

ASX Announcement

HIGHLY RESPECTED MINING EXECUTIVES JOIN THE PARINGA BOARD

HIGHLIGHTS:

- ***Appointment of Mr Todd Hannigan as Non-Executive Director of Paringa, with Mr Thomas Todd as his alternate Director***
- ***Messrs Hannigan and Todd were formerly the Chief Executive Officer and Chief Financial Officer respectively of Aston Resources and were instrumental in developing the company into one of the largest publicly listed coal companies in Australia***
- ***Completion of a placement of 3 million shares to T2 Resources, a company controlled by Messrs Hannigan and Todd, will build upon their existing individual investments in Paringa and will raise approximately \$1.0 million***
- ***Introduction of Messrs Hannigan and Todd to the Company provides additional in-house resource management skills, financing abilities and will assist in lifting the Company's profile in the Australian and North American coal markets***
- ***Paringa will continue to rapidly complete the remaining technical studies for the Buck Creek Project with the aim of commencing mine construction in 2015***

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to announce the appointment of Mr Todd Hannigan as a Non-Executive Director of Paringa, with Mr Thomas (Tom) Todd as his alternate Director. In addition, the Company will undertake a placement to Messrs Hannigan and Todd, through their investment vehicle T2 Resources Pty Limited ("**T2 Resources**").

Messrs Hannigan and Todd were formerly the Chief Executive Officer and Chief Financial Officer respectively of Aston Resources Limited ("**Aston Resources**"). During this period, they led the growth of Aston Resources from a small private company into one of Australia's largest publicly listed coal companies. Aston Resources raised a total of \$855 million in debt and \$1.1 billion in equity funding to acquire and fully fund the Maules Creek coal project through to first coal production. In 2011, Aston Resources merged with Whitehaven Resources Limited in a deal valued at over \$5 billion.

Commenting on the new Board Appointment, Paringa's Chief Executive Officer, Mr David Gay, said "*We are delighted with the appointment of Messrs Hannigan and Todd to the Board providing valuable experience in developing and financing world-class coal projects globally. Their involvement and investment in the Company is testament to the quality of the Buck Creek Project and our plans to become a significant new source of production in the growing Illinois Basin.*"

For further information contact:

David Gay
Chief Executive Officer

Nathan Ainsworth
Business Development

Additional Information

Mr Hannigan was the Chief Executive Officer of Aston Resources from 2010 to 2011. During this time, the company significantly progressed the Maules Creek project, including upgrades to the project's resources and reserves, completion of all technical and design work for the Definitive Feasibility Study, negotiation of two major project stake sales and joint venture agreements, securement of port and rail access and progression of planning approvals to final stages. Mr Hannigan has worked internationally in the mining and resources sector for over 18 years with Aston Resources, Xstrata Coal, Hanson PLC, BHP Billiton and MIM. Mr Hannigan is a graduate of the University of Queensland, holds a Bachelor of Engineering (Mining) with Honours, holds a Queensland first class mine manager's certificate and has a MBA from INSEAD.

Mr Todd was the Chief Financial Officer of Aston Resources from 2009 to November 2011. Prior to Aston Resources, Mr Todd was Chief Financial Officer of Custom Mining, where his experience included project acquisition and funding of project development for the Middlemount project to the sale of the company to Macarthur Coal. A graduate of Imperial College, Mr Todd holds a Bachelor of Physics with first class Honours. He is a member of The Institute of Chartered Accountants in England and Wales and a graduate of the Australian Institute of Company Directors.

T2 Resources is a Sydney-based natural resource investment company founded by Mr Todd Hannigan and Mr Tom Todd. T2 Resources is a value driven investment firm that targets opportunities with significant operational, development or funding catalysts. The founders of T2 Resources have a successful record in securing finance for the acquisition and development of large scale coal projects. This includes securing acquisition debt funding, public market equity and joint venture funding on compressed timeframes and in challenging market conditions.

The appointment of Messrs Hannigan and Todd will be effective on or about 21 May 2014.

Placement

The placement will involve an equity issue of 3 million shares at a price of \$0.32 (20-day VWAP) per share to T2 Resources to raise approximately \$1 million, with an attaching 1 for 2 option exercisable at \$0.45 on or before 30 June 2018. Messrs Hannigan and Todd are both existing shareholders of Paringa. The funds raised will be used to progress the development of the Company's flagship Buck Creek Project, with the aim of moving into mine construction during 2015.

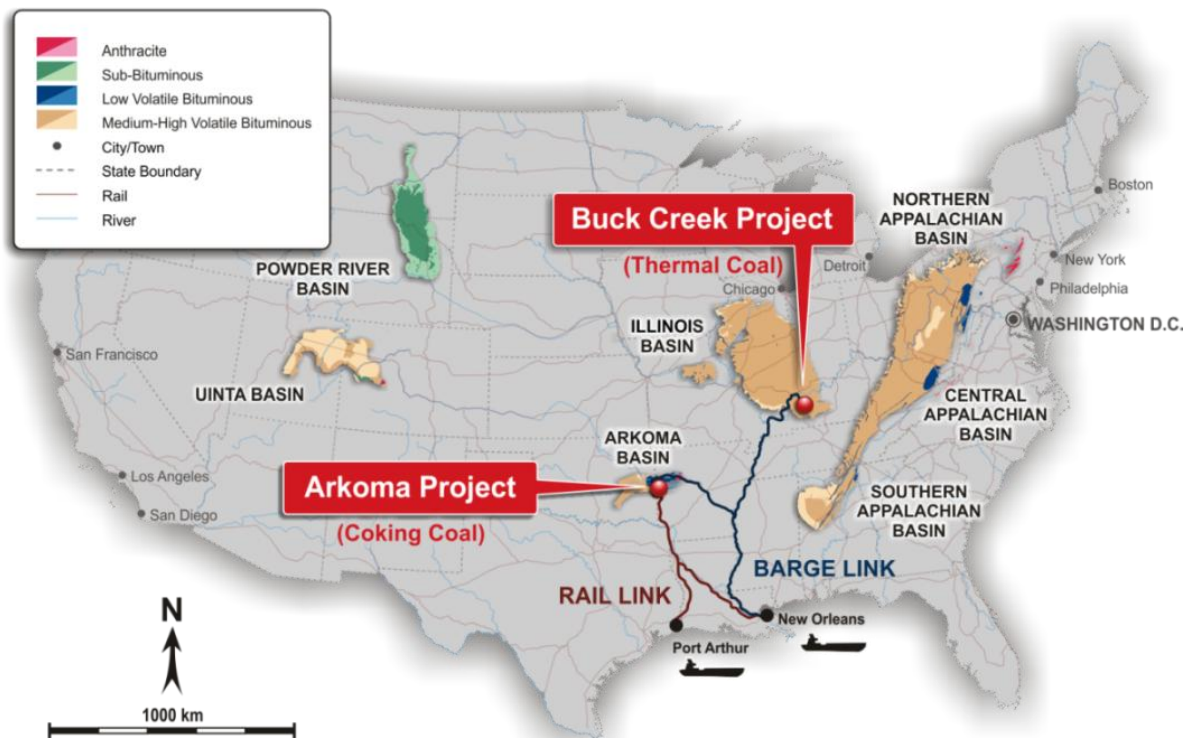
ABOUT THE BUCK CREEK PROJECT

The Buck Creek Project 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 26,000 gross acres (~10,500 ha) of coal leases within an area of interest of approximately 72,000 acres (~28,000 ha).

The Buck Creek Project has a JORC Coal Resource Estimate of 154 million tons (~140 million tonnes) of high quality thermal coal with over 88% in the Measured & Indicated categories. The Buck Creek Project 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 Buck Creek Project 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.

Buck Creek Project – Coal Resource Estimate (WK No.9 Seam)				
Measured (Mt)	Indicated (Mt)	Total Measured and Indicated (Mt)	Inferred (Mt)	Total (Mt)
32.1	104.8	136.9	17.5	154.4



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.