

PARINGA SECURES FULLY UNDERWRITTEN US\$20 MILLION DEBT FACILITY

Paringa Resources Limited (**ASX:PNL** | **OTCQX:PNGZF**) is pleased to announce that it has accepted a Committed Letter of Offer ("**CLOO**") from Macquarie Bank Limited ("**Macquarie**") to provide a fully underwritten five-year US\$20 million Project Loan Facility ("**PLF**") to develop the Poplar Grove Mine.

Macquarie will also provide a US\$1.7 million Letter of Credit Facility ("**LCF**") to allow Paringa to collateralize environmental and other bonding obligations required for the construction and operation of the Poplar Grove mine.

The key terms of the PLF are typical of a facility of this nature, including a floating interest rate comprising the 3 month LIBOR plus a margin of 10.5% pa during construction, falling to a 9.5% margin for the remainder of the loan. The facility can be repaid at the end of any quarterly interest period, throughout the term of the loan, without penalty.

In consideration for the provision of this underwritten offer, Paringa will issue Macquarie 4.4 million options with an exercise price of A\$0.66, being a 20% premium to the 30-day volume weighted average share price of Paringa, and expiring 4 years from their date of issue. Paringa will issue a further 4.4 million options on the same terms upon drawdown.

Provision of the facilities are subject to execution of formal documentation and satisfaction of a number of conditions precedent. It is anticipated that the PLF will be drawn in 2018, only after incurring the project equity requirement in developing Poplar Grove.

Paringa's CEO, Mr. Todd Hannigan, said:

"We are very pleased to have secured a competitive debt facility from Macquarie, one of the world's leading providers of finance to the natural resource sector. This finance facility represents another significant milestone for the Paringa team and will allow the company to rapidly progress the Poplar Grove mine into construction and first coal."

For further information, contact:

Todd Hannigan
Chief Executive Officer
thannigan@paringaresources.com

Nathan Ainsworth
VP, Business Development
nainsworth@paringaresources.com