

Increase in Realized Oil Price. Higher than Anticipated Production Rates. Two Gas Discoveries. Three Horizontal Wells Planned for ex PEL 91

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VANCOUVER, BC, Oct. 21, 2021 /CNW/ - [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 FY22 First Quarter Activities Report dated 20 October 2021.

Realized Oil & Gas Prices

The average realized price of oil was AUD\$110.3/bbl, up 11% on the previous quarter. This realized oil price is for Beach's quarter ended September 30th, 2021. Newport's first quarter ends October 31st, 2021 and therefore, based on the continued increase in oil prices through October, as well as the premium paid to Beach for Brent oil produced from the Western Flank, the Company anticipates a higher realized oil price for its first quarter GOR payment.

The realized gas price decreased 2% to AUD\$7.5 per GJ, a 5% increase on the prior corresponding period.

Beach report their average realized price across all products was AUD\$67.3/boe, a 3% increase over the prior quarter.

Production

Highlights of the first quarter production from the Western Flank in the Beach report are as follows.

Production from the Western Flank was 1.6 MMboe, down 10% on the prior quarter, with lower volumes offset by higher gas and associated liquids production. (Note: Western Flank includes the Company's GOR licences ex-PEL's 91, 106, 107 and PRL 26, as well as licenses ex-PEL's 92, 104 and 111, over which the Company does not have a GOR). Western Flank oil production was 1.0 MMboe, down 18% on the prior quarter due to natural field decline, with no new wells tied-in during the quarter.

Higher than anticipated production rates and development activity during the second quarter of FY22 are expected to further reduce declines during the second half of its financial year.

Western Flank gas and gas liquids production was 574 kboe, up 12% on the prior quarter, following planned maintenance work at the Middleton gas processing facility.

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

FY22 Drilling Activities

Beach commenced the FY22 oil drilling program with the Kangaroo 2 appraisal well drilled in ex PEL 91 to appraise the Birkhead reservoir of the Kangaroo field. The well intersected the oil-bearing Birkhead reservoir and was completed as a future water injector to support oil recovery from the field.

The FY22 gas exploration drilling program commenced in ex PEL 106 in late August 2021. Three wells were drilled by the end of the first quarter, yielding two discoveries at Rosebay 1 and Lowry South 1. Both discoveries will be completed as producers and tied-in to the Middleton gas processing facility in mid-FY22. The final well in the gas exploration campaign, Lowry Southwest 1, was drilling ahead at the end of the quarter.

A total of three horizontal development wells will be drilled in ex PEL 91 in the McKinlay reservoir of the

Balgowan and Kalladeina fields. Beach anticipate drilling of up to 15 oil exploration wells in various licences throughout the Western Flank.

"Beach's previously announced anticipated field decline rates were based on existing reserves at that time with no consideration for new wells to replace oil reserves, so we are pleased with their recent success in oil and gas drilling on our GOR licences as well as their proposed drilling activities on ex PEL 91", stated Ian Rozier, President & CEO of Newport.

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 \$4.8 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 November or early December 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.

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