

Newport Exploration Ltd. announces second quarterly cash dividend

13.05.2020 | [CNW](#)

VANCOUVER, May 13, 2020 - [Newport Exploration Ltd.](#) ("Newport" or "the Company"), Trading Symbol: NWX (TSX-V) is pleased to announce its second quarterly cash dividend ("the Dividend") of \$0.01 per share to its shareholders of record at the close of business on May 28th, 2020. The Dividend payment date is June 10th, 2020.

The Dividend, fully approved by the Board of Directors, is not subject to any changes and has been designated as an "eligible dividend" for Canadian income tax purposes.

Management believes that based on Beach Energy Ltd.'s ("Beach") recent exploration success, development of the licenses in the Cooper Basin over which the Company has its 2.5% Gross Overriding Royalty ("GOR"), and their reported production costs as previously reported by the Company (News Releases dated March 30th and April 22nd, 2020), shareholders should continue to be rewarded with dividend continuity.

Amid signs that the oil market is beginning to rebound from the unprecedented economic impact of Covid-19, many companies are struggling with heavy net debt loads and have stated that they will not be paying dividends this year, or will be paying them at a much lower level. As reported in a Company news Release dated March 10th, 2020, the Company's strong balance sheet ensures that Newport has the ability to maintain regular quarterly dividend payments with a reduced likelihood that the quarterly dividend payout would be cut during any sector downturn.

Despite the recent unprecedented plunge in oil prices, Newport shareholders have escaped the market downturn relatively unscathed. Although the Company is not immune from the effects of the Covid-19 pandemic and the global oil price collapse, management is confident that the Company will be able to maintain dividend payments in 2020 without taking on any debt or undertaking any equity financings. Investors are cautioned that historical results are no guarantee of future performance.

The move from an annual dividend to a quarterly dividend in 2020 has proved to be the right step as it has provided the Company with the flexibility to maintain its financial position during a very difficult period, while at the same time paying the full quarterly dividend as proposed, despite the exceptional level of uncertainty that prevails.

Newport's dividend payout ratio, being the cash dividends per share of common stock divided by the earnings per share of common stock, compares favorably with that of other yield stocks. Furthermore, the Company has paid out more than 85% of after tax royalty receipts in dividends.

Guidance

As stated previously by the Company (News Releases dated March 30th and April 22nd, 2020), it is material information for shareholders of Newport that Beach report that revenues from their gas sales cover their group operating and stay-in-business costs and that their reported break-even oil price is less than US\$0/bbl. As also reported in the same Company News Release, Beach report that their crude sells at a material premium to Brent.

Newport has no control over operating decisions by Beach and Beach is not subject to compliance with NI 51-102 Continuous Disclosure Obligations in Canada. Accordingly, this prevents the Company from commenting on Beach's current financial status and/or operating plans going forward. As always, the Company continues to strongly recommend that shareholders and potential investors access material

information relevant to the Company as released independently by Beach. This recommendation is particularly relevant with regard to the current uncertainty in the global oil markets.

The Company receives its gross overriding royalty from Beach, which is not a reporting issuer in Canada, therefore Newport is not able to confirm if the disclosure satisfies the requirements of NI 51-101 - Standards of Disclosure for Oil and Gas Activities, or other requirements of Canadian securities legislation.

About Newport

Newport holds a 2.5% GOR on several oil and gas licences and permits in the Cooper Basin in Australia. These permits are currently being operated and explored by Beach and Santos Ltd. ("Santos"), both major Australian oil and gas producers.

The Company continues to strongly encourage shareholders and potential investors to access information released independently by Beach and Santos in order to keep current during exploration, development and potential production of all the licences subject to the Company's GOR.

The Company currently has 104,429,874 common shares issued and outstanding and \$5.9 million in the Treasury, comprised of cash, cash equivalents and investments, and no debt.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the accuracy or adequacy of this news release.

Cautionary Statement on Forward-Looking Information

This news release is intended to provide readers with a reasonable basis for assessing the future performance of the Company. The words "believe", "should", "could", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements may pertain to assumptions regarding the price of oil and fluctuations in currency markets (specifically the Australian dollar) and future dividend payments. Forward-looking statements are based upon a number of estimates and assumptions that, which are considered reasonable by the Company, are inherently subject to business, economic and competitive uncertainties and contingencies. Factors include, but are not limited to, the risk of fluctuations in the assumed prices of oil, the risk of changes in government legislation including the risk of obtaining necessary licences and permits, taxation, controls, regulations and political or economic developments in Canada, Australia or other countries in which the Company carries or may carry on business in the future, risks associated with developmental activities, the speculative nature of exploration and development, and assumed quantities or grades of reserves. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

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Die URL für diesen Artikel lautet:

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