

NEW CITY INVESTMENT MANAGERS



NEW CITY ENERGY LIMITED

FACT SHEET JULY 2010

(as at 30th June 2010)

INVESTMENT OBJECTIVE

To provide investors with capital growth, yet with some prospect of income from a portfolio of companies involved in the exploration or production of oil and gas.

STATISTICS

Total Gross Assets:	£37.2m
Ordinary Share	
Net Asset Value (Mid Price, Undiluted)	63p
Net Asset Value (Diluted)	65p
Mid-Market Price:	50.0p
Subscription Share (Mid-Market Price)	5.38p
Gearing:	13.1%
Discount:	20.1%
Annual Management Fee:	2.0%

PRICING

Bloomberg: NCE LN (Ordinary Shares)
NCEA LN (Subscription Shares)

Sedol: B2PKXF4 (Ordinary shares)
B2PKXH6 (Subscription shares)

Financial Times (Investment Companies)

FINANCIAL CALENDAR

Year End

30th September

Annual Report & Accounts Published

December

Dividend

2008/09	1.6p	Total
2009/10	1.6p	Total
2010/11		
1 st Interim	0.4p	July 2010

CONTACT DETAILS

INVESTMENT ADVISERS

NEW CITY INVESTMENT MANAGERS

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NCIM PORTFOLIO MANAGERS

Richard Lockwood	Neil Gregson
Merfyn Roberts	Will Smith
John Wong	Ian Francis

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COMPANY

NEW CITY ENERGY LIMITED

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ADVISER COMMENT

The price of West Texas Intermediate crude (WTI) closed the month at USD75.63 per barrel, a gain of 2.2% over the period. WTI prices, however, were significantly weaker during the second half of the month as concerns increased over a possible economic slowdown in China and the United States. Markets in general were weak and commodity sectors, including oils, were among the worst performers during June. This 2010 second quarter was the worst quarterly performance of the US Dow Jones Index since the demise of Lehman in 2008. The S&P/TSX Energy Index was down c. 3.5% for the month and 5.6% for the quarter, whilst the Australian S&P 200 Energy Index was down 2.6% for the month and 11.4% for the quarter, both in local currency terms. We believe that oil equities are reacting to a general fear in the market that some new catastrophe is around the corner. The reality, however, is that the last quarter looks set to be one of the strongest for growth in the energy sector for many years in terms of both OECD and non-OECD demand. The fear factor is perhaps the major handicap for commodities, with the backward-looking fear of the last crisis still overshadowing the flow of positive economic data. Sooner rather than later, we expect investors start focusing on the positive economics for energy.

The news coming out of the Falkland Islands continues to be positive. Rockhopper Exploration, now the Company's largest investment, has increased in value from GBP67 million to GBP560 million since the announcement of their oil discovery on May 6th. Analysts are already comparing Rockhopper to Cairn Energy which increased from a market capitalisation of GBP500 million in 2004 to GBP3 billion in just two years as the size of their oil discovery in India was recognised. It may be premature to make such comparisons, but the initial indications suggest that Rockhopper have made a significant discovery off the Falkland Islands.

All market data is sourced from Bloomberg.

TOP FIVE HOLDINGS

1. Coalspur Mines Limited	7.1%
2. Rockhopper Exploration Plc	6.5%
3. Crescent Point Energy Trust	6.3%
4. Niko Resources Inc	4.7%
5. Pacific Rubiales Energy	4.5%

Top 5 holdings represent 29.1%

The Trust has a total of 62 holdings

ORDINARY SHARE & NAV PERFORMANCE

	1 month	3 months	12 months	From 11.2.08
Fund NAV*	-4.5%	-1.6%	+57.5%	+26.0%
Share Price*	+6.9%	-7.4%	+30.7%	0.0%

* Total return performance based on mid prices Source: R&H/Bloomberg

ADVISER INFORMATION

Merfyn Roberts is responsible for managing the Company's portfolio assisted by Richard Lockwood, Will Smith and John Wong.

CAPITAL HISTORY

On 11 February 2008, 49,108,100 Ordinary Shares were issued at 50p. During May 2008, a further 4,088,073 Ordinary shares were issued at 60.5p bringing the total number of Ordinary Shares to 53,199,173. In addition, there are 24,554,050 Subscription Shares in issue; these shares carry the right to subscribe for Ordinary Shares at 70p each in the years 2011 to 2013.

IMPORTANT INFORMATION

In common with most investment companies, New City Energy Limited may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of the Company's assets will result in a magnified movement, in the same direction, of that NAV.

Some of the assets selected for the underlying portfolio may be liable to diminish in capital value over time. The value of shares and the income from them can go down as well as up and you may get back less than the amount invested. Past performance is not a guide to the future. Exposure to a single country market increases potential volatility. There is no guarantee that the market price of shares in the Company will fully reflect their underlying Net Asset Value. As with all stock exchange investments, the value of an investment company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread.

An investment company should be considered only as part of a balanced portfolio. Under no circumstances should this information be considered as an offer or solicitation to deal in investments. New City Investment Managers is a trading name for CQS Asset Management Limited who are authorised and regulated by the Financial Services Authority. Company registered office: New City Investment Managers, 33 Chester Street, London SW1X 7BL.