

MINE SURFACE RIGHTS SECURED FOR POPLAR GROVE MINE

HIGHLIGHTS:

- *Paringa has acquired the rights to 100% of the surface property necessary to construct the re-named Poplar Grove Mine (formerly called No.2 Mine)*
- *Emergence of the Poplar Grove Mine has transformed the economics of the Buck Creek Complex and Paringa will develop the Poplar Grove Mine first*
- *The Poplar Grove Mine surface property rights complement the permitted Barge Load-Out Facility which will service both the Poplar Grove Mine and the Cypress Mine (formerly called No.1 Mine)*
- *Permitting for the Poplar Grove Mine is progressing as planned and remains on track for mine construction to begin early-2017*
- *Final Capex estimate for the Poplar Grove Mine has been reduced to US\$39 million, representing a saving of US\$5 million when compared to the previous Capex estimate*
- *Significant reductions are also expected to the final Opex estimate for the Poplar Grove Mine due to continued reductions in the costs of labor, materials, supplies and leased equipment*
- *As previously announced, almost 60% of the Poplar Grove Mine's annual production during the first 5 years of operation is now contracted under the cornerstone coal sales agreement with LG&E & KU*

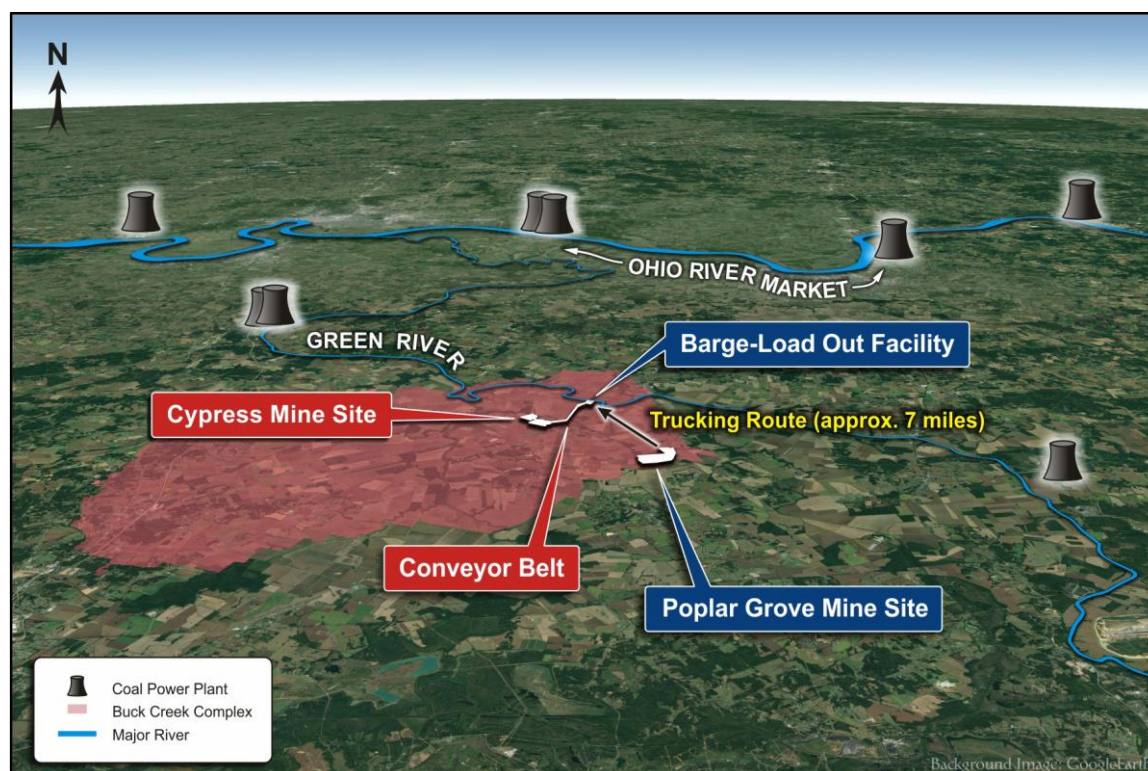


Figure 1: Location of the Poplar Grove and Cypress Mine Permits and Barge Load-Out Facility

Paringa Resources Limited (“**Paringa**” or “**Company**”) (ASX:PNL | OTCQX:PNGZF) is pleased to advise that it has secured 100% of the rights to acquire the surface property necessary to construct the Company’s Poplar Grove Mine (formerly called No.2 Mine). Paringa’s proposed 1.8 million ton per annum (“**Mtpa**”) Poplar Grove Mine is located immediately south of the Company’s proposed 3.8 Mtpa Cypress Mine (formerly called No.1 Mine), both located within the Buck Creek Complex.

The surface rights secured represents a total of 318 acres controlled by local landowners. The secured mine site property for Poplar Grove complements the previously secured and permitted Barge Load-Out Facility and the Cypress Mine Site. Permitting for the Poplar Grove Mine is progressing as planned and remains on track for mine construction to begin early-2017 and production to begin early-2018.

In addition, significant reductions are also expected to the operating costs (“Opex”) at the Poplar Grove Mine due to continued reductions in the costs of labor, materials, supplies and leased equipment. and fuels. The final Opex estimate will be incorporated into the Bankable Feasibility Study (“BFS”) which is due during 2016.

Paringa’s President and Chief Executive Officer, Mr. David Gay, said: “Over the coming months, Paringa is looking forward to updating the market on the Poplar Grove Mine’s design, infrastructure, Opex estimate, leasing and permitting. General investor sentiment for US thermal coal continues to show signs of improving, providing an ideal environment to finalize financing discussions for the best undeveloped thermal coal project in the US.”

For further information, contact:

David Gay
President & CEO

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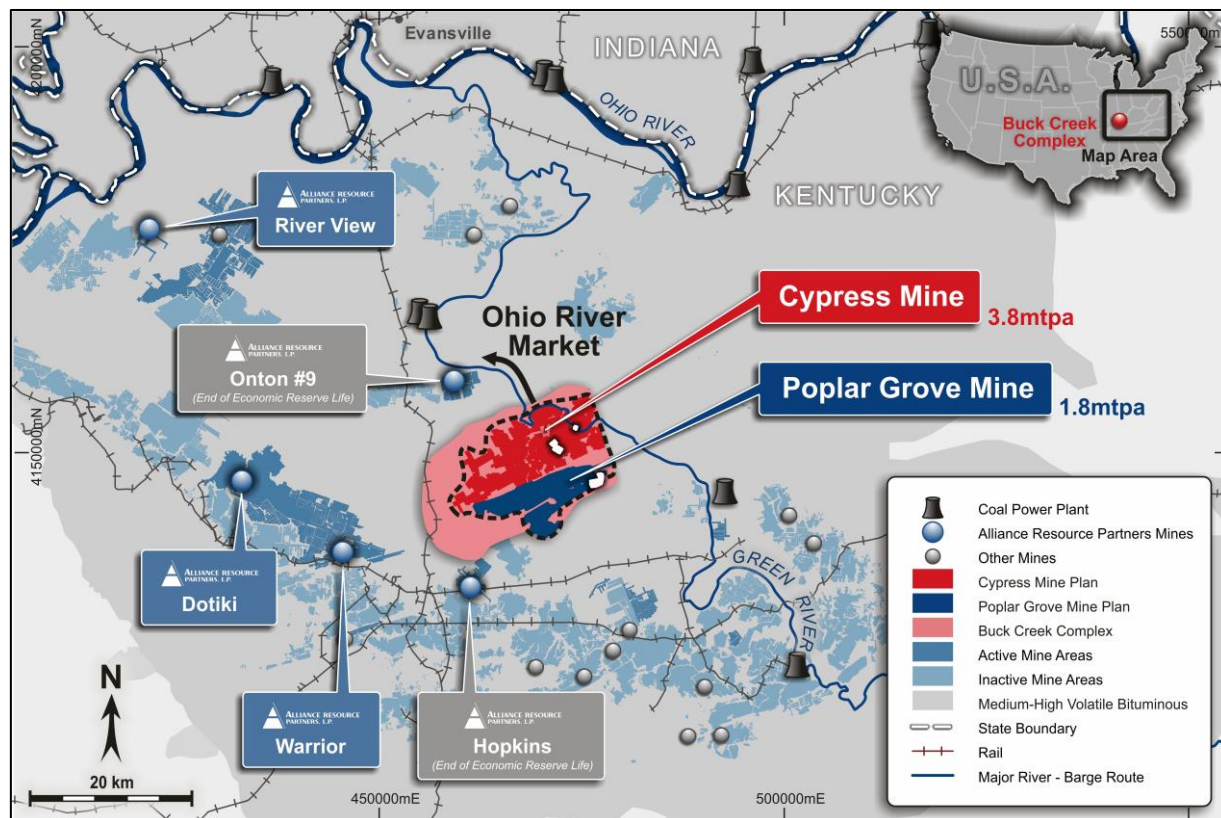


Figure 2: Location of the Buck Creek Complex and Adjacent Alliance Operations

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.