

ASX Announcement

PARINGA SECURES NEW STRATEGIC COAL LEASES

HIGHLIGHTS:

- **Successfully secured new strategic coal leases within the Buck Creek Mining Complex which will be incorporated into the Pre-Feasibility Study mine plan for the Buck Creek No.1 Mine**
- **Paringa has now consolidated one of the last remaining undeveloped, large-scale coal deposits in the Illinois Basin's most productive coal seam (Western Kentucky No.9 Seam) with direct barge access to the lucrative Ohio River Market**
- **Significant achievement in de-risking the development of the Buck Creek No.1 Mine, complimenting completed environmental permitting and existing transportation infrastructure**
- **Continuation of successful leasing program to underpin ongoing technical studies at the Buck Creek No.2 Mine and assess the potential for a third mine development**
- **Extensive drill hole data available for the new leases which will be used as part of the Company's upcoming Coal Resource Estimate update later this month**

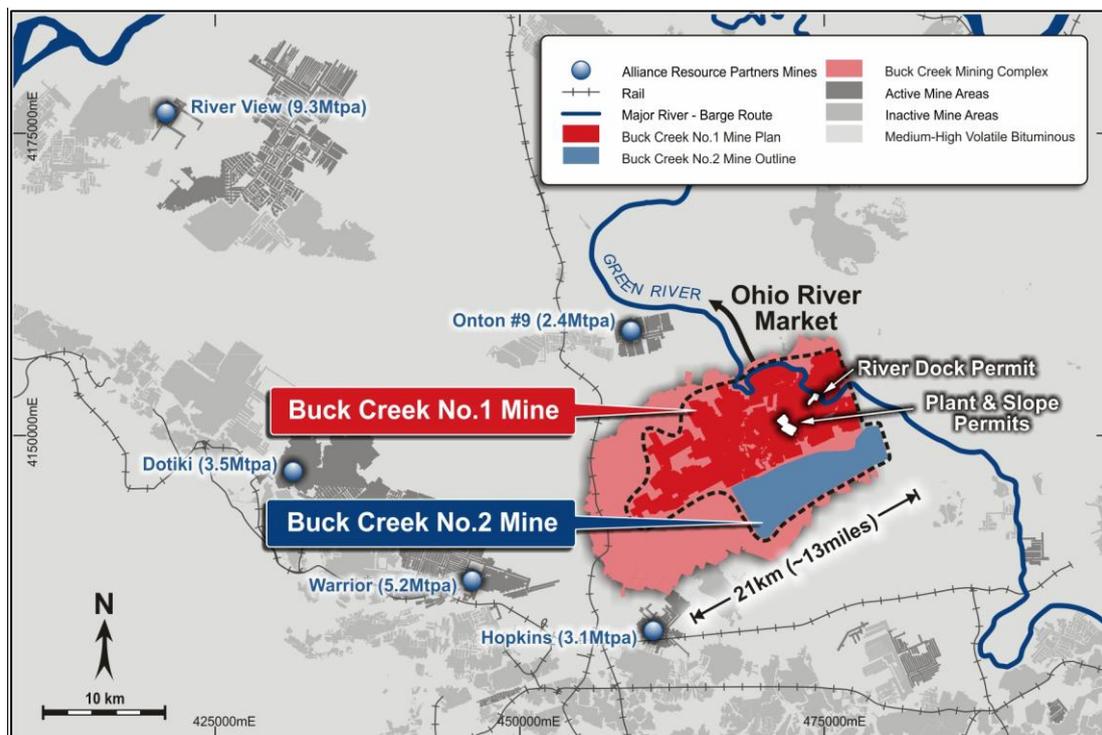


Figure 1: Buck Creek Mining Complex and Adjacent Operations

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to advise that it has secured new strategic leases ("**New Leases**") within the Buck Creek mining complex ("**Buck Creek Mining Complex**").

Leases controlled by Paringa now total 33,500 acres (13,557 ha) consisting of 402 individual leased mineral tracts. Since the release of the Company's maiden Coal Resource Estimate in November 2013, an additional 75 mineral tracts totaling 8,500 acres (3,400 ha) have been secured.

The coal seam targeted within the Buck Creek Mining Complex is the Western Kentucky No.9 ("**WK No.9**") seam which is the second largest producer of thermal coal in the US (by coal seam). The geology of the WK No.9 seam, and specifically within Paringa's Buck Creek Mining Complex, lends itself to some of the most productive and lowest cost underground coal mining in the US. The Buck Creek Mining Complex is located near some of the highest margin thermal coal mines in the US owned by the second largest US coal producer, Alliance Resource Partners LP.

The proposed Buck Creek No.1 and No.2 Mines are also located within an established coal mining region which provides excellent transport, power and other support infrastructure for coal operations and is adjacent to the Green River, providing year round linkage to the Ohio and Mississippi rivers systems which feed low cost base-load domestic coal-fired power plants.

The proposed target market for Buck Creek No.1 and No.2 coal will be the lucrative Ohio River market consisting of large, scrubbed base-load power plants. Feedback from discussions with domestic utilities confirms there is demand for new independent sources of coal in the Ohio River Market to increase the diversity of local supply. The strong market fundamentals for Illinois Basin coal are underpinned by the substantial growth in US scrubbed coal-fired power plant capacity, with Illinois Basin demand forecast to increase by over 50% to 202 million tons from 2013 to 2020.

The Pre-Feasibility Study ("**PFS**") for Buck Creek No.1 Mine is set for completion during the March 2015 quarter and the technical study for Buck Creek No.2 Mine is due in the September 2015 quarter. The Company anticipates cashflows from the proposed Buck Creek No.1 Mine to assist the development of the low capital cost Buck Creek No.2 Mine. Continuation of Paringa's successful leasing program will underpin ongoing technical studies at the Buck Creek No.2 Mine and assess the potential for a third mine development.

Significant scalability exists within the Buck Creek Mining Complex to increase annual coal production from the proposed current steady state production rate of 3.4 million tons of saleable coal per annum at the Buck Creek No.1 Mine (per the Scoping Study released February 2014). In addition, the new lease position will assist with an upgrade to the JORC Coal Resource Estimate for the Buck Creek Mining Complex later this month.

Paringa's Chief Executive Officer, Mr David Gay, said "*Our successful leasing program has significantly de-risked the development of the Buck Creek No.1 Mine and paved the way for a substantial expansion to the PFS mine plan. We have an exciting six month period ahead with the JORC Coal Resource Estimate update, PFS results for Buck Creek No.1 Mine and results from the Buck Creek No.2 Mine technical study. The Buck Creek Mining Complex is truly the last remaining large-scale, undeveloped coal deposits in the Illinois Basin with direct barge access to the Ohio River market.*"

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New Strategic Leases

The Buck Creek Mining Complex is unique compared to many other US coal properties since the Buck Creek surface property owners also generally own the mineral estate (including the coal). Thus, the Buck Creek Mining Complex consists of many individual mineral leases of varying size and complexity requiring time and resources to research, negotiate and lease.

One of the positive outcomes of this unique mineral ownership is that the community has a vested interest in the success of the mining operation. The complex nature and scale of these lease properties is the key factor in the Buck Creek Mining Complex not being previously consolidated and developed by local US coal producers.

Total leases controlled by Paringa now totals 33,500 acres (13,557 ha) and consists of 402 individually leased mineral property tracts. Since the release of the Company's maiden Coal Resource Estimate in November 2013, an additional 75 mineral property tracts totaling 8,500 acres (3,400 ha) have been leased.

Paringa also holds options to purchase approximately 540 acres (~218 ha) of surface land to be used for the surface facilities of the underground mine, preparation plant, refuse disposal site and barge loading facility.

The new lease position will assist with an upgrade to the JORC Coal Resource Estimate for the Buck Creek Mining Complex later this month.

ABOUT THE BUCK CREEK MINING COMPLEX

The Buck Creek Mining Complex is located in the Western Kentucky region of the Illinois Coal Basin which is one of the most prolific coal producing regions in the USA. Paranga controls over 33,500 gross acres (~13,557 ha) of coal leases.

The Buck Creek Mining Complex is one of the few remaining contiguous high quality thermal coal projects within the WK No.9 seam that is not controlled by one of the major USA coal companies and offers one of the highest quality, highest heating value products in the Illinois Coal Basin. The WK No.9 is now the second largest producer of coal in the US by coal seam.

Following the securing of new strategic coal leases within the Buck Creek Mining Complex, the Company is currently finalising an upgrade to its maiden JORC Coal Resource Estimate for the Buck Creek Mining Complex, which is expected to be released later this month.

Buck Creek Mining Complex – Coal Quality (+4% Eq. Moisture)	
Calorific Value	6,564 kcal/kg (11,814 Btu/lb)
Ash	8.7%
Yield – From In Seam Core Analyses	92.3%

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

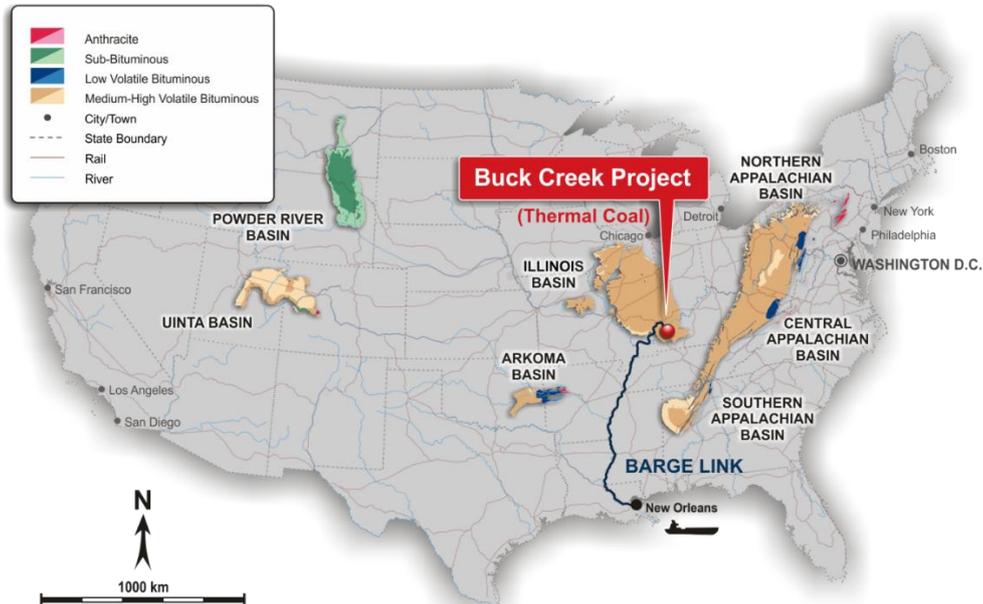


Figure 2: Location of the Buck Creek Mining Complex

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.

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

Competent Persons Statement (North American Projects)

The information in this announcement 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 presentation have not been materially modified from the original ASX announcements.