

ASX Announcement

COMMENCEMENT OF TECHNICAL STUDY ON NEW COAL MINE OPERATION AT BUCK CREEK

HIGHLIGHTS:

- *Paringa to assess opportunities to incrementally expand production at the Buck Creek Mining Complex, forming part of a staged multi-project development program*
- *Nearing completion of a Pre-Feasibility Study of the Buck Creek No.1 Mine, with results to be released during the first quarter of 2015*
- *Paringa will now commence a Technical Study on a new coal mine operation (“Buck Creek No.2 Mine”) located within the Buck Creek Mining Complex and to the south of the Buck Creek No.1 Mine’s proposed 3.4mtpa coal operation*
- *Potential development of the Buck Creek No.2 Mine to be funded from surplus cashflows from the proposed Buck Creek No.1 Mine set for construction in 2015*
- *Potential for low capex development at Buck Creek No.2 given the shallow coal seam depth at the planned mine portal and the potential to leverage off infrastructure at the permitted Buck Creek No.1 Mine*
- *Initial target market for Buck Creek No.1 and No.2 coal will be the lucrative Ohio River market via direct low-cost barge transportation, which consists of large, scrubbed and highly efficient domestic power plants*

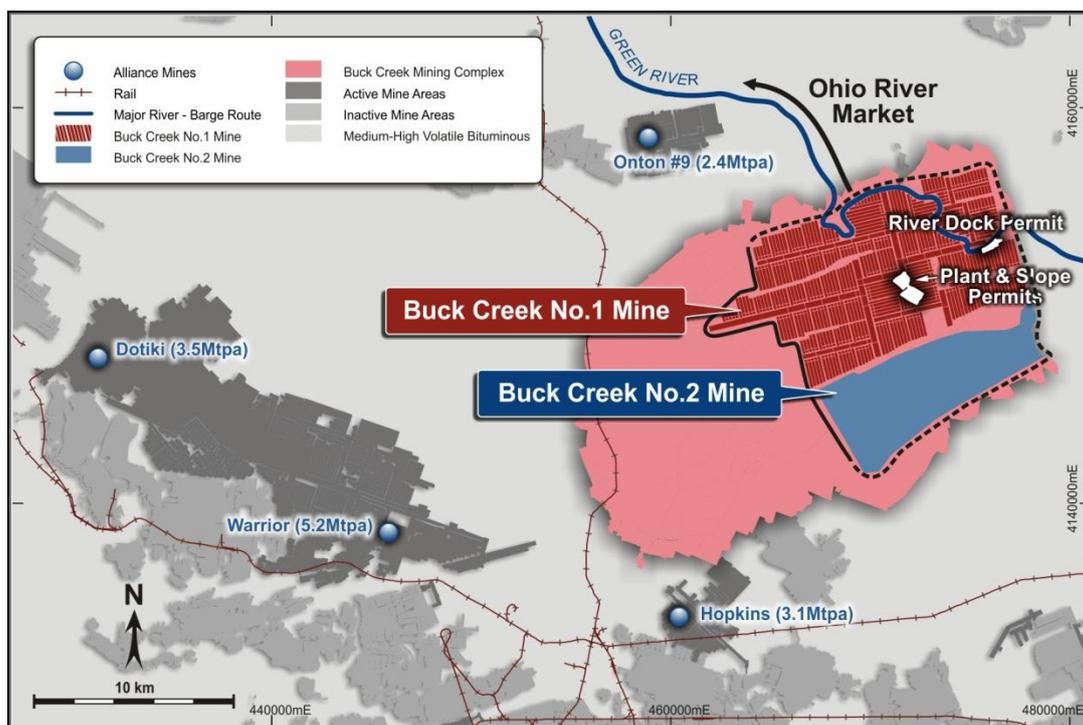


Figure 1: Buck Creek Mining Complex and location of the Buck Creek No.1 and No.2 Mine Areas

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to advise that a Technical Study ("**Technical Study**") has commenced on the Company's Buck Creek No.2 mine area (the "**Buck Creek No.2 Mine**") located south of the renamed Buck Creek No.1 mine area ("**Buck Creek No.1 Mine**", formerly named *Buck Creek Mine*) and within the Buck Creek mining complex ("**Buck Creek Mining Complex**").

The Buck Creek Mining Complex, which now includes the proposed Buck Creek No.1 and No.2 Mines, is one of the last remaining large-scale, contiguous, undeveloped coal deposits in the Illinois Basin not controlled by a major coal producer.

The geology of the Illinois Basin, and specifically within Paringa's Buck Creek Mining Complex, lends itself to some of the most productive and lowest cost 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 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 domestic coal-fired power plants and coastal export coal terminals in the Gulf of Mexico.

Development of Buck Creek No.2 is expected to be a low capex development project given the shallow depth of the coal seam from surface at the planned mine site and the potential to utilise the proposed Buck Creek No.1 Mine's processing and barge transportation infrastructure.

The Company anticipates cashflows from the proposed Buck Creek No.1 Mine, which is set for construction in 2015, to fund the development of the low capex Buck Creek No.2 Mine. The Company is also assessing other development opportunities within the Buck Creek Mining Complex area which will form part of a staged multi-project development program.

Initial target market for Buck Creek No.1 and No.2 coal will be the lucrative Ohio River market via direct low-cost barge transportation, which consists of large, scrubbed and highly efficient domestic power plants. Initial feedback from discussions with the Ohio River market 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.

Paringa's Buck Creek Mining Complex is a well-defined block of coal with over a 1,200 recorded coal seam drill intercepts. Extensive historical drilling data will form the basis of a Coal Resource Estimate for the Buck Creek No.2 Mine.

Paringa's Chief Executive Officer, Mr David Gay, said *"We are delighted to begin studies on the new Buck Creek No.2 Mine which has the potential to be a low capex development, utilising the proposed Buck Creek No.1 Mine's coal processing and barge transportation infrastructure. The Pre-Feasibility Study for the Buck Creek No.1 Mine is advancing rapidly and we are looking forward to announcing the results during the first quarter of 2015. It is going to be a very exciting 12 months ahead for Paringa."*

For further information contact:

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Chief Executive Officer

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Buck Creek No.2 Mine Technical Study

The Technical Study for Buck Creek Mine No.2 will be managed by Cardno MM&A (“**Cardno MM&A**”) and will examine the following key areas:

- Review of JORC Coal Resource Estimate;
- Mine production scenarios and scheduling;
- Mine access;
- Coal handling, processing and surface infrastructure requirements;
- Transport and logistics;
- Environmental and social assessment;
- Operating and capital cost evaluation; and
- Coal pricing and marketing.

Cardno MM&A will utilise local industry expertise to analyse the various components of the Technical Study, including (but not limited to) the design of mine development and coal transportation to the proposed Buck Creek No.1 Mine’s processing and barge load-out facilities.

Cardno MM&A has over 38 years of expertise in mining engineering, mine reserve evaluation, feasibility studies and due diligence services for mining and resource projects across the globe, and is a subsidiary of Cardno Limited, an ASX-200 professional infrastructure and mining services company.

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. Paringa 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 Mining Complex 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 Mining Complex is one of the few remaining contiguous high quality thermal coal projects within the Western Kentucky No.9 (“**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.

Buck Creek Mining Complex – 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

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.

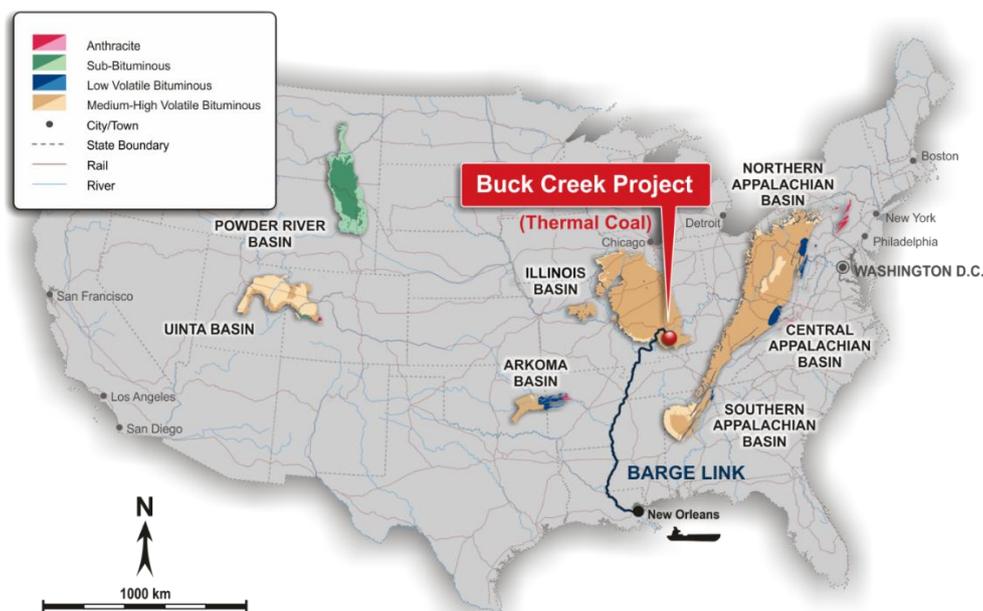


Figure 2: Location of the Buck Creek Mining Complex

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.