NEWPORT EXPLORATION LTD.

NEWS RELEASE

Trading Symbol: NWX (TSX-V)

EX PEL 91 OIL PRODUCTION UP 17%, GAS PRODUCTION UP 7%, FIVE NEW WELLS BROUGHT ONLINE, BAUER FIELD EXTENSION, GAS CONTRACTS SIGNED

Vancouver, British Columbia, January 31st, 2019. Newport Exploration Ltd ("Newport" or "the Company") is pleased to provide an update on production and drilling activities on licences in the Cooper Basin, Australia over which the Company has a 2.5% gross overriding royalty. This information was released by Beach Energy Ltd ("Beach") (ASX: BPT) in its Quarterly Report for the period ended 31 December, 2018, dated 31st January, 2019.

SUMMARY

Beach report a 17% increase in oil production from ex PEL 91, a 7% increase in gas production from ex PEL's 91 and 106, a 17% reduction in the realized oil price for the quarter, the extension of the Bauer Field, successful drilling and production from their drill campaign at Bauer, extensions to Gas Processing Agreements and new Gas Sales Contracts.

DRILLING HIGHLIGHTS

Beach report that the Bauer oil field limit appraisal and development campaign was successfully completed and that it exceeded expectations. The development and appraisal campaign comprised four field limit appraisal wells (Bauer Northeast, Northwest, Southeast and Southwest), two vertical development wells (Bauer-27 and -28), and four horizontal development wells (Bauer-29, -30, -31, -32).

The McKinlay horizontal development wells, Bauer-29, -30, -31 and -32, were all cased and suspended as future producers.

The final two field limit appraisal wells, Bauer Southwest-1 and Bauer Southeast-1 were also drilled during the quarter. Bauer Southwest-1 came in below the oil water contact and defined the southwest extent of the field, while Bauer Southeast-1 intersected the top of the McKinlay 6.6 metres high to prognosis and 2.5 meters above the oil water contact.

As planned, all Bauer field limit appraisal wells were cased and suspended for in-wellbore seismic studies to further delineate the Greater Bauer structure. Bauer Northeast-1 and Bauer Southeast-1 are to be converted to production wells once study work is completed.

Beach report that appraisal drilling at the Bauer Field has confirmed an easterly extension to the structure warranting follow-up appraisal and infill development drilling.

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PRODUCTION

Ex PEL 91 oil production performance was up 17% after five wells were brought online, comprising two vertical Bauer wells (Bauer-27 and -28), and three Bauer horizontal wells (Bauer-29, -30, -31).

Beach report that initial production from the horizontal wells has been strong. Bauer-29 is on artificial lift which increased production from a free flow rate of 750 bopd, to an initial pumped rate of 1,000 bopd, to a current rate of over 1,300 bopd. (Beach report that the Bauer-29 horizontal well achieved a 'spud-to-online' time of 21 days, with the average for all four horizontal wells of 23.5 days). Bauer-30, -31 and -32 came online free flowing at initial rates ranging from 400 to 1,000 bopd. Subsequent to quarter-end, the fourth Bauer horizontal well, Bauer-32 was brought online.

Beach have revised their Financial Year 2019 forecast output after factoring in higher Bauer oil production.

GAS PROCESSING AGREEMENT

Beach and Santos Ltd ("Santos") have agreed an extension of gas processing and related gas liquids purchases at the Moomba gas facilities. The Gas Processing Agreement with Santos has been extended for 3 years and is expected to provide capacity for all Beach-operated Western Flank gas to be processed at the Moomba gas facilities over the three-year term of the extension.

GAS SALES AGREEMENTS

Beach executed Gas and Sales Agreements to supply Western Flank gas to Liberty Primary Steel, Adelaide Brighton and Alinta Energy. Under these agreements, Beach's expected 2019 Western Flank sales gas production is fully contracted at prices reflective of current market conditions.

GUIDANCE

Reference should be made to the Beach website for their interpretation of the results and plans to bring wells into production. Beach anticipate that future increases in oil production from the Bauer Field will form an integral part of their future production but do not provide specific production guidance for ex PEL 91.

The Company receives its gross overriding royalty from Beach, who is not a reporting issuer in Canada, and therefore, not required to comply with the requirements of NI 51-101 - *Standards of Disclosure for Oil and Gas Activities* hence, 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.

The Company is unable to forecast potential productivity for each well and continues to strongly encourage shareholders and potential investors to access information released independently by Beach and Santos to keep current during exploration, development and production guidance of all the licences subject to the Company's gross overriding royalty.

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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). 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.