

# **Beach Report Downgrade to 2P Oil and Gas Reserves. 39% Increase in Realized Oil Price for Quarter. Reduced Production for FY22.**

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Trading Symbol: NWX (TSX-V)

VANCOUVER, April 30, 2021 - [Newport Exploration Ltd.](#) ("Newport" or "the Company") provides an update on guidance for licences in the Cooper Basin, Australia, over which the Company has a 2.5% gross overriding royalty ("GOR"). This guidance was reported by Beach Energy Ltd ("Beach") (ASX:BPT) in its FY21 Second Quarter Report and Business Report for the period ended April 30, 2021, in an announcement dated April 30, 2021.

#### Reserve Update

Beach report that a review of 2P reserves across the Western Flank oil and gas fields, including the Bauer oil field on ex-PEL 91, was undertaken following recent declines in oil production. This review has resulted in a net downgrade to 2P reserves across their Western Flank assets. (Note: Western Flank includes the Company's GOR licences ex-PEL's 91,106,107 and PRL 26, as well as ex-PEL's 92,104 and 111, over which the Company does not have a GOR).

With respect to the GOR licences;

- oil reserves in the Bauer oil field in ex-PEL 91 have been downgraded by 6.0 MMboe
- oil reserves in four other fields in ex-PEL 91 have been downgraded by 8.2 MMboe
- reserves in ex-PEL 106 gas fields have been downgraded by 7.2 MMboe

#### Production Update

Beach have not provided a specific production update for the GOR licences. However, Beach forecast FY21 production of 8.6MMboe for the Western Flank assets. Beach estimate that FY22 Western Flank oil production is expected to be 4.0-5.0 MMbbls below their previous estimates.

The Company will update shareholders as soon as it is in receipt of any specific production forecasts for the GOR licences.

#### Drilling Update

Drilling of the FY21 wells was completed in March 2021 and they are being progressively connected and completed on pump. This activity will continue into Beach's FY22.

The FY22 drilling program will focus on;

- infill drilling within existing oil fields
- exploration of Namur targets
- exploration of over 100 targets and leads already identified and prioritized

#### Guidance

Beach updated their FY21 Guidance with their Half Year results on February 15<sup>th</sup>, 2021, and this was summarized in a Company News Release dated February 17<sup>th</sup>, 2021. Beach report that since the FY21 Half Year Results, additional production data from Bauer oil wells drilled throughout the FY21 drilling campaign confirmed production decline. In addition, Beach report that recent results from oil wells drilled outside of the Bauer oil field, including the Balgowan, Chiton, Hanson and Kalladeina fields have "come in at the low end of expectation".

Beach report that as a result of continuing variability to the business, which include adjustments because of the Covid-19 pandemic, and reductions in Western Flank oil and gas production, it has withdrawn, and will no longer provide, a five-year outlook in its current form.

"Obviously we are pleased with the recent increase in the oil price and this should offset the effects on the GOR of a possible decrease in production for the current quarter, but the downgrading of reserves is disappointing for the long term." stated Ian Rozier, President and CEO of the Company.

Because of the time-zone difference, disclosure of information contained in this news release and as provided by Beach was available in Australia on Thursday April 29, 2021 after market hours in Canada. Because of the uncertainty in being able to disseminate this news release in a timely manner on Friday April 30, 2021 the Company took advice from its legal counsel and asked for trading in the Company's shares to be halted pending dissemination such that shareholders and potential investors unaware of the Beach ASX announcement made late on Thursday April 29, 2021 PST, would not be disadvantaged.

#### About Newport

The Company receives its GOR from Beach which is not a reporting issuer in Canada. Therefore Newport is not able to confirm if disclosure satisfies the requirements of Canadian Securities legislation.

Newport has no control over operating decisions made by Beach and is not privy to exploration or production data derived by Beach during operations. Accordingly, this prevents the Company from commenting on operating plans going forward.

As always, the Company recommends that shareholders and potential investors access material information relevant to the Company as released independently by Beach and Santos Ltd in order to keep current during exploration, development and production of all the licenses subject to the Company's GOR.

The Company currently has 105,579,874 common shares issued and outstanding and approximately \$5.8 million in the treasury (comprised of cash, cash equivalents, and short-term investments), and no debt.

Details of the next GOR payment will be reported at the end of May or early June 2021.

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 Beach's drilling plans, future dividends, the price of oil and fluctuations in currency markets (specifically the Australian dollar). 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.

SOURCE [Newport Exploration Ltd.](#)

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