Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Newport Exploration Ltd.
#202 – 2168 Marine Drive
West Vancouver, BC V7V 1K3

Item 2. Date of Material Change

August 12, 2020

Item 3. News Release

A News Release dated August 12, 2020 was filed with the TSX Venture Exchange and the British Columbia, Alberta, and Saskatchewan Security Commissions via SEDAR and disseminated through the CNW Group.

Item 4. Summary of Material Change

Newport Exploration Ltd. announced the Board of Directors declared a quarterly cash dividend of $0.01 per share payable to the Company's shareholders of record as at the close of business on August 26, 2020.

Item 5.1 Full Description of Material Change

See attached News Release.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this report is being filed on a confidential basis in reliance on subsection 7.2 (2) or (3) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Barbara Dunfield, Chief Financial Officer & Director
Telephone: (604) 685-6851

DATED at Vancouver, British Columbia, the 12th day of August 2020.

NEWS RELEASE

Trading Symbol: NWX (TSX-V)

NEWPORT ANNOUNCES THIRD QUARTERLY CASH DIVIDEND

Vancouver, Canada. August 12th, 2020. Newport Exploration Ltd ("Newport" or "the Company") is pleased to announce its third quarterly cash dividend ("the Dividend") of $0.01 per share to its shareholders of record at the close of business on August 26th, 2020. The Dividend payment date is September 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.

The COVID-19 pandemic exacerbated the ill-timed oil price war in early 2020 that resulted in the biggest drop in oil demand, as well as the biggest oil price drop, on record. This resulted in several producers shutting in wells, delaying projects and slashing investment in exploration and development. Global investment in future supply has collapsed, and returns for many producers have fallen below the cost of capital. Meanwhile, as reported in a Company News Release dated July 22nd, 2020, Beach continue to achieve exploration success (particularly on oil fields on ex PEL 91), and with their very low production costs, have achieved both reserve replacement and positive cash flow.

Management believes that based on Beach Energy Ltd.'s ("Beach") FY2020 Fourth Quarter Activities Report (dated 22nd July, 2020), recent exploration success and development of the licenses in the Cooper Basin over which the Company has its 2.5% Gross Overriding Royalty ("GOR"), shareholders should continue to be rewarded with dividend continuity. 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 still prevails.

The Company’s strong balance sheet ensures that it has the ability to maintain regular quarterly dividend payments and possibly increase them in the future without taking on any debt or undertaking any equity financing.

Guidance

As stated previously by the Company (News Release dated July 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. Also reported in the same Company News Release, Beach report that their crude sells at a material premium to Brent.

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Newport has no control over operating decisions by Beach. 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. Investors are cautioned that historical results are no guarantee of future results.

The Company currently has 104,429,874 common shares issued and outstanding and $6.7 million in the Treasury (comprised of cash, cash equivalents and investments), and no debt. The Company expects to receive the next royalty payment prior to the payment of the third quarterly dividend.

For further information contact:

Ian Rozier, M.Sc., P.Eng
Director and Chief Executive Officer
+1 604 685 6851
info@newport-exploration.com
www.newport-exploration.com
www.beachenergy.com.au
www.santos.com

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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