



December 31, 2016

Dear Shareholder,

New World Generation has incorporated a company in Ontario that is a wholly owned subsidiary. It will service all the development, marketing and future sales of the waste heat to power product. The company is named Blue Box Technology Inc. (BBT) and has an operating website [www.blueboxtech.ca](http://www.blueboxtech.ca)

You will see on the site that BBT has sourced a partner in the USA, Lexden Capital. Lexden is under temporary contract to secure an engineering procurement and construction partner and in addition, organize and secure a financial partner.

Because the BBT waste heat to power module can offset a substantial amount of cost of energy, the business plan is to give customers the option to lease the equipment and make payments from those generation offsets.

To date, Lexden Capital has been unable to complete their first milestone, so this agreement will be re-addressed as of January 1, 2017.

In tandem, NWG Board and Management of BBT have met with several potential partners and customers here in Canada. The feedback has been most encouraging, and we are looking ahead to a positive 2017.

BBT has completed several feasibility studies for potential customers as a first step, and have a potential sale with a customer in Ontario. There are several milestones that our company will need to meet in order to continue with the initial sale and consecutive orders:

- Complete procurement cost of the bill of materials
- Complete a contractual agreement with an engineering firm in Ontario to help with a turnkey solution to our customer, including install and managing warranties

First quarter 2017 is primed to be a busy time.

Please be assured that we continue to work hard and are moving closer to entering the Ontario energy market, and will keep you posted on our progress.

With regards,

The Board of NWG