

COMMENCED PERMITTING AT BUCK CREEK NO.2 MINE

- *Permitting process for the No.2 Mine has begun so construction can begin by Q2 of 2017*
- *Paringa has an excellent track record having recently completed the permitting for the No.1. Mine, which is a well-established process*
- *Cornerstone coal sales agreement with LG&E and KU for coal to be delivered from Paringa's proposed No.2 Mine, with future sales totalling US\$205 million*
- *Almost 60% of No.2 Mine's annual production during the 5 year sales agreement is now contracted with LG&E and KU, significantly de-risking the project for potential financiers.*
- *Potential for significant reductions to the operating and capital costs at the Buck Creek Mine Complex due to continued reductions in labour, materials, supplies and fuels costs*
- *Potential for market conditions to improve following an unprecedented rationalisation of the US coal production and further consolidation of supply into the Ohio River Market*

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to announce the Company begun the mine permitting process at the Buck Creek No.2 Mine ("**No.2 Mine**"). The No.2 Mine requires standard permits for mining, surface facilities, refuse storage and transportation.

Paringa has retained Associated Engineers, Inc, a consultancy firm with significant experience in permitting new coal mines in the Illinois Basin. Based on the Company's experience in successfully completing the permitting process for the Buck Creek No.1 mine ("**No.1 Mine**"), Paringa expects to secure these standard mine permits to start construction of the No.2 Mine by the June quarter of 2017.

Commenting on the announcement, Paringa's President and CEO, Mr David Gay, said: "*We are very pleased to have already begun the permitting process which should be finalized allowing construction to begin at the No.2 Mine during Q2 of 2017 and production by mid-2018. We are looking forward to transitioning to the construction phase of the Buck Creek Mine Complex and continue to make progress with potential equity and debt financiers in the US.*"

For further enquiries:

David Gay
President & CEO

Nathan Ainsworth
VP, Business Development

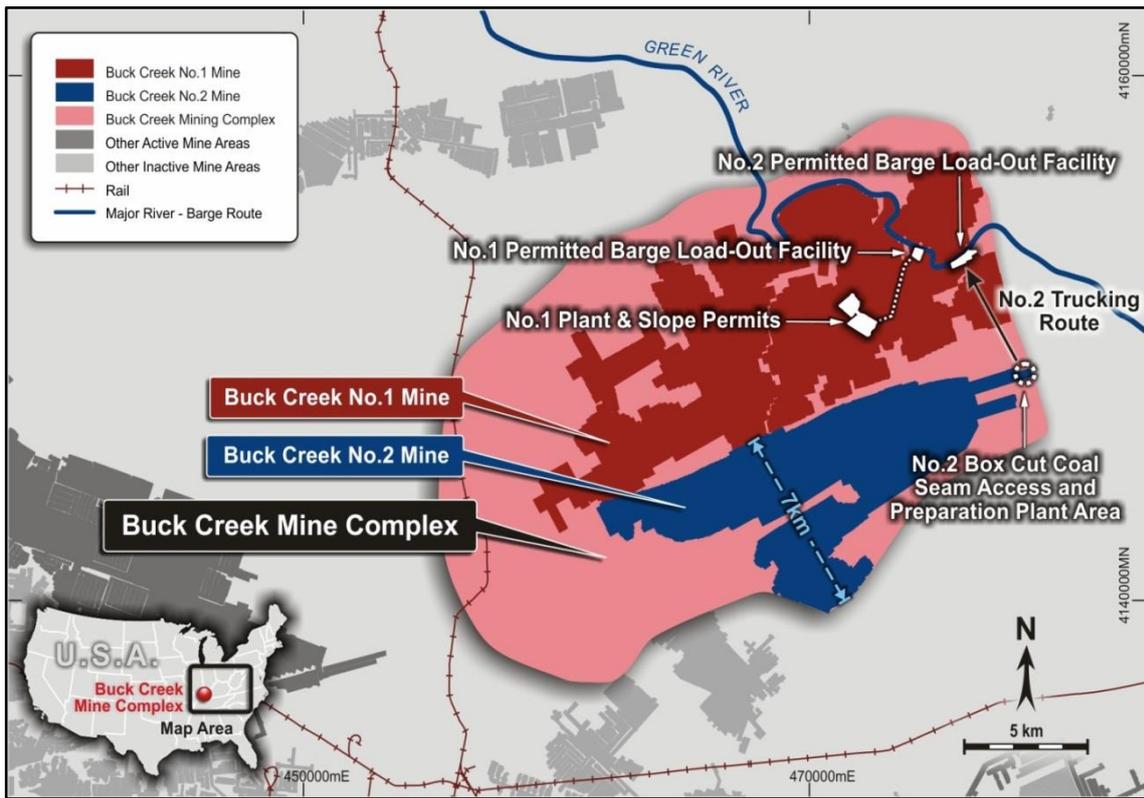


Figure 1: Buck Creek Mine Complex (No.2 and No.1 Mines)

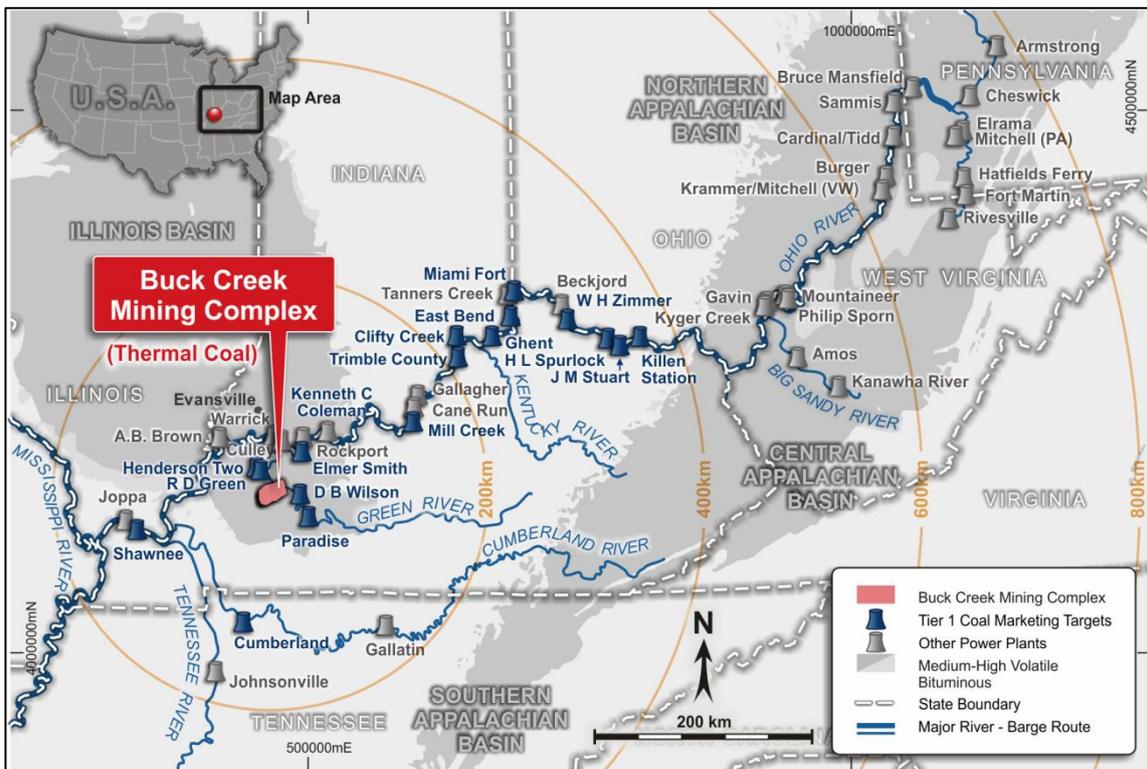


Figure 2: Location of the Buck Creek Mine Complex and the Ohio River Market

Forward Looking Statements

This report 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.

Competent Persons Statements

The information in this report that relates to Exploration Results, Coal Resources, Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa's ASX announcements dated December 2, 2015 entitled 'BFS Confirms Buck Creek will be a Low Capex, High Margin Coal Mine' and February 15, 2016 entitled 'Buck Creek Transforms to a Staged Low Capex Development' 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, and fairly represents, 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. 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 Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Messrs. Justin S. Douthat and Gerard J. Enigk, both of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration. Messrs. Douthat and Enigk are employed by Cardno. Messrs. Douthat, and Enigk have 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 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, Coal Reserve, 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.