

NEWS RELEASE

Webfirm and AdSlot Pty Ltd announce joint venture

7 September, 2009

- ***50:50 joint venture to further develop and commercialise AdSlot technology***
- ***AdSlot platform to significantly change how advertising is bought and sold***
- ***AdSlot technologies awarded US patent***

Webfirm Group Limited (ASX: WFM) today announced that its Webfirm Media division and AdSlot Pty Ltd (AdSlot) had entered into a new agreement to commercialise AdSlot technology.

AdSlot and Webfirm will form a 50:50 joint venture to continue the development and commercial deployment of AdSlot's platform, replacing their previous agreement regarding the AdSlot technology.

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. AdSlot's proprietary mathematical algorithms maximise yield for TV, online video, display and text advertising.

AdSlot technology was recently awarded a US patent for its methodology that addresses the limitations of commonly-used sealed bid auctioning of key words. Sealed bid auctions lack transparency, and the absence of competitive tension lowers revenue outcomes.

AdSlot's technology achieves better results for the seller – and increases transparency and trust among bidders – by giving bidders real time feedback on the exact bid each needs to make to win while also taking into account relevant 'quality scores' that weight bids accordingly. Quality scores ensure that the most relevant ads appear to consumers and are the basis for measuring the quality of keywords and determining minimum bids.

AdSlot will grant the joint venture a perpetual royalty-free licence to its underlying technology and Webfirm will seed the new company with \$1 million in cash.

Subject to shareholder approval, Webfirm will also issue AdSlot shareholders with 12,500,000 Webfirm shares in exchange for 15 per cent of AdSlot's shares (AdSlot shares are not publicly traded). The issued Webfirm shares will be escrowed for 12 months from their date of issue.

The joint venture supersedes and will deliver a stronger commercial outcome for both companies than the heads of agreement announced on 20 July, 2009. At that time, Webfirm Group signalled its intention to acquire a 20 per cent shareholding in AdSlot in return for \$750,000 in cash and the issue of 12,500,000 Webfirm shares.

Webfirm Group CEO David Burden said: "This significantly enhances Webfirm's strategy of providing unique, private advertising marketplaces that enhance publishers' yields.

"The joint venture fully aligns Webfirm Media and AdSlot's futures and allows for the rapid commercialisation of AdSlot technologies in Australia and globally.

“It is particularly attractive that the joint venture will have rights to any enhancements it makes to the AdSlot intellectual property through the commercialisation process, with the joint venture and AdSlot retaining ongoing rights to these enhancements.

“It’s also a better structure for the shareholders as the Webfirm Group will be able to account for the income in the joint venture and also equity account for income in AdSlot Pty Ltd.”

Anthony Du Preez, CEO of AdSlot, said: “Our joint venture with Webfirm will underpin the rapid deployment of the AdSlot platform as a real and beneficial new marketplace for media companies in Australia and internationally.”

The joint venture’s proposed board will include Andrew Barlow, Adrian Giles, David Burden and Anthony Du Preez. An independent director may be appointed at a later time.

The joint venture will have exclusive Australia and New Zealand rights (non exclusive in all other territories) to AdSlot’s combinatorial auction system, with the potential for additional territories to be granted.

Since Webfirm Media and AdSlot’s relationship was announced three months ago, the marketplace reaction to the AdSlot technology has been extremely positive.

The AdSlot agreement is subject to Webfirm Group shareholder approval, and Webfirm has commissioned an independent experts’ report on the proposed joint venture and arrangements.

That report will be presented with the notice of the Company’s Annual General Meeting, which will be held in late November, 2009.

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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Note to editors: Background on the Webfirm Group and AdSlot follows over the page

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** represents advertising inventory from third-party Australian, US and UK-based websites and third party advertising networks to Australian advertisers and exclusively represents advertising on all Navteq navigational maps. **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, Webfirm continues to develop products and services aimed at helping customers do better business on the Internet. More information at www.webfirm.com

About AdSlot

AdSlot builds and operates large scale 'private electronic marketplaces' for media publishers to sell premium ad inventory to agencies and self-serve advertisers. The AdSlot sales platform uses proprietary mathematical algorithms to maximise yield for TV, video, display and text ads using a patented Book & Bid® sales methodology. Book & Bid® reduces the amount of inventory sold as remnant and maximises the yield by blending true market-based pricing with a fixed rate card. AdSlot was established and is managed by a team of world class experts, including chairman Andrew Barlow – one of the founders of Hitwise – and fellow director, Anthony Du Preez, who co-founded Tradeslot Pty Ltd, which specialises in the design of sophisticated combinatorial monetization platforms in the supply chain space. Dr Adrian Vanzyl – a consultant to AdSlot – was chief technology officer at LookSmart, international business manager at Microsoft, and chief technology officer at venture capital firm Blumberg Capital. For more information visit: <http://www.adslot.com/>