Wednesday, 30 September 2009

NewSat Response to EWC's Corrective Announcement

EWC Payments Pty Ltd (**EWC**) yesterday released an announcement which corrected misleading statements made by EWC in earlier announcements dated 3 September 2009. In particular, EWC has now substantially reduced its claimed revenue and profit for the 2007 and 2008 calendar years. However, the directors of NewSat still have serious concerns about the accuracy of the corrected revenue and profit claims made by EWC. The directors' concerns about EWC's claims have been heightened by EWC's disclosure that the financial information provided by EWC has not been audited and as EWC has not publicly disclosed any detailed financial statements. Accordingly, in the absence of customary detailed financial statements and any independent audit of the financial statements of EWC, NWT shareholders should be cautious about accepting that even the substantially lower numbers claimed by EWC are accurate.

Further, while EWC has clarified that the $0.20 value that it quoted for EWC shares is no more than the opinion of the directors of EWC, it has provided no other justification for this valuation. As a small private company, there is no other means by which NWT shareholders can verify this claim. NewSat would be surprised if its shareholders found the prospect of taking an aggregate of 40% of the scrip of an unlisted company with unaudited financial statements attractive relative to holding their current ASX-listed shares.

The directors of NewSat recommend that shareholders take no action in response to the proposed offer until the bidder's statement is received and NWT has responded with its target's statement.

Adam Shapiro
Chief Financial Officer/Company Secretary