



February 16, 2012

To: All Shareholders of New World Generation Inc.

I would like to take this opportunity to provide a brief update on what has happened in the past couple of months and how it has impacted on New World Generation.

Market Update

As discussed at our AGM on December 03, 2011, the recent economic downturn has severely affected every sector of the renewable energy front, creating a notable downward spiral in the Wind Turbine Market. The critical short-term challenge faced by most wind power developers is financing. A project under early development stages finds it even tougher to attract funds in the current economic situation. The economic climate has caused serious problems in the plans of many wind energy companies causing them to reduce considerably their capital spending on construction and planned wind energy projects, thus, leading to either a delay or a cancellation in the development plans of wind farms.

An example of the situation can be seen by this excerpt from “**REUTERS – JANUARY 04, 2012 - 6:59 AM:**

The alternative energy industry continues to struggle as Danish wind-turbine giant Vestas ([VWDRY.PK](http://www.vestas.com)) dives 18% after [cutting its 2011 guidance](http://www.reuters.com/article/2012/01/04/us-vestas-idUSTRE8021A120120104) and announcing plans for significant corporate restructuring. The company, along with rival [GE](http://www.ge.com), is suffering from slower demand growth, Asian competition, and subsidy cuts in Europe.”
The full article can be seen at:

<http://www.reuters.com/article/2012/01/04/us-vestas-idUSTRE8021A120120104>

<http://seekingalpha.com/symbol/vwdry.pk>

Although there was disappointment when we were unable to enter the 2.0 MW market when anticipated, looking at the current situation we can appreciate that this delay has in fact benefited us. Had we entered the market then, we would find ourselves positioned precariously, suffering the effects of the declining market and struggling just as the other large companies who have more financial resources available are. However, identifying a viable small and mid-size turbine niche market where our technology shines has created an exciting opportunity. Our company continues discussions with potential investment parties and large manufacturing partnerships.

Update on CRA – SRED Grant

Canada Revenue Agency (CRA) has held up our Scientific Research and Experimental Development (SRED) Tax Credit for the Fiscal year ending July 31, 2010 for more than a year, due to their decision to perform an internal share valuation within the CRA. We anticipate a resolution to this matter by March 31, 2012.

Communication Updates

Your board of Directors would like to encourage everyone once again to ensure that we have your updated e-mail addresses so we can periodically provide updates via e-mail regarding the ongoing situation in the Wind Energy Markets and how it impacts our Business Plan. Please forward your e-mail to Barbara Martinez at:

bmartinez@newworld-generation.com, by phone 519-371-0249 or fax 519-371-1687.

Warm regards,

Peter Routliff
President and Chairman