

22 July 2016

Mr Ben Tippet
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Mr Tippet

Appendix 3Y – Director's Interest Notice

I refer to your letter dated 21 July 2016 regarding the Change in Director's Interest Notice ("Appendix 3Y") lodged on 19 July 2016. The Company recognises that this notice was lodged outside the timeline prescribed in accordance with ASX Listing Rule 3.19A. In response to the questions in your letter, we give the following answers:

1. Please explain why the Appendix 3Y was lodged late?

The Appendix 3Y related to the expiry of certain incentive securities held by the relevant Director. The Company has previously advised the market that these incentive securities would expire on 30 June 2016, however the Appendix 3Y was lodged late due to an oversight when the incentive securities expired, owing to the fact that there was no trade made by the relevant Director.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

All Directors are aware of their obligations in relation to Listing Rule 3.19A and in accordance with the ASX Listing Rules the Company has put in place a Securities Trading Policy, which forms part of each Directors letter of appointment. This policy requires Directors to notify the Company Secretary of any changes in the Company's securities held by Directors within two business days of such change occurring. In this case, no such notification was made as there was no trade made by the relevant Director.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The Company has implemented changes to monitor on a monthly basis when incentive securities expire in the future to ensure there will be no further delays in reporting of these changes in the future.

The Company is strongly committed to ensuring its compliance with the disclosure obligations in accordance with the share trading policy and the ASX Listing Rules.

Yours sincerely



Greg Swan
Company Secretary



21 July 2016

Mr Gregory Swan
Company Secretary
Paringa Resources Limited
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000

By Email

Dear Mr Swan,

Paringa Resources Limited (the "Company")

I refer to the following:

1. The Company's announcement lodged with ASX Limited ("ASX") on 19 July 2016 regarding a change of director's interest notice for Mr David Gay ("Appendix 3Y").
2. Listing Rule 3.19A, which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing Rule 3.19B, which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by Listing Rule 3.19.A. The entity must enforce the arrangements with the director.

As the Appendix 3Y indicates that the change in Mr Gay's notifiable interests occurred on 30 June 2016, the Appendix 3Y should have been lodged with the ASX by 7 July 2016. As the Appendix 3Y was lodged on 19 July 2016, it appears that the Company may be in breach of Listing Rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the Listing Rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the Listing Rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the Listing Rules.

Having regard to Listing Rules 3.19A and 3.19B and Guidance Note 22 *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with Listing Rule 3.19B?

Your response should be sent to me by e-mail to Ben.Tippett@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Monday 25 July 2016**.

Under Listing Rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Ben Tippett
Adviser, Listings Compliance (Perth)