

APPOINTMENT OF TODD HANNIGAN AS CHIEF EXECUTIVE OFFICER

Paringa Resources Limited (“Paringa” or “Company”) (ASX:PNL | OTCQX:PNGZF) is pleased to announce the appointment of Todd Hannigan as Chief Executive Officer (“CEO”) of the Company, effective immediately. This role will complement the new role of Paringa’s existing CEO, David Gay, who will continue with the Company as President and Executive Director. In addition, Tom Todd will be appointed as Executive Director and Taso Arima will move to Non-Executive Director of the Company.

Paringa’s new Chief Executive Officer, Todd Hannigan, said: *“Paringa has an outstanding coal development asset – one that can be developed quickly at very low capital cost – but that also has valuable optionality to subsequently expand production and free cash flow through low cost, and low risk, modular mine expansions.*

We are highly fortunate that we are located in the best performing coal basin in the USA – the Illinois coal basin – which, despite one of the worst coal market downturns in the last 50 years, has still provided our nearest competitor, Alliance Resource Partners, LP, the conditions and opportunity to consistently maintain EBITDA margins of close to US\$20 per ton over the last five years. These remarkable margins, in direct contrast to other volatile and unprofitable coal markets, have been supported by structural market advantages that only continue to improve as weaker, higher cost, coal basins rationalize production and close unprofitable mines. And now, with higher international coal prices, rising US natural gas prices and falling coal inventories, the supply and demand fundamentals are starting to rapidly improve – which provides Paringa the perfect opportunity to enter this structurally advantaged market.

Our plan is simple – we intend to replicate Alliance’s successful strategy by developing low capital and operating cost mines located near low cost river transportation. We will start initially with the low cost construction of the 1.8 Mtpa Poplar Grove Mine during 2017. Critically, this initial mine development is already underpinned by a five year coal supply contract that minimizes market risk and provides a clear pathway to strong, predictable free cashflow, as well as exposure to substantial upside as the production profile increases.

Once Poplar Grove is established, we will then make low risk, low cost modular mine expansions aiming to grow our production to over 6 Mtpa. We will underpin this growth with long-term sales contracts to ensure that our investments are low risk, high return and generate high levels of free cash flow.

We have already made excellent progress in discussions with a wide range of investment groups to fund this development plan – we will now accelerate these discussions and we aim to fully fund the Poplar Grove project to commence construction by mid-2017.”

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.

The Board believes the appointment of a CEO with a strong track record of successfully financing and developing world-class coal projects is an important and timely step for the Company, as Paringa evolves from an emerging coal developer to Illinois Basin's next mid-tier coal producer.

Over the coming months, Paringa is set to release the results of the Bankable Feasibility Study ("BFS") for the Poplar Grove Mine's first 1.8 Mtpa mine development, complete the permitting process, complete financing discussions with debt and equity providers, with the aim to start construction of the Poplar Grove Mine by mid-2017.

For further information contact:

Todd Hannigan
Chief Executive Officer

Nathan Ainsworth
VP, Business Development

Remuneration

Mr Hannigan, Managing Director and CEO, will receive a salary of A\$300,000 per annum and a discretionary bonus of up to A\$100,000 per annum upon the achievement of relevant key performance indicators to be determined by the Company. Subject to shareholder approval, Mr Hannigan will also be granted 500,000 incentive options (exercisable for A\$0.45 each with an expiry date of 31 December 2018) and 2,500,000 performance rights (exercisable for nil consideration upon satisfaction of various key project development milestones with expiry dates between 31 December 2018 and 31 December 2020).

Performance Rights Plan

Following the revised strategy to develop Poplar Grove Mine, the Board will seek shareholder approval in the near future to reset the Company's Performance Right Plan to better align executives and key employees with the Company's focus on the development of Poplar Grove Mine. Further details will be released once they are finalized.

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, Exploration Targets, 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', February 15, 2016 entitled 'Buck Creek Transforms to a Staged Low Capex Development', and October 17, 2016 entitled 'Discovery of Additional Major Coal Seam at Poplar Grove Mine' 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, Exploration Targets, 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 Exploration target, 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.