

Notification under Section 708AA(2)(f) of Corporations Act 2001 (Cth)

Paringa Resources Limited (ACN 155 933 010) (**Company**) (ASX Code: PNL) has today announced that it is undertaking a pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise up to approximately A\$23.2 million (before associated costs).

The Entitlement Offer will comprise an accelerated institutional component and a retail component.

Under the retail component of the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 fully paid ordinary share (**New Share**) for every 3 existing shares in the Company held as at the Record Date, 5.00pm AWST on Monday 21 May 2018, at an issue price of \$0.22 per New Share.

The Entitlement Offer is underwritten by Argonaut Securities Pty Limited (**Underwriter**).

Further details regarding the Entitlement Offer are set out in the ASX announcement accompanying this notice.

The Company advises that it will offer the New Shares for issue to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (**Act**) and states that this notice is given to ASX under paragraph 708AA(2)(f) of the Act, as modified by ASIC Corporations Instruments 2016/73 and 2016/84.

Accordingly the Company confirms that:

1. The Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Act.
2. This notice is being given under section 708AA(2)(f) of the Act.
3. As at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act.
4. As at the date of this notice, there is no excluded information as defined in sections 708AA(8) and 708AA(9) of the Act which is required to be disclosed by the Company.
5. The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, including investor demand and existing shareholdings. As the Entitlement Offer is a pro rata issue, and given the current level of holdings of substantial holders (based on substantial holder notices that have been given to the Company and lodged with ASX before the date of this announcement), the Entitlement Offer is not expected to have any material effect on the control of the Company and, as a result, there is not expected to be any consequences flowing from that effect.

Signed for and on behalf of the Board of Paringa Resources Limited

Yours sincerely

A handwritten signature in black ink, appearing to be 'G. Swan', with a long horizontal stroke extending to the right.

Gregory Swan
Company Secretary