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INSTITUTIONAL PLACEMENT TO RAISE A\$8 MILLION

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to announce that it has successfully completed a book build and received irrevocable commitments for a placement of 19.0 million shares at an issue price of A\$0.42 per share to institutional investors to raise A\$8.0 million (“**Placement**”).

The proceeds from the Placement will be used to complete an updated Bankable Feasibility Study for a potential two coal seam operation at the Poplar Grove Mine in early-2017 and to provide funding for the Company to commence development of the Poplar Grove Mine by mid-2017.

Paringa’s Managing Director and CEO, Mr. Todd Hannigan, said:

“We are pleased with the strong institutional support received for this Placement which significantly enhances the nature of our register and reflects the quality of the project and the rapidly improving fundamentals of the US coal and energy sector. The funds will allow Paringa to accelerate some of the key items required for Poplar Grove, with a key objective to de-risk the development schedule for the project. Our plan is simple and remains on track – we will develop low capital and operating cost mines located near river transportation in the Illinois coal basin – starting with the low cost and high margin Poplar Grove Mine in mid 2017.”

Argonaut and Curran & Co acted as Joint Lead Managers to the Placement. The issue price of A\$0.42 represents a 7.7% discount to the 10-day VWAP.

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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.