

Newport Announces First Quarterly Cash Dividend of 2021

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Trading Symbol: NWX (TSX-V)

VANCOUVER, BC, Feb. 10, 2021 /CNW/ - [Newport Exploration Ltd.](#) ("Newport" or "the Company") is pleased to announce its first quarterly cash dividend ("the Dividend") in 2021 of \$0.01 per share to its shareholders of record at the close of business on February 25th, 2021. The Dividend payment date is March 12th, 2021. The Dividend, fully approved by the Board of Directors, is subject to any changes and has been designated as an "eligible dividend" for Canadian income tax purposes.

The \$0.01/share dividend paid in September 2020, the \$0.03/share dividend paid in December 2020 and the \$0.01/share dividend to be paid in March 2021 will be recorded in the Financial Year ended July 31, 2021.

The Company's Dividend Performance, Annual Yields and Earnings per Share since 2015 were documented in a Company News Release dated November 12th, 2020. 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, particularly those in the energy sector. Investors are cautioned that historical results are no guarantee of future performance.

Management Strategy

Management has received overwhelming support from shareholders for its dividend policy, and many shareholders have expressed the sentiment that paying out a regular dividend at this time is a priority. The dividend strategy has enabled the Company to retain a margin of safety to maintain dividend distributions despite the sector downturn in 2020, with the option of increasing the quarterly dividend at any time.

The Company has an advantageous business model with a 2.5% Gross Overriding Royalty ("GOR") over permits in the Cooper Basin, Australia, with strong technical fundamentals and with excellent operators in Beach Energy ("Beach") and Santos ("Santos"). Beach is Australia's largest onshore oil producer with a core focus on oil exploration and development activities in the Cooper Basin. Newport has built in exposure to significant potential growth at zero risk to shareholders as there is no time expiry date on the GOR assets, and no cost to the Company to retain them.

Guidance

As reported in a Company News Release dated January 28th, 2021, Beach continues to achieve extraordinary exploration success (particularly in oil fields on ex-PEL 91), and have maintained very low production costs. In doing so, Beach has achieved significant reserve replacement and positive cash flow. Also, Beach's exploration success, reported oil reserves, and low production costs have allowed it to limit spending without threatening future output from licenses in the Cooper Basin, over which the Company holds its GOR.

Although Beach's production from ex-PEL 91 for their December 2020 quarter was below the previous quarter, Beach has updated its changes to full year production guidance. Accordingly, Management is confident that shareholders of the Company should be rewarded with dividend continuity. Beach plans to update their FY21 guidance with their half year results on February 2021.

The recent increase in the price of Brent oil is encouraging. According to Goldman Sachs in a research note dated February 2021, tightening oil supplies could push Brent oil prices as high as US\$65/barrel by July 2021. As noted in previous Company releases, Beach's oil products command a premium price to the Brent oil price.

"The deficit between supply and demand that reached 2.3 million barrels a day in the fourth quarter of 2020 and large price

draws in 2021 and 2022, are bullish for oil prices on which Newport's dividends are based, and shareholders should be this as well as from increased valuations in the energy sector", stated Ian Rozier, President and CEO of Newport.

Newport has no control over operating decisions by Beach. Accordingly, this prevents the Company from commenting on current financial status and/or operating plans going forward. The Company recommends that shareholders and potential investors access material information relevant to the Company as released independently by Beach and Santos in order to keep abreast of developments during exploration, development and potential production of all the licences subject to the Company's GOR. Beach's results and performance are also subject to regular research reports by J.P. Morgan (Asia Pacific Equity Research) and by RBC Capital Markets.

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, both major Australian oil and gas producers. The Company holds its GOR from Beach which is not a reporting issuer in Canada, therefore Newport is not able to confirm if the disclosure meets the requirements of NI 51-101 - Standards of Disclosure for Oil and Gas Activities, or other requirements of Canadian securities legislation.

The Company currently has 105,579,874 common shares issued and outstanding and \$5.5 million in the Treasury (comprised of cash, cash equivalents and short-term investments), and no debt. The Company expects to receive the next royalty payment from Beach prior to the payment of the first quarterly dividend of 2021.

www.newport-exploration.com
www.beachenergy.com.au
www.santos.com

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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 pertain to assumptions regarding the price of oil and fluctuations in currency markets (specifically the Australian dollar) and 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 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 assumptions regarding 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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