



October 31, 2016

Dear Shareholder,

We have several new developments to relate.

As noted in previous correspondence, the Company had been working with a large Ontario utility to demonstrate the waste heat to power module.

The utility, was excited about the project and significant amount of energy that could be conserved, however they hit a road block in our collective development.

The pilot project provided short term financial benefits and long term electricity savings to the customer, so it was felt to be a conflict to offer it to a specific customer without making an offering to "all" their customers. This process was started but the executive team felt that there would always be questions of favoritism. While the relationship was left productive, NWG is unable to wait on their timelines to accomplish the project.

NWG moved forward and brought on a partner to help us accomplish the following goals:

1. The pilot project was meant to validate the product to all other utilities and industry. To replace the need for a pilot project, NWG needs to secure a well-known engineering partner that would warranty the engineering, procurement and construction of the waste heat to power module.
2. If the Engineering firm would not warranty the product, then NWG would need to secure qualified Insurance, to be able to provide that warranty ourselves.
3. Financing is also required for customers to lease the equipment; this can be a preferred option to several large industries due to tax advantages.

NWG has negotiated a memorandum of agreement with a company in the US called Lexden Capital. Lexden brings with them a broad scope of marketing, financial and engineering capabilities.

We are currently negotiating the formal terms of agreement, however in the interim have put in place a consulting agreement, which has started us collaborating on the above three line items.

The NWG team continues to reach out to Ontario customers and have had many productive meetings.

With regards,

The Board of NWG