



NEW WORLD ENERGY
SMART POWER, CLEAN FUTURE

Dear Shareholder,

NWE to benefit from carbon tax initiatives

The Federal Government's carbon tax and related proposals are extremely positive for the renewable energy industry in Australia generally -- and for New World Energy in particular.

Geothermal energy remains the only baseload renewable technology with the capability to replace the current large coal generators in the near future. Two initiatives announced in conjunction with the carbon tax greatly enhance our potential to capitalise on this situation.

These are:

1. The formation of the \$10 billion Clean Energy Finance Corporation (CEFC), which will invest in businesses seeking to develop innovative renewable and clean energy proposals over the next five years; and
2. The Australian Renewable Energy Agency (ARENA) which will manage the \$3.2 billion in existing renewable energy funding programs.

As the government rolls out these initiatives, we expect to see significant additional funding available for the geothermal energy sector.

New World Energy is particularly well placed to capitalise on this and to benefit from the rapid growth of the renewable energy industry in Australia that the carbon tax and subsequent emissions trading scheme will facilitate.

New World Energy occupies a unique position as the dominant geothermal landholder over prospective areas in the Pilbara and Mid West regions of Western Australia. These resource-rich regions underpin Australia's economy, and with their massive growth in baseload energy demand are likely to be a major focus by government for renewable energy development.

New World Energy is in discussions with a number of organisations in relation to raising capital to fund its forthcoming exploration activities and listing on the ASX.

The company has been eagerly awaiting this positive change in Australia's energy policy and believes that the renewable energy sector will now move rapidly into a strongly positive investment environment.

Yours faithfully

John Libby
Managing Director

Bret Mattes
Chairman

13 July 2011

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About New World Energy

New World Energy is a dedicated geothermal energy company focussed on the Asia-Pacific region. With a highly competent management and technical team it is building a portfolio of Asian magmatic (conventional) geothermal projects to support its existing assets in Western Australia.

New World Energy is the largest geothermal landholder in Western Australia, with dominant positions over the best geothermal areas in and around the Pilbara and Mid West regions which are undergoing major growth in electricity demand.

The company is progressing towards its goal of being a significant electricity supplier in the region and continues to acquire new projects and rationalise existing ones to give it the best opportunity for near-term production and sustained growth.

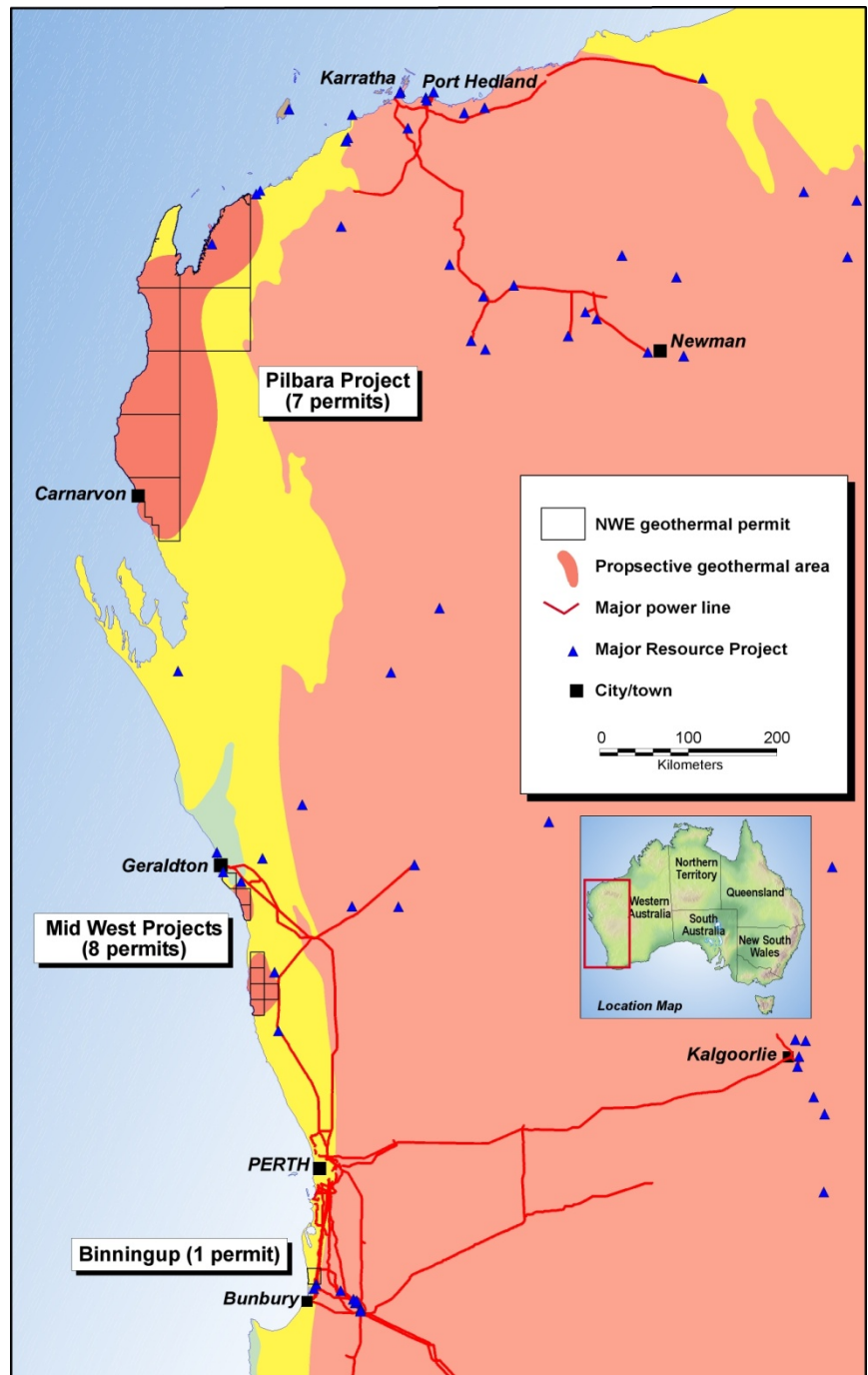
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New World Energy's geothermal landholding in Western Australia