

NEWS RELEASE

20 July, 2009

Webfirm Group completes equity raising to support growth projects

- **Webfirm Group raises \$3.6 million to fund growth initiatives**
- **Computershare founder Chris Morris to make strategic investment**

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

The capital raising will be completed in two tranches. Proceeds will be applied to:

- An equity investment in AdSlot Pty Ltd (refer accompanying release);
- 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.

Among the participating investors is Chris Morris, executive chairman of Computershare Limited, who has subscribed for 16.6m shares in the second tranche. The Webfirm Group board of directors is encouraged by Mr Morris' decision to support Webfirm by taking this significant stake.

The directors are also very pleased with the overall response from investors, noting the offer was heavily oversubscribed.

Webfirm Group chairman Andrew Barlow said: "The company's management team and board are delighted by the support we received for the capital raising and look forward to continuing our rebuild of the Company.

"We are particularly delighted to have an investor and entrepreneur of Chris Morris' calibre become our largest shareholder. As one of the Computershare founders, his knowledge of online business models will be of invaluable support as we continue to take the Webfirm Group forward."

Webfirm Group CEO David Burden said: "The fact that the capital raising was solidly oversubscribed gives the Company's management team confidence that investors not only understand our global potential but also embrace our growth strategy."

The first tranche of the capital raising 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.

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.

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