

ASX Announcement

EXCELLENT COAL QUALITY RESULTS

HIGHLIGHTS:

- **Excellent coal quality results confirm the Buck Creek Project to be an attractive Illinois Basin thermal coal product that is highly suitable for domestic and seaborne markets**
- **Buck Creek's high average coal seam calorific value of 6,564 kcal/kg and low chlorine content of 0.17%, compares favourably against most new underground coal mines in the Illinois Basin**
- **Results from drilling conducted on controlled leases across a distance of over 12km, confirms an excellent average in seam washed yield of almost 93%**
- **Coal quality data will enable the Company to develop more comprehensive product specifications for its coal marketing activities**
- **Preparation of a Scoping Study remains on track to be completed during March 2014 with these results integral to the economics of the Buck Creek Project**

Paringa Resources Limited ("**Paringa**" or "**Company**") is pleased to announce the coal quality results from the nine core hole drilling program targeting the Western Kentucky No.9 seam ("**WK No.9**") within the Buck Creek thermal coal project ("**Buck Creek Project**") located in the low cost and proven Illinois Coal Basin ("**ILB**") in Kentucky, USA.

Table 1: Updated Buck Creek Seam Coal Quality Specifications

Raw Proximate Analysis (Equilibrium Moisture)						Washed Core Quality (Equilibrium Moisture +4%)		
Moisture	Ash	Volatile Matter	Fixed Carbon	Chlorine	HGI	Calorific Value (kcal/kg)	Ash	Yield @ 1.60 Float
6.6%	12.0%	36.9%	44.6%	0.17%	60	6,564	8.4%	92.9%

Paringa's Chief Executive Officer, Mr David Gay, said "*Results from the coal quality analysis confirms the Buck Creek Project is a high quality thermal coal project. We are delighted with our progress to date and look forward to releasing the Scoping Study in March 2014.*"

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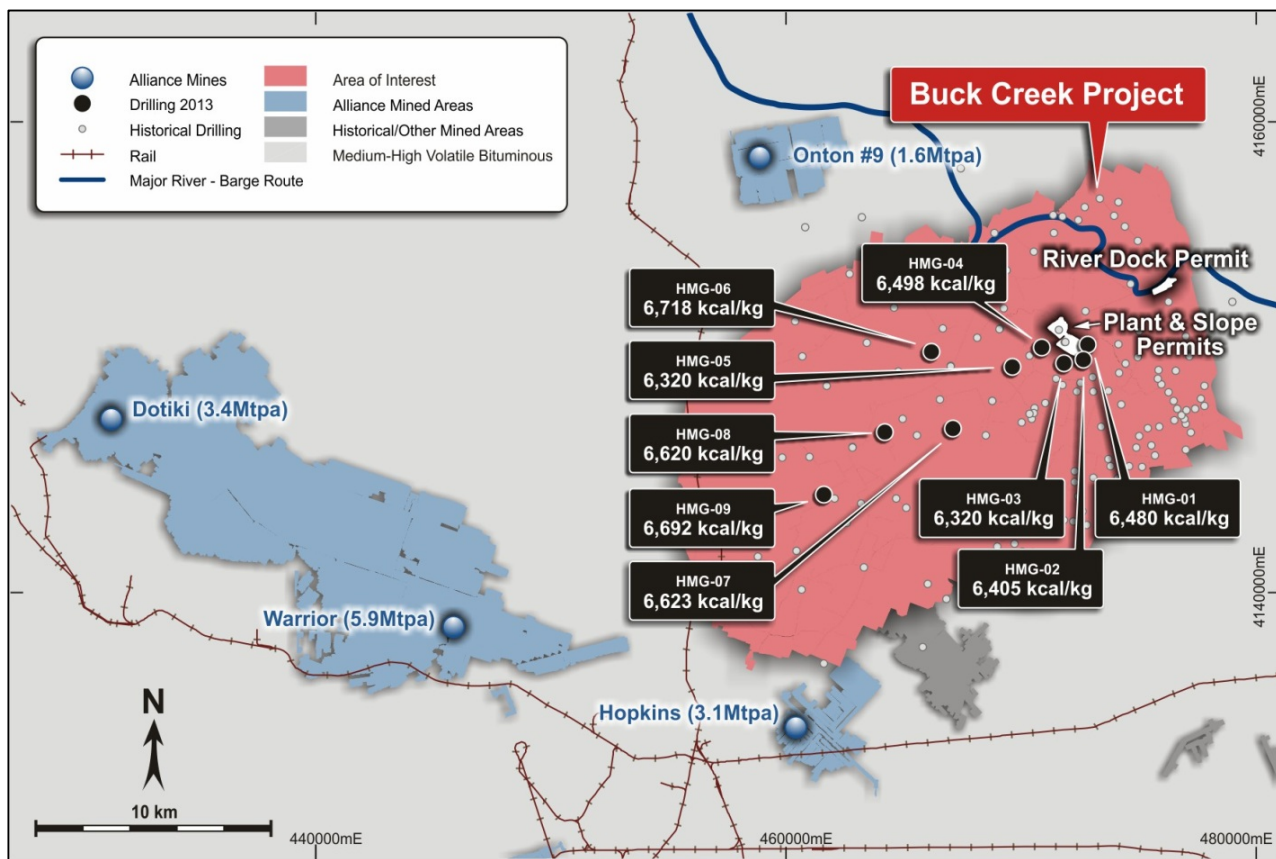


Figure 1: Buck Creek Project and Location and Heating Value of Recent Drill Holes
(As Received basis, Equilibrium Moisture +4%)

Attractive ILB Product

The Buck Creek Project has particularly attractive coal quality properties compared to existing and new mines being developed in the ILB. On a product basis, together with a 4% addition to equilibrium moisture, the coal has a high heat content of 6,564kcal/kg which compares very favourably with the larger producing mines in the ILB. Since thermal coal mines are ultimately selling energy this factor makes the Buck Creek Project's quality very attractive as a new source of energy from the ILB.

One of the most important characteristics to be considered in the ILB is the chlorine content. The Buck Creek Project's chlorine content is a low 0.17% and thus has a significant advantage over many other new developments in the ILB which typically have values exceeding 0.3%. The ash content of the Buck Creek Project's coal averages 8.4%, when typical ILB coal products are over 9.1%. In addition, the sulphur content at 2.8% is slightly lower than the average typically seen across the ILB.

The coal quality analysis obtained in relation to the Buck Creek Project provides confidence that the coal will be an attractive ILB product to the domestic and international thermal coal markets.

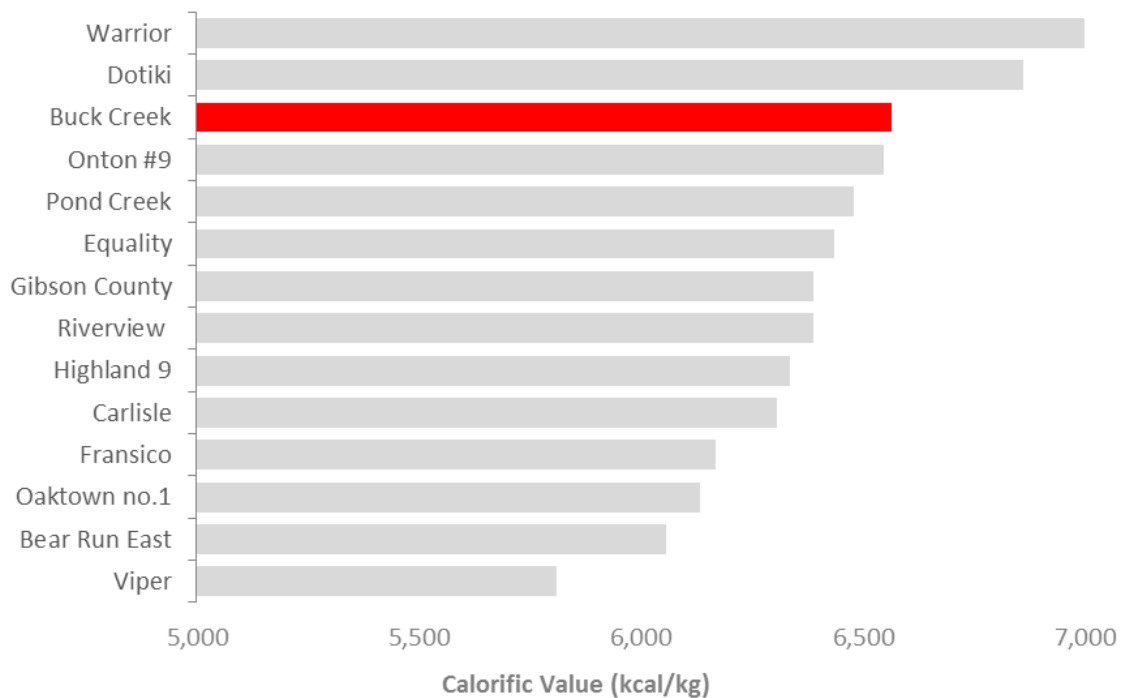


Figure 2: Buck Creek Project Quality Comparison
 (Source: Hanou Energy Consulting, LLC: Illinois Basin Coal Supply Study 2012 – 2021)

Coal Quality

Core quality and washability testing was completed on the nine drill core holes conducted within controlled leases of the Buck Creek Project targeting the WK No.9 seam. The coal samples were shipped to SGS North America Inc. in Henderson, Kentucky for analysis. Core recovery was greater than 95 percent for all of the samples sent for analysis. Coal seam quality data from the nine recently completed core samples and the historical 24 samples were utilised in determining the average core coal quality as presented in *Table 1*.

Table 2: Updated Buck Creek Seam Coal Quality Specifications

Hole	Raw Proximate Analysis (Equilibrium Moisture)						Washed Core Quality (Equilibrium Moisture +4%)			
	Moisture	Ash	Volatile Matter	Fixed Carbon	Chlorine	HGI	Calorific Value (kcal/kg)	Ash	Sulphur	Yield @ 1.60 Float
HMG-01	7.8%	9.6%	38.5%	45.5%	0.2%	60	6,480	8.5%	2.5%	95.3%
HMG-02	7.3%	13.4%	38.0%	42.0%	0.1%	59	6,405	9.3%	3.1%	90.6%
HMG-03	7.6%	12.4%	38.9%	41.9%	0.2%	59	6,320	9.9%	3.5%	94.3%
HMG-04	7.3%	12.9%	37.2%	42.9%	0.2%	61	6,498	8.5%	2.7%	95.4%
HMG-05	6.6%	16.0%	36.2%	41.8%	0.2%	64	6,320	11.2%	3.9%	92.6%
HMG-06	6.0%	13.4%	37.6%	43.2%	0.2%	64	6,718	7.5%	2.5%	89.3%
HMG-07	6.3%	11.2%	38.7%	43.8%	0.2%	66	6,623	8.0%	2.4%	95.0%
HMG-08	6.8%	21.1%	33.9%	39.0%	0.1%	63	6,620	7.8%	2.9%	93.6%
HMG-09	5.3%	13.1%	37.9%	43.9%	0.2%	64	6,692	8.9%	2.9%	95.0%

This average quality value was tabulated in Microsoft Excel utilising the polygonal area method. The polygonal method involves the calculation of an area of influence around each sample intersection and calculating the average grade by weighting each sample grade by the corresponding polygon's area. Qualities for each core hole include an addition of 4 percent moisture to the equilibrium moisture, which is intended to represent the true moisture of a saleable product (to approximate the As Received (AR) basis).

Other Studies

Paringa continues to rapidly progress with the development of the Buck Creek Project with a substantial amount of activity scheduled, including completion of geotechnical studies, development of coal product specifications for coal marketing activities, regional infrastructure review and completion of the Scoping Study.

Forward Looking Statements

This release 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 release, to reflect the circumstances or events after the date of that release.

Competent Persons Statement

The information in this report that relates 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'. Mr. Suehs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ABOUT THE BUCK CREEK PROJECT

The Buck Creek Project is located in the Western Kentucky region of the ILB which is one of the most prolific coal producing regions in the USA. Paranga controls over 25,000 gross acres (~10,000 ha) of coal leases within an area of interest of approximately 72,000 acres (~28,000 ha). The company recently released a maiden JORC Coal Resource Estimate of 154 million tons (~140 million tonnes) of high quality thermal coal defined at the Buck Creek Project with over 88% in the Measured & Indicated categories. The Buck Creek Project is one of the few remaining contiguous high quality thermal coal projects within the 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 ILB. The Buck Creek Project 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.

Table 3: Buck Creek Project – Coal Resource Estimate (WK No.9 Seam)			
CRE Tonnage (Mt)			
Measured	Indicated	Inferred	Total
32.1	104.8	17.5	154.4

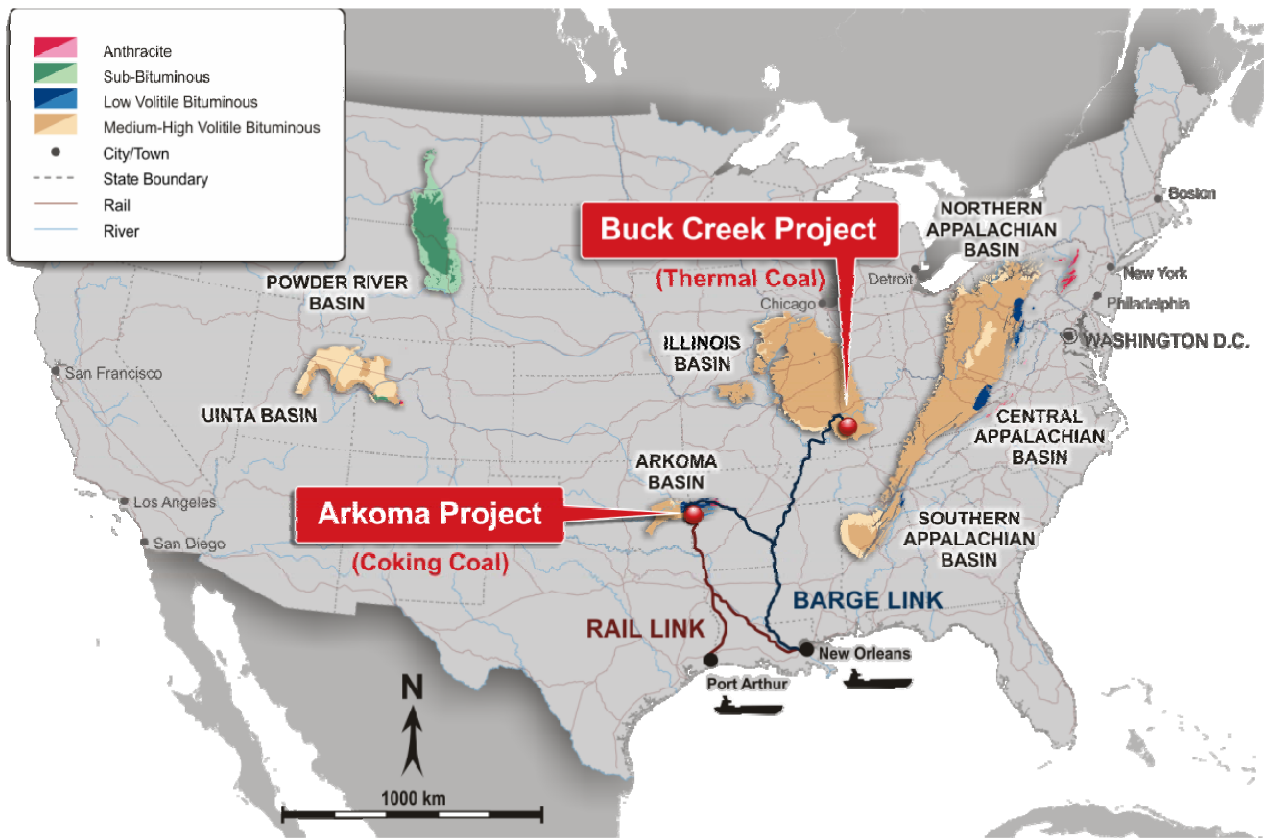


Figure 3: Location of the Buck Creek and Arkoma Coking Projects

APPENDIX 1 – Recent Drill Hole Details

Project	Drill Hole	Northing	Easting	Surface Elevation (ft)	WK No.9 Seam Base Elevation (ft.)	Depth to WK No.9 Seam Base (ft.)	WK No.9 Seam Thickness (ft.)	Total Drill Hole Depth (ft.)	Quality Data
Buck Creek	HMG-01	428877	1548233	383.46	-228.58	612.04	4.09	622.90	Complete
Buck Creek	HMG-02	426768	1547625	389.85	-220.83	610.68	4.17	626.43	Complete
Buck Creek	HMG-03	425722	1544199	404.45	-218.30	622.75	4.14	629.67	Complete
Buck Creek	HMG-04	428297	1542127	409.60	-301.62	711.22	4.01	724.60	Complete
Buck Creek	HMG-05	425770	1537806	396.39	-272.73	669.12	3.92	683.80	Complete
Buck Creek	HMG-06	428221	1526409	380.20	-499.66	879.86	4.02	889.75	Complete
Buck Creek	HMG-07	419085	1530421	378.47	-201.48	579.95	3.30	595.82	Complete
Buck Creek	HMG-08	417041	1519788	380.49	-248.01	628.50	4.00	639.00	Complete
Buck Creek	HMG-09	408194	1510878	427.27	-315.20	742.47	5.00	756.20	Complete

APPENDIX 2 – JORC Table 1 Checklist of Assessment and Reporting Criteria

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> > <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> > <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> > <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> > All nine holes were drilled using a combination of rotary and core drilling designed for seam delineation and the acquisition of coal and rock samples for quality and strength analyses. > Air rotary holes were used to drill to within approximately 25 feet from the estimated depth of the coal seam. > The holes were then cored for approximately 40 feet with the intention of obtaining a continuous sample of roof, seam, and floor material. > Once coring was completed all holes were geophysically logged using downhole density, gamma, and sonic tools.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> > <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<ul style="list-style-type: none"> > The drilling consisted of 6.625-inch diameter air rotary holes followed by approximately 40 feet of 3-inch diameter conventional core holes for the collection of the roof, seam, and floor samples.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> > <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> > <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> > <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> > Core recoveries were monitored and were generally good at greater than 95%. > Coal core samples used for quality analysis contained greater than 95% recovery. > Where available, core recovery thickness was reconciled with the thickness interpreted from geophysical logs.
<i>Logging</i>	<ul style="list-style-type: none"> > <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> > <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> > <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> > Cored samples were geologically logged by the driller and by an independent third party geologist. > All holes drilled were geophysically logged by an independent third party using downhole density, gamma, and sonic tools.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> > <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> > <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> > <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> > <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> > <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> > <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> > Core was not divided for sampling.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> > <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> > <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> > <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> > All sampling and analyses were performed by independent third parties. > Quality analysis was carried out by SGS North America Inc. and performed to American Society for Testing and Materials (ASTM) standards. . > Geotechnical was completed by Appalachian Mining & Engineering, Inc. and performed to ASTM standards. > Geophysical tools are calibrated by the logging company (Cardno GLS) and where possible, validated using a calibration hole.
Verification of sampling and assaying	<ul style="list-style-type: none"> > <i>The verification of significant intersections by either independent or alternative company personnel.</i> > <i>The use of twinned holes.</i> > <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> > <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> > All coal intersection data has been cross referenced with the lithological and geophysical logs by Cardno. > Coal quality was adjusted to reflect an addition of 4% moisture to the equilibrium moisture. > Coal quality results were verified with laboratory analysis sheets by Cardno geologist.
Location of data points	<ul style="list-style-type: none"> > <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> > <i>Specification of the grid system used.</i> > <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> > Coordinates for the drill hole locations are in the Kentucky South, State Plane system, North American Datum 1927. All holes were surveyed by Associated Engineers Inc. under the direction of a Registered Professional Surveyor.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> > <i>Data spacing for reporting of Exploration Results.</i> > <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> > <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> > These exploration results have not yet been entered into the geologic model used to define the Coal Resource Estimation. > Quality weighting polygons were initially prescribed to USGS standards for points of observation as defined below and included only Measured and Indicated Resources by utilizing an arc spacing of 3,960 feet (1,207m)
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> > <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> > <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> > Drill holes have been vertically drilled. No downhole deviation logs have been collected and it is therefore not know if the drill holes have deviated away from vertical. Based on an average depth of 675 feet (205 meters), any deviation is expected to be insignificant and immaterial to the geologic characterization of the property.
<i>Sample security</i>	<ul style="list-style-type: none"> > <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> > Sample handling procedures were developed by Paringa staff, approved by Cardno and followed by all parties during exploration. > Coal samples were tracked with chain of custody forms throughout the exploration process.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> > <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> > Cardno has reviewed the resulting drill hole information obtained during this exploration campaign.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> > <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> > <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> > All exploration work was conducted on leased coal tracts.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> > <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> > All exploration performed during this drilling campaign was done by third party contractors under the direction of Paringa staff.
<i>Geology</i>	<ul style="list-style-type: none"> > <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> > The project is located in the West Kentucky Coal Fields, which is part of the Illinois Basin. > The coal seam is generally thick, flat, consistent, and laterally continuous.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> > <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> > <i>easting and northing of the drill hole collar</i> > <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> > <i>dip and azimuth of the hole</i> > <i>down hole length and interception depth</i> > <i>hole length.</i> > <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> > For a detailed list of the exploration data obtained during this campaign, see Appendix 1: Drill Hole Details > All drill holes are provided with a Kentucky South NAD 27 easting and northing coordinate. > All drill holes have been vertically drilled on flat topography.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> > <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> > <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> > <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> > No data aggregation methods were used in the preparation of this announcement. > Average coal quality was area weighted using the Polygonal Area Technique, as prescribed by the Society for Mining, Metallurgy & Exploration (SME) and published in the 3rd edition of the SME Handbook.

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> > <i>These relationships are particularly important in the reporting of Exploration Results.</i> > <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> > <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	> Coal thickness values from all coal intersections and down hole geophysical logs are considered to be vertical thicknesses.
<i>Diagrams</i>	> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	> For a scaled plan view of the drill hole collar locations from this drilling campaign please see Figure 1.
<i>Balanced reporting</i>	> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	> All of the relevant data from this exploration campaign has been provided
<i>Other substantive exploration data</i>	> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	> Exploration quality data obtained between 2009 and 2011 by Buck Creek Resources was utilized in preparing the overall average quality presented in Table 1.
<i>Further work</i>	<ul style="list-style-type: none"> > <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> > <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	> Further exploration work is expected but has not been scheduled or designed at this time.