



2014 HIGHLIGHTS



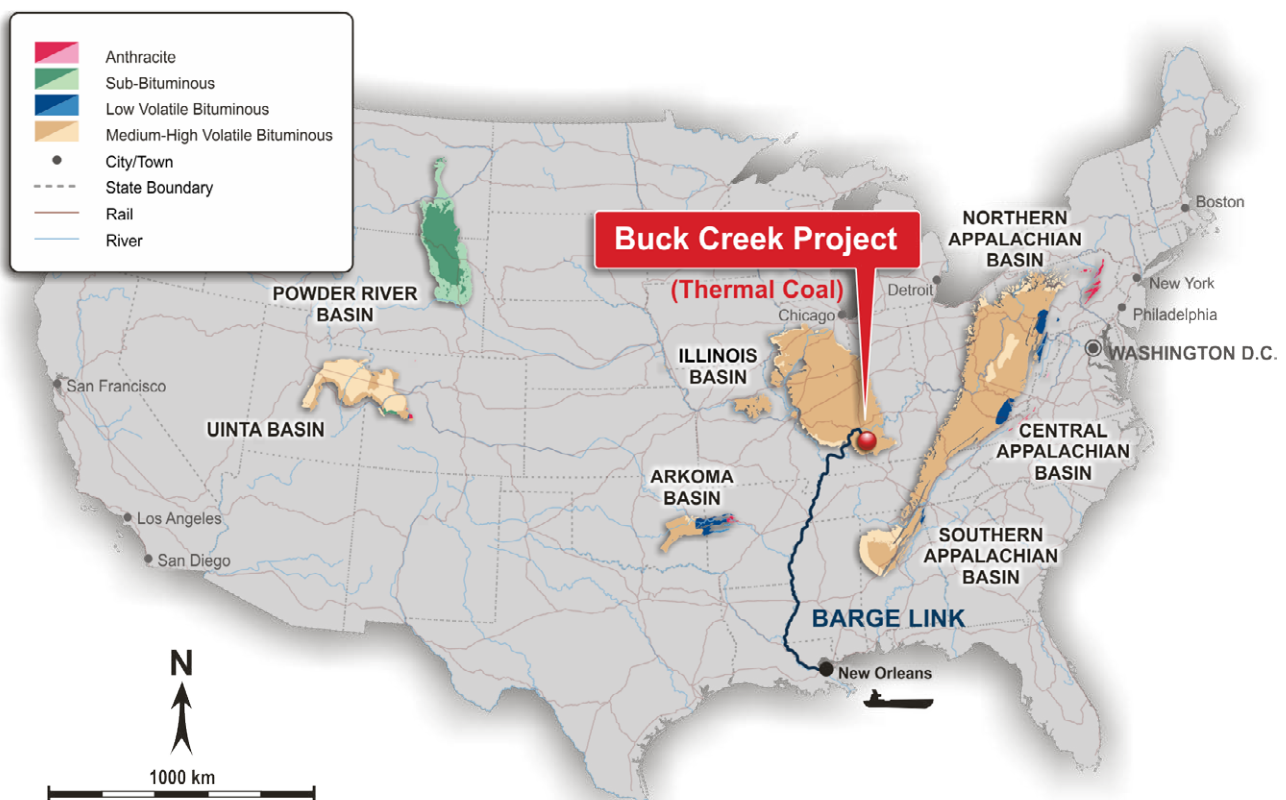
PARINGA RESOURCES LIMITED

ABN 44 155 933 010

COMPANY OVERVIEW

Paringa Resources Limited ('Paringa' or 'Company') is an emerging USA coal company focused on developing its Buck Creek Coal Project ('Buck Creek' or 'Project'), a high margin, low capex coal project located in the growing Illinois Coal Basin ('Illinois Basin') in Kentucky, USA.

- Maiden Coal Resource estimate of 154 million tons (~140 million tonnes) for Buck Creek.
- Positive Scoping Study on Buck Creek confirmed potential of the Project to be developed as a high margin, low cost mine, with highlights as follows:
 - Low opex: US\$28/ton
 - High margins: US\$18/ton
 - Strong cashflows: US\$88 million
 - Low capex: US\$109 million
- Additional leasing and first mine development to provide the potential for an additional mine within the Buck Creek area of interest.
- Established barge, rail and road infrastructure and direct low cost barge access to the lucrative Ohio River market, with optionality to export from the Gulf of Mexico.
- Key mine permitting completed, including SMCRA and USACE Section 404 permits.
- Growing USA domestic market for Illinois Basin coal, with Illinois Basin now the second largest and the fastest growing coal basin in the USA.
- Experienced USA management team with large company coal mining experience in the Illinois Basin.
- High quality Board with coal mining experience covering the entire coal development cycle.
- Strong cash position of ~A\$7.9 million (at 30 September 2014).
- Pre-Feasibility Study commenced and mine construction expected to begin in 2015.



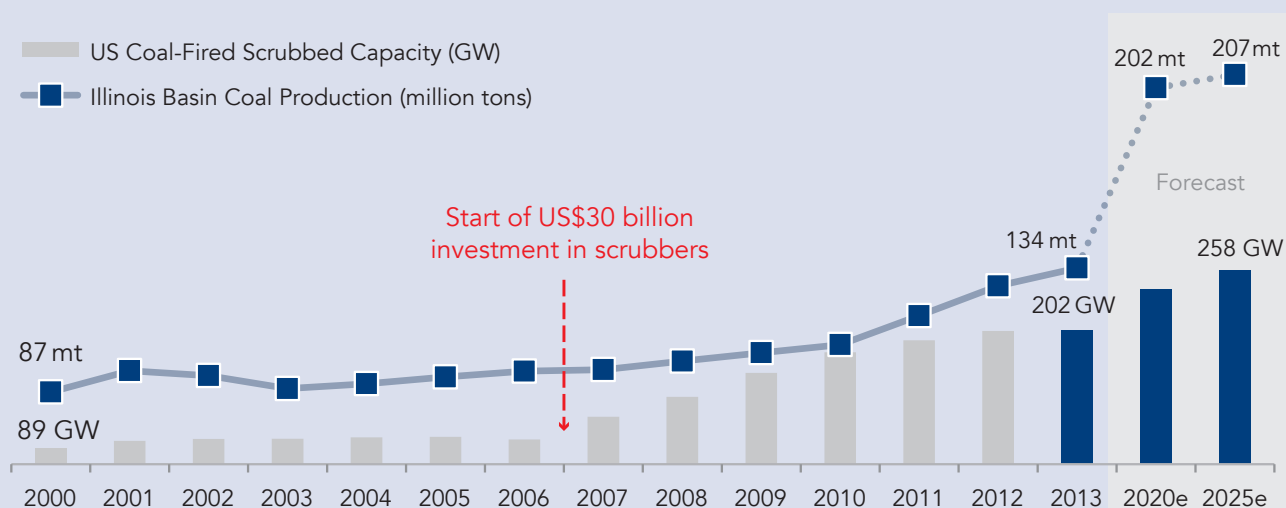
HIGH MARGIN ILLINOIS BASIN

The 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.

The Illinois Basin is experiencing a period of high growth as it continues to be a region with the potential for low cost development, high margins and sits in the lowest cost quartiles of US production. It has not seen the difficult economic conditions which have affected other historical coal producing regions within the USA given the increased natural gas production from shale gas plays within the USA.

Coal output within the Illinois Basin rose by almost 5% during 2012 to 2013 and has surpassed both the Northern Appalachia ('NAPP') and Central Appalachia ('CAPP') production for the first time. The Illinois Basin is now the second largest producing coal basin within the USA.

Growth in demand for Illinois Basin coal is underpinned by the growth in "scrubbed" US power capacity. The installation of "scrubbers" remove up to 97% SO₂ and other emissions such as mercury, resulting in the higher sulphur content of Illinois Basin coals no longer being the critical factor in fuel selection. By 2025, the entire US coal fired power plant fleet will be free to burn the cheaper Illinois Basin coal on a delivered basis.



Source: EIA, Wood Mackenzie (Nov13)



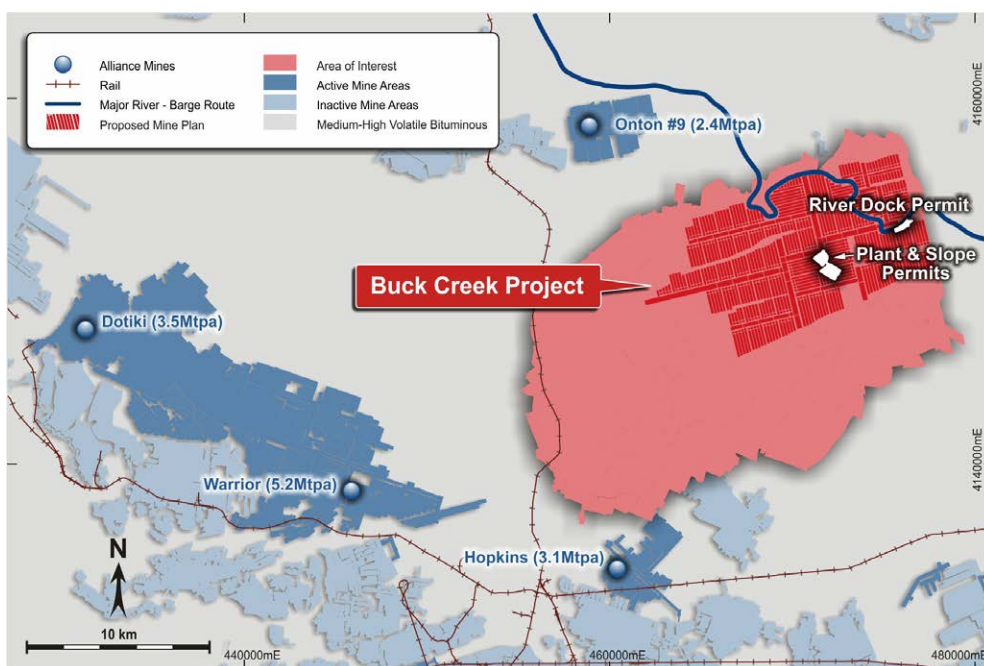
BUCK CREEK PROJECT

The 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 that is not controlled by a major coal producer.

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

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 centers and established mining equipment and service industries.

Paringa holds 100% of the Project and has secured a 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.



KEY PERMITTING COMPLETED

Recently granted SMCRA permit, together with the previously granted USACE Section 404 permit, completes the key permitting required to construct and operate the Buck Creek mine.

- Surface Mine Control and Reclamation Act ('SMCRA') mine permit has been granted to Paringa for the construction of surface mine facilities at Buck Creek.
- SMCRA is the primary federal law that regulates the environmental effects of coal mining in the US, and the SMCRA mine permit is valid for the life of the mine.
- Culmination of over 3 years of permitting which was initiated by Buck Creek's original owners in 2011 and continued by Paringa's USA management team.

HIGH QUALITY RESOURCE

Buck Creek's maiden Coal Resource confirms the potential to develop a large, high quality thermal coal deposit in the low cost and highly productive Illinois Basin.

Resource estimate of 154 million tons (~140 million tonnes) defined at Buck Creek with over 88% in the Measured & Indicated categories.

Entire Coal Resource is contained in a single, flat, and laterally continuous coal seam known as the Western Kentucky No.9 coal seam ('WK No.9 seam'), which is the second largest producer of coal in the USA.

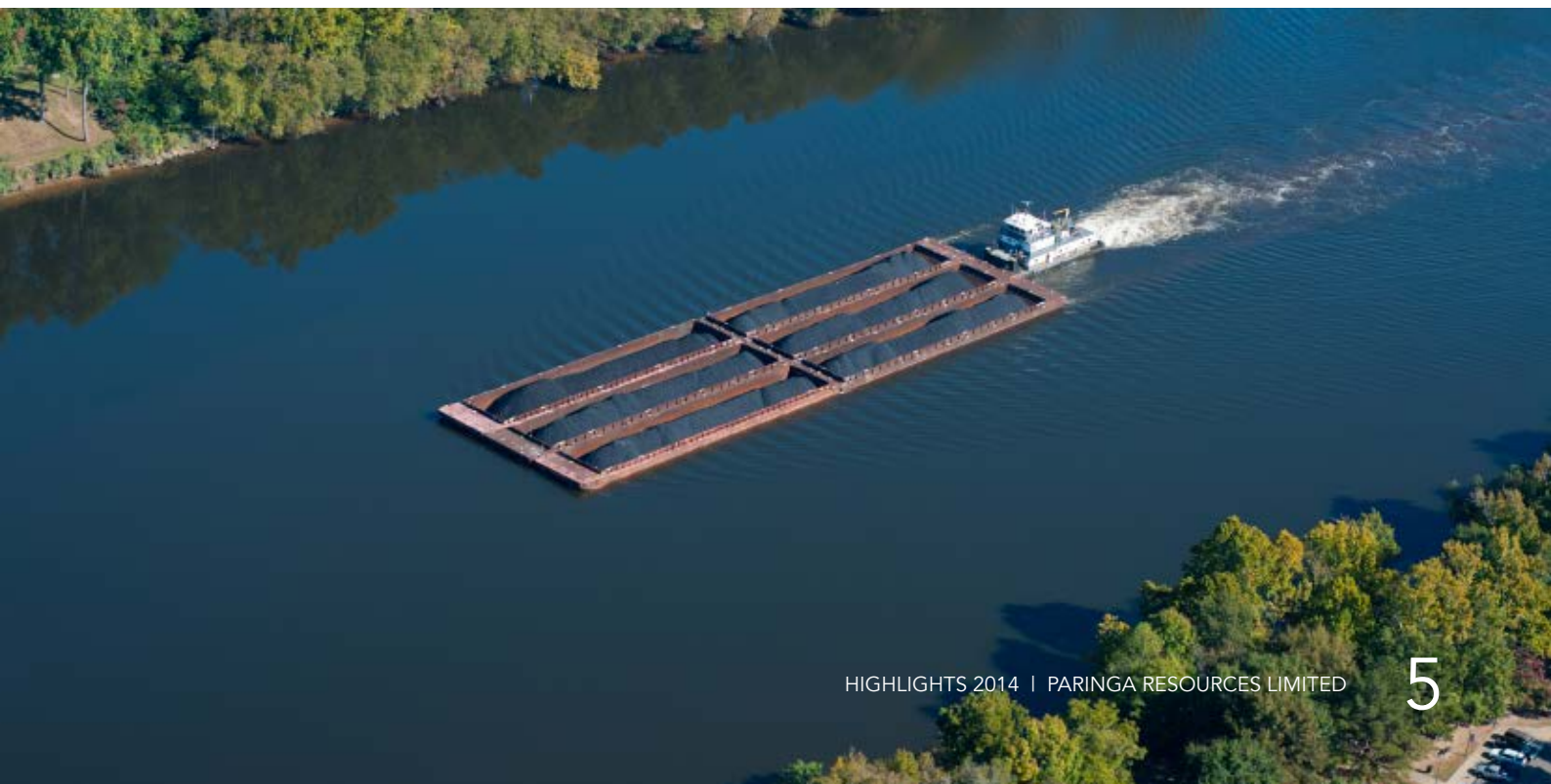
Maiden Coal Resource estimate is based on 163 bore holes on over 26,000 acres of controlled coal leases. Paringa is continuing to acquire leases and conduct its exploration program with the potential to substantially increase the resource base.

Excellent Illinois Basin coal quality with high heating value (6,564kcal/kg), low ash (8.7%) and low chlorine (0.16%) at a very high in-seam yield of +92%.

One of the most important characteristics to be considered in the Illinois Basin is the chlorine content. Buck Creek's chlorine content is a relatively low 0.16% and thus has a significant advantage over many other new developments in the Illinois Basin which typically have values exceeding 0.3%.

Buck Creek Project Coal Resources	
Measured	32.1 Mt
Indicated	104.8 Mt
Total Measured & Indicated	136.9 Mt
Inferred	17.5 Mt
Total	154.4 Mt

Buck Creek Project Coal Quality (+4% Eq. Moisture)	
Calorific Value	6,564 kcal/kg (11,814 Btu/lb)
Ash	8.7%
Yield - In Seam from Core Analyses	92.9%



POSITIVE SCOPING STUDY

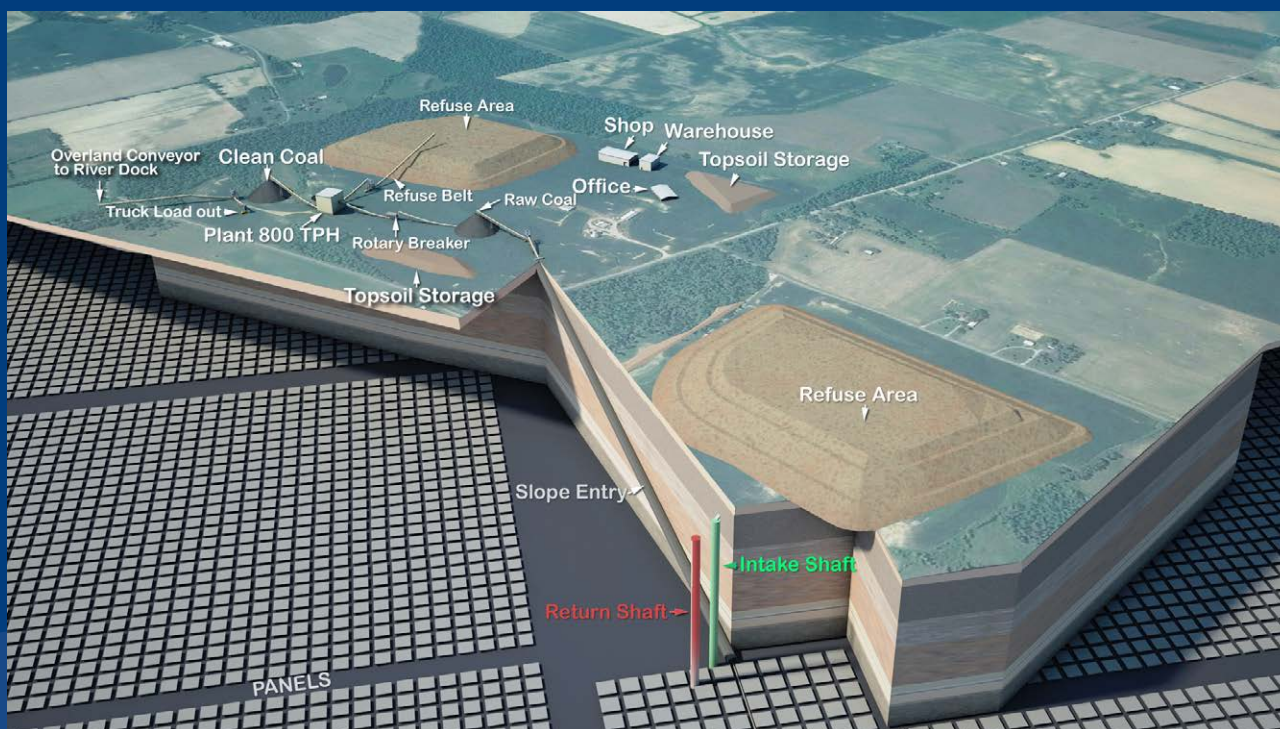
Positive Scoping Study has confirmed potential of Buck Creek to be developed as a high margin, low cost mine in the growing Illinois Basin.

Buck Creek Production (tons)	
Average Run-of-Mine ('ROM') Coal Production Steady State	4.7 Mtpa
Total ROM Coal Produced Life-of-Mine	66.9 million
Coal Handling & Preparation Plant ('CHPP') Yield	71%
Life-of-Mine ('LOM')	16.0 years
Average Clean Coal Production Steady State	3.4 Mtpa
Total Clean Coal Produced LOM	47.7 million
Start of Construction	Late-2015
Start of Production Ramp-Up	Mid-2017

Average Annual Operating Costs (Steady State)	
Labour Costs	US\$7.1/t
Operating & Maintenance	US\$12.7/t
Power & Utilities	US\$1.0/t
Mine General Administration	US\$0.1/t
Leased Equipment	US\$2.4/t
Sub-total Direct Mining Costs	US\$23.3/t
CHPP	US\$4.1/t
Other	US\$1.0/t
Average Annual Operating Costs	US\$28.4/t

Buck Creek Initial Capital Costs	
Mine Site Development and Infrastructure	US\$76 million
CHPP & Barge Load-Out Facility	US\$33 million
Total Initial Capital Cost	US\$109 million

Buck Creek Cashflows	
Average Sales Price Received (per ton) - 2015	US\$51/t
Average Sales Price Received (per ton) - 2030	US\$58/t
Average Annual Operating Costs (steady state)	US\$28 per ton
Average Annual Operating Cashflow (steady state)	US\$88 million



LUCRATIVE DOMESTIC MARKET

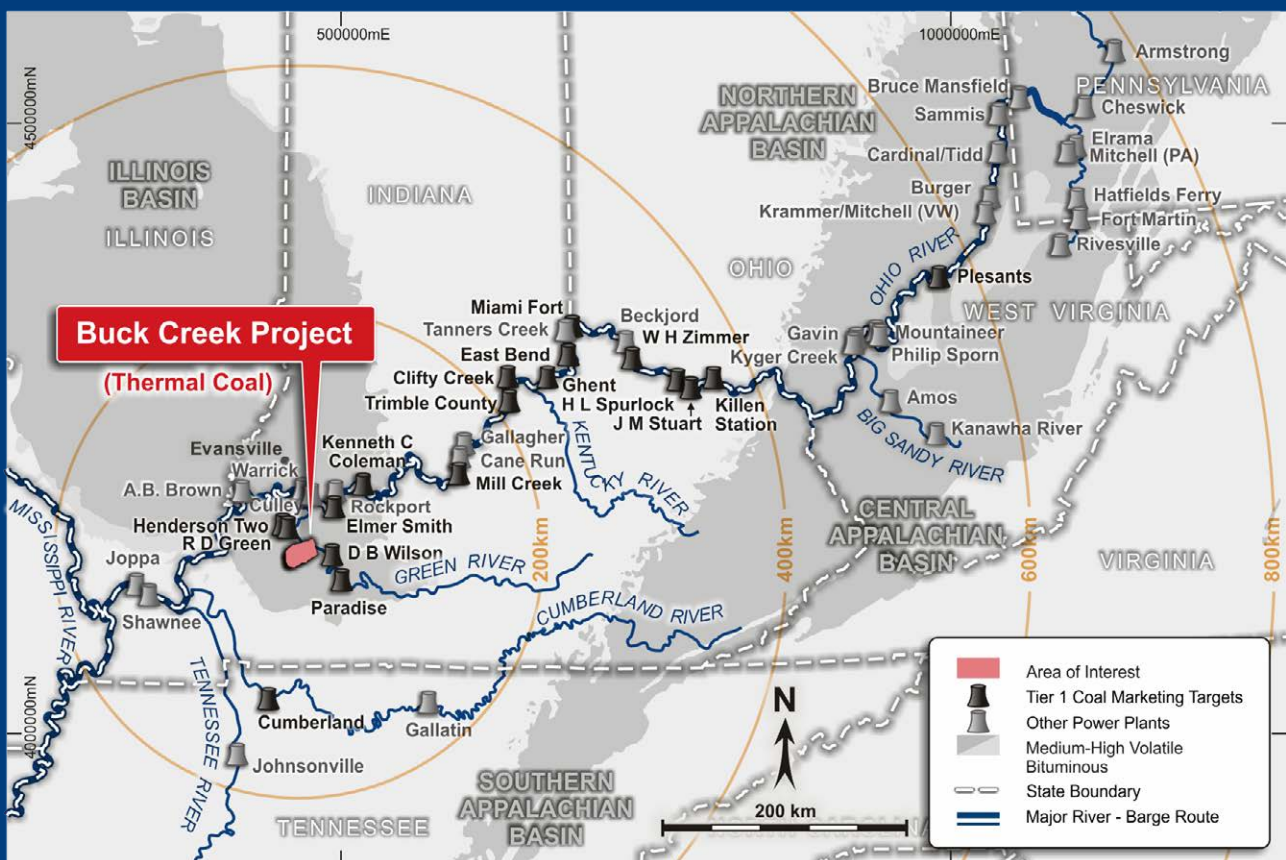
Buck Creek Project has direct low cost barge access to the lucrative Ohio River market, traditionally supplied by the Illinois Basin, and provides optionality to export from the Gulf of Mexico.

The initial target market for Buck Creek's coal is the Ohio River market consisting of large, scrubbed domestic power plants currently receiving Illinois Basin coal by barge along the Green, Ohio and Cumberland rivers.

Access to Illinois Basin river coal provides a significant cost advantage for coal fired power plants. The delivered cost of coal transportation via barge using the major waterways in the US (e.g. Ohio River) is significantly lower than the delivered cost of transporting coal via rail.

Within the Ohio River market surrounding the Buck Creek Project, there are over 18 power plants operated by 10 different utilities that have traditionally received product similar to Buck Creek's coal. These plants are relatively modern, highly efficient base load power plants and have some of the lowest fuel costs in the country, averaging ~US\$2.40/mmbtu. When compared to long term forecasts of gas prices of US\$4.50 to US\$5.0/mmbtu, coal sourced from the Illinois Basin should continue to remain competitive compared to natural gas.

Feedback from initial discussions between Paringa and local power utilities accepting Illinois Basin coal within Ohio River Market confirms that there is demand for new independent sources of coal in the Ohio River Market to increase the diversity of local supply.





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Forward Looking Statements

This report may include forward-looking statements. These forward-looking statements are based on Paringa's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Paringa, which could cause actual results to differ materially from such statements. Paringa makes no undertaking to subsequently update or revise the forward-looking statements made in this report, to reflect the circumstances or events after the date of that report.

Competent Person Statements

The Company advises that the information relating to the Scoping Study referred to in this report 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.

The information in this report 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.

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 report have not been materially modified from the original ASX announcements.