a graduate of the Australian Institute of Company Directors.

**Taso Arima**  
*Executive Director*

- Resource company executive with experience in development and funding of resource companies
- Founder & former Executive Director of Coalspur Mines Ltd having been instrumental in developing Coalspur from a A\$3 million market capitalisation to a A\$1.2 billion market capitalisation company upon his departure

**David Chapman**  
*Executive Director*

- 30 years resource industry experience as a geologist in senior and executive management roles with WMC Resources Ltd and the junior sector within Australia and overseas, covering operations, exploration project management and construction, business development and project financing

**David Griffiths**  
*Director*

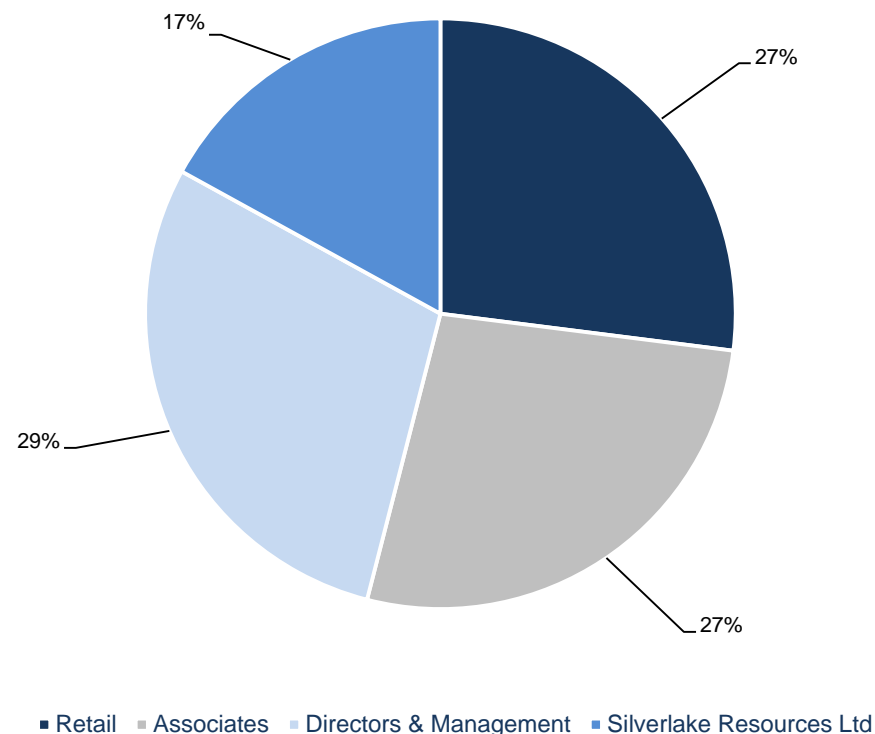
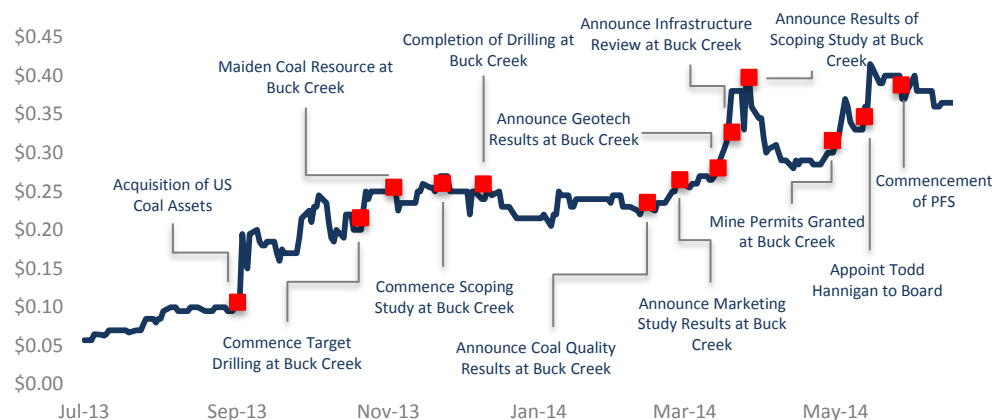
- 35 years resource industry experience with senior roles at WMC and Worsley Alumina, prior to establishing communications consultancy in Perth
- Co-founder and Non-Executive Director of Silver Lake Resources Limited

*Low Enterprise Value, strong cash position and continuing to deliver on milestones*

## Capital Structure

Current Shares on Issue	125,083,334
Options (exercise price ranging from 20 cents to 30 cents)	5,400,000
Performance Share Rights	4,400,000
Market Capitalisation (at 18 June 14)	<b>\$45.6 million</b>
Cash (31 May 14)	~\$4.7 million
Enterprise Value	<b>\$40.9 million</b>

## Share Price (since 31 Jul 13)





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