

ASX ANNOUNCEMENT

20 July, 2009

Manager Announcements
Company Announcement Office
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AdSlot investment and equity raising to support key Webfirm growth projects

- ***Webfirm Group raises \$3.6 million to fund growth initiatives***
- ***Flags investment in AdSlot's market-changing technology***
- ***Chris Morris to make strategic investment in the Company***

Webfirm Group Limited (ASX: WFM) ("Webfirm") is pleased to announce that it has successfully completed a placement of \$3.6 million to help fund key business growth initiatives.

The capital raising will be completed in two tranches. The first tranche involves the issue of 20,338,720 ordinary shares at \$0.06 per share to raise \$1,220,323 (before payment of issue expenses). The second tranche involves the placement (at the same price of \$0.06 per share) of a further approximately 39,661,280 shares to raise approximately \$2,379,677.

As the placement of the second tranche involves the issue of shares in excess of the maximum number that may be issued by the Company under the ASX Listing Rules in any 12-month period without shareholder approval, that issue is conditional on shareholder approval. The Company intends to convene a meeting of its shareholders in early September, 2009, for that purpose.

BGF Equities Pty Ltd – the lead manager of the capital raising – has arranged for the shares to be placed with a range of specialist institutions and sophisticated investors.

Among the investors is Chris Morris, executive chairman of Computershare Limited, who has subscribed for 16.6m shares in the Company's second tranche of the raising. The Webfirm Group board of directors is encouraged by Mr Morris' decision to support Webfirm by taking a significant stake. The directors are also very pleased with the overall response from investors, noting the offer was heavily oversubscribed.

Webfirm's directors will participate in tranche two of the capital raising subject to shareholder approval. All directors hold significant shareholdings in the Company and remain excited by the prospects for the business. In addition, a senior manager in Searchworld has also subscribed to 2 million shares in the raising.

The proceeds of the capital raising will be applied across a range of growth initiatives including:

- An equity investment in AdSlot Pty Ltd (refer below);
- Commercialising the AdSlot media sales platform;
- Technical development of the second phase of Searchworld's AdFeedEngine;
- Expansion of the Searchworld division in the US and its establishment in the UK; and
- Additional working capital.

Webfirm invests in AdSlot Pty Ltd

- ***Heads of agreement for 20 per cent stake***
- ***AdSlot market-changing technology to influence sale and purchase of online media in Australia and internationally***

Webfirm Group Limited also announced its intention to acquire a 20 per cent shareholding in AdSlot Pty Ltd (AdSlot).

The heads of agreement cements the commercial relationship between the Webfirm Group and AdSlot and enhances their respective growth ambitions.

On 17 June, 2009, Webfirm Group announced that it had secured a commercial licence agreement with AdSlot for the exclusive Australia and New Zealand rights (non exclusive in all other territories) to AdSlot's combinatorial auction system to power Webfirm's AdAuctionEngine.

The Company further announced on 14 July, 2009, that Microsoft had chosen AdSlot as a trial partner for the Azure cloud computing platform.

The consideration payable by Webfirm to AdSlot will be a total of \$1.5 million in cash and shares in Webfirm Group Limited, payable in three instalments commencing December, 2009, and concluding in June, 2010. Each instalment is contingent on AdSlot meeting agreed performance criteria. The cash must be used by AdSlot to commercialise its products and the shares will be held by AdSlot Pty Ltd. The shares issued to AdSlot and Webfirm will be escrowed for a period of 12 months.

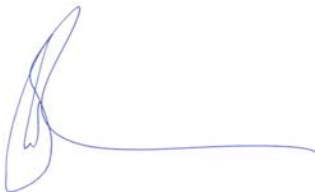
AdSlot builds and operates large scale 'private electronic marketplaces' for media publishers to sell their premium advertising inventory to agencies and also to self-serve advertisers. The AdSlot platform uses proprietary mathematical algorithms to maximise yield for TV, video, display and text ads using a patented auction methodology.

The investment in AdSlot will provide Webfirm with 20 per cent ownership in the market-changing patented technology developed by AdSlot over the past nine years. With their own deep and varied experience with online businesses, and the exciting marketplace reaction to the AdSlot technology, the Webfirm directors are excited by the global opportunities in commercialising this technology.

The agreement also permits Webfirm to further increase its shareholding in AdSlot, and David Burden, Webfirm's CEO, will be appointed a director of the AdSlot board.

Following payment of the final instalment, AdSlot will hold 12,500,000 shares in Webfirm Group Limited, equating to approximately 5.9 per cent of the Company's issued shares post the recent capital raising.

Webfirm and AdSlot will negotiate and execute a formal agreement for the investment upon the completion of due diligence, which will include an independent expert's report. The investment will require shareholder approval which will be sought at the Company's next Annual General Meeting, to be held in November, 2009. The independent expert's report on AdSlot will be made available to shareholders before the Annual General Meeting.



Mr David Burden
CEO & Managing Director

IMPORTANT NOTE FOR SHAREHOLDERS / INVESTORS

Andrew Barlow is a non-executive director (chairman) and a substantial shareholder of both Webfirm and AdSlot. Similarly, Adrian Vanzyl is also a non-executive director and a shareholder of Webfirm and a consultant to AdSlot. In accordance with the appropriate standards of corporate governance, neither Mr Barlow nor Dr Vanzyl took part on behalf of Webfirm or AdSlot in any material discussions relating to either the grant to Webfirm of the rights to the AdSlot technology in Australia, New Zealand and elsewhere in the world, or the decision by Webfirm to enter into the investment agreement with AdSlot.

The other directors of Webfirm are Adrian Giles and David Burden. Mr Giles is a small shareholder (less than 1 per cent) of AdSlot. He does not hold office in or have any employment or other consulting arrangement with AdSlot. Mr Burden is neither a shareholder nor officer of AdSlot. As the shareholding of Mr Giles in AdSlot is immaterial in the context of his personal financial circumstances, the decision by Webfirm to enter into the agreement with AdSlot was made by Mr Giles and Mr Burden. The decision was made only after they had satisfied themselves that the agreement with AdSlot was in the interests of Webfirm and on arm's length commercial terms that were fair and reasonable to Webfirm. The investment in AdSlot is subject to both Webfirm shareholder approval and independent verification of the valuation of AdSlot.

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About the Webfirm Group

Webfirm Group Limited (ASX: WFM) is a full service digital media company with three divisions. **Searchworld** powers publishers' profits with premium quality search monetisation solutions, delivering effective global and local organic and paid search to search engines, portals, directory publishers, parked domains, downloadable applications and ad networks. **Webfirm Media** assists online publishers to increase their advertising inventory sales and yield through the AdAuctionEngine powered by AdSlot and exclusively represents advertising on all Navteq navigational maps in Australia and New Zealand. **Webfirm** offers the full spectrum of web design and development services, including search engine marketing, optimisation, hosting, marketing consultancy, e-commerce, permission-based marketing, content management tools, and domain name management. With more than 60 staff across Melbourne, Sydney, Perth and in the United States of America and United Kingdom, Webfirm continues to develop products and services aimed at helping customers do better business on the Internet. More information at www.webfirmgroup.com