

NEWS RELEASE

20 July, 2009

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 (ASX: WFM) today announced its intention to acquire a 20 per cent shareholding in AdSlot Pty Ltd (AdSlot).

The heads of agreement cements the two companies' commercial relationship and enhances their respective growth ambitions.

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.

Microsoft recently selected AdSlot as the Region's only trial partner for the Azure cloud computing platform

Webfirm has exclusive Australia and New Zealand rights (non exclusive in all other territories) to AdSlot's combinatorial auction system which powers Webfirm's AdAuctionEngine.

Webfirm Group CEO David Burden said: "Our investment in AdSlot leverages the benefits of Webfirm's existing licence agreement.

"We are focused on enhancing publishers' yields through private advertising marketplaces that have the potential to dramatically change the way that media is bought and sold.

"There are exciting opportunities to commercialise the AdSlot technology over the coming years; it is among a range of unique, complementary technologies and business models we are bringing together within the Webfirm Group to build a global online media business."

Mr Burden added that the marketplace reaction to the AdSlot technology has been extremely positive, reinforcing the Company's optimism.

Anthony Du Preez, CEO of AdSlot, said: "Our deal with Webfirm means we can rapidly expand AdSlot's market and together provide the highest level of customer support to any publisher in Australia and New Zealand.

"Webfirm Group is an outstanding media company, and we have enormous respect for the capability of the Webfirm team.

"This deal will go a long way to helping us deliver the benefits of our unique combinatorial auction technology to media companies around the world."

The investment in AdSlot will provide the Webfirm Group with 20 per cent ownership in the market-changing patented technology developed by AdSlot over the past nine years.

The consideration payable by Webfirm Group 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.

The agreement also permits Webfirm to further increase its shareholding in AdSlot and Mr Burden 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.

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