

ASX Announcement

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PLACEMENT TO RAISE A\$5 MILLION

Paringa Resources Limited (“**Paringa**” or “**Company**”) is pleased to announce that it has successfully completed a bookbuild for a placement of 12,500,000 ordinary shares of the Company at an issue price of A\$0.40 per share to institutional and sophisticated investors in Australia and North America to raise gross proceeds of A\$5,000,000 (“**Placement**”).

Proceeds from the Placement will be used to accelerate the Company’s planned development initiatives at its flagship Buck Creek coal project (“**Buck Creek Project**”) including:

- Completion of remaining technical studies with the aim of entering into construction of the Buck Creek Project in 2015; and
- Continuation of an aggressive leasing program with the aim of increasing the maiden Coal Resource Estimate for the Buck Creek Project.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement, which was heavily oversubscribed. The issue price of A\$0.40 represents a 3% discount to the 30-day VWAP.

The Company expects to complete the placement on or about 29 July 2014 and expects to issue the Placement shares under Listing Rules 7.1 and 7.1A.

Commenting on the Placement, Paringa’s Chief Executive Officer, Mr David Gay, said *“This transaction is an excellent outcome for the Company and the strong support received underlines the quality of the high margin, low capex Buck Creek Project. The funds will allow Paringa to continue its aggressive leasing program and to complete remaining technical studies. In addition, we will continue to build on the existing resource base and advance discussions with regional coal power plants who we believe will value a significant new independent production source in the highly sought after Illinois Coal Basin”*.

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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.