

ASX Announcement

EXPERIENCED US COAL FINANCE EXECUTIVE APPOINTED AS CHIEF FINANCIAL OFFICER

HIGHLIGHTS:

- **Highly experienced US based coal finance executive**, Mr Scott Cole, appointed as Chief Financial Officer of Paringa
- Mr Cole has held senior executive roles with a number of **major US coal and energy producers**, including Alpha Natural Resources, Inc.
- Mr Cole has been **instrumental in the execution of over US\$4.4 billion** of equity, debt and structured financing packages for US coal companies in recent years
- Appointment precedes **formal financing discussions** with major global financial institutions based in the US in relation to the financing of the Buck Creek No.1 Mine
- Appointment adds to the **highly credentialed, US based management team** to execute on the remaining financing, construction and production phases at the Buck Creek No.1 Mine
- Successful renegotiation of remaining vendor payments outstanding as part of the acquisition of original Buck Creek coal leases which will **improve liquidity and future profitability**

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to announce that Mr Scott Cole has been appointed as Chief Financial Officer of the Company and will be based in the US with Mr David Gay, Chief Executive Officer, and the rest of the Company's highly credentialed US management team. Mr Cole is a highly experienced US coal executive who has been involved in some of the largest equity, debt and structured financings within the US coal industry. His appointment precedes formal negotiations with equity and debt financiers for the development of the Buck Creek No.1 mine ("**Buck Creek No.1 Mine**").

Mr Cole has had a career spanning over 30 years of which over 20 years has been a senior executive in the US energy sector, most notably with Alpha Natural Resources, Inc. and The Williams Companies, specialising in corporate finance and treasury. In the last 5 years, Mr Cole was instrumental in the structuring of a US\$3.9 billion acquisition finance package for one of the largest ever coal acquisitions which included the completion of a high yield debt offering totalling US\$1.5 billion. In addition, Mr Cole has extensive experience in the structuring, syndication and management of Asset-Backed Loans, Secured Credit Facilities, and Capital and Operating Leases within the US energy sector. Mr Cole holds both a Bachelor of Science in Business Administration and a Masters of Business Administration.

Paringa's Chief Executive Officer, Mr David Gay, said "*The addition of Scott as our Chief Financial Officer is an exciting addition to our US team which will allow us to continue formal financing discussions with major global financial institutions to finance the Buck Creek No.1 Mine. Having been responsible for financing numerous coal projects, Scott will be able to hit the ground running and immediately add a great deal of value to the upcoming financing discussions.*"

For further information contact:

David Gay
Chief Executive Officer

Nathan Ainsworth
Business Development

Amendment to Buck Creek Acquisition Terms

As part of the terms of the original Acquisition of the Buck Creek coal leases in 2012 (“**Acquisition**”), Paringa was required to pay a final vendor payment of US\$9.8 million (“**Final Vendor Payment**”) by March 2016, plus an additional 0.5% vendor overriding royalty (“**Vendor Override Royalty**”) on all coal mined and sold within the Buck Creek Mining Complex.

The terms of the Final Vendor Payment and Vendor Override Royalty have now been amended to defer the Final Vendor Payment to March 2018 and for the 100% removal of the Vendor Override Royalty by paying US\$1 million by March 2016, US\$1 million by March 2017, and US\$2.2 million by March 2018 (“**Royalty Buy-Out Payments**”). In addition, the Company has the option of early payment of the Final Vendor Payment and Royalty Buy-Out Payments by March 2017 which would reduce the Royalty Buy-Out Payments by US\$1 million.

Improvement in Liquidity and Future Profitability

As a result of the recent negotiations, the Company has deferred the Final Vendor Payment and acquired the option to buy out the Vendor Override Royalty which will have the following positive impact:

- ✓ Aligns the timing of the Final Vendor Payment with the beginning of the Buck Creek No.1 Mine’s expected ramp-up of coal production and cashflows from the start of 2018;
- ✓ Removes over US\$16 million of Vendor Override Royalty payments previously payable by the Company over the life of the Buck Creek No.1 Mine (as forecast by the Company’s Pre-Feasibility Study);
- ✓ Significantly improves the medium term cash position of the Company; and
- ✓ Assists with Paringa’s formal financing discussions with potential equity and debt financiers.

Remuneration of Key Management Personnel

Mr Scott Cole will be granted 900,000 performance rights (which vest upon satisfaction of various key project development milestones) under the Company’s Performance Rights Plan as part of the long term incentive component of his remuneration.

In addition, the Board has reviewed the existing remuneration arrangements of the Company’s US management team and resolved to grant an additional 750,000 performance rights to Mr David Gay and an additional 900,000 performance rights to other key US employees and contractors of the Company (which vest upon satisfaction of various key project development milestones) under the Company’s Performance Rights Plan as part of the long term incentive component of their remuneration.

BUCK CREEK MINING COMPLEX

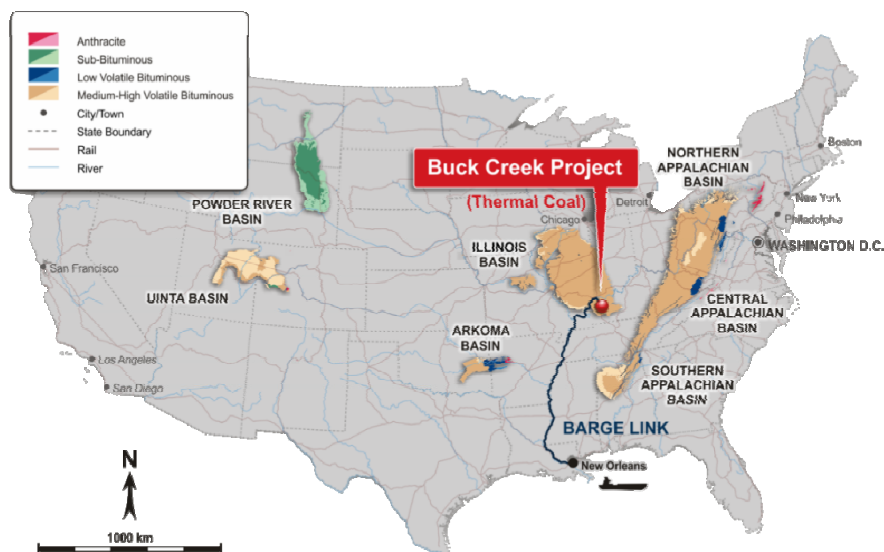
The Buck Creek Mining Complex is located in the Western Kentucky region of the Illinois Coal Basin (“ILB”) which is one of the most prolific coal producing regions in the United States. Paringa controls over 32,200 gross acres (~13,842 ha) of coal leases within an area of interest of approximately 72,000 acres (~28,000 ha). The Buck Creek Mining Complex is one of the few remaining contiguous high quality thermal coal projects within the Western Kentucky No. 9 (“WK No. 9”) seam that is not controlled by one of the major United States coal companies. It offers one of the highest quality, highest heating value products in the ILB. The WK No. 9 is now the second largest producer of coal in the United States by coal seam.

The Buck Creek Mining Complex has a JORC Measured and Indicated Coal Resource Estimate of 211 million tons (~192 million tonnes) of high quality thermal coal. The Project’s Marketable Ore Reserve is classified as a Proven and Probable Ore Reserve Estimate, of which 16.4 million tons (or 26 percent) is considered proven and 46.3 million tons (or 74 percent) is considered probable.

Buck Creek Mining Complex – Coal Resource Estimate							
CRE Tonnage (Mt)					Product Quality (+4% Eq. Moisture)		
Measured	Indicated	Total Measured & Indicated	Inferred	Total	Calorific Value	Ash	Yield
57.7	153.5	211.2	5.3	216.5	11,855 Btu/lb (6,583 Kcal/kg)	8.35%	92.9%

Buck Creek No.1 Mine Maiden Ore Reserve Estimate						
Recoverable Coal Reserve (Mt)			Product Yield	Marketable Coal Reserve (Mt)		
Proven	Probable	Total	%	Proven	Probable	Total
22.25	62.91	85.16	73.54%	16.36	46.27	62.63

The Buck Creek Mining Complex is located adjacent to the Green River which provides year round linkage to the Ohio and Mississippi rivers systems. These systems feed domestic coal-fired power plants and coastal export coal terminals in the Gulf of Mexico.



Location of the Buck Creek Mining Complex

Forward Looking Statements

This announcement 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 announcement, to reflect the circumstances or events after the date of that announcement.

Competent Persons Statements

The information in this announcement that relates to Exploration Results, Coal Resources, Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa's ASX announcements dated 17 March 2015 entitled 'Paringa Delivers Exceptional Pre-Feasibility Study at the Buck Creek No.1 Mine' and 25 February 2015 entitled 'Substantial 54% Increase in Measured and Indicated Coal Resources to 211 Million Tons' 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, and fairly represents, 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. 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 Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Messrs. Justin S. Douthat and Gerard J. Enigk, both of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration. Messrs. Douthat and Enigk are employed by Cardno. Messrs. Douthat, and Enigk have 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 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, Coal Reserve, 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.