

ASX ANNOUNCEMENT

6 JUNE 2012

Issue of additional shares under the QDC acquisition and release from escrow of restricted shares

Following is an Appendix 3B which advises of the issue of additional shares to the vendors of QDC IP Technologies Pty Ltd (QDC) and the release from escrow of shares that were issued on 7 December 2010 as part of the same transaction.

Release from escrow of restricted shares

On 30 November 2010 Webfirm Group Limited (Webfirm) shareholders approved the acquisition of QDC which was completed on 7 December 2010. Under the terms of the Sale Agreement 3,636,364 of the initial 29,309,091 shares issued to the QDC vendors were required to be restricted securities under Chapter 9 of the ASX Listing Rules. These 3,636,364 shares are released from 7 June 2012.

Issue of additional shares under the QDC acquisition

As advised to shareholders in the Notice of Meeting for the 30 November 2010 Annual General Meeting (where shareholder approval was gained for the QDC acquisition) the QDC acquisition contained a condition such that if 547 days months after completion (i.e. 6 June 2012) the value of the initial consideration, being \$801,818.18 in cash and 29,309,091 WFM shares, was less than \$4M, then further new WFM shares, up to a maximum of 13,333,333, would be issued such that the total value would be not less than \$4.0 million (subject to the cap of 13,333,333 additional shares).

A total of 13,333,333 new shares are required to be issued to the vendors of QDC.

The following Appendix 3B advises of the issue of 8,557,576 new shares to 9 of the 11 QDC vendors.

The remaining 4,775,757 shares are to due to two QDC vendors who are to related parties of Webfirm and as such shareholder approval is required before these shares can be issued.

Rather than incur costs in calling an Extraordinary General Meeting to seek shareholder approval for the issue of these shares, the relevant resolutions will be put to shareholders at the next Annual General Meeting, which is planned to be held in November 2012.

Brendan Maher
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Webfirm Group Limited

ABN

70 001 287 510

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares in Webfirm Group Limited |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 3,636,364
b) 8,557,576 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) release of restricted securities under Chapter 9 of the ASX Listing Rules from escrow issued on 7 December 2010.
b) issued to vendors of QDC IP Technologies Pty Ltd pursuant to the Sale Agreement as approved by shareholders on 30 November 2010. |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>a) n/a b) Securities have been issued as consideration for 100% of the securities of QDC IP Technologies Pty Ltd.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) release of restricted securities under Chapter 9 of the ASX Listing Rules from escrow issued on 7 December 2010. b) issued to vendors of QDC IP Technologies Pty Ltd pursuant to the Sale Agreement as approved by shareholders on 30 November 2010.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>a) 7 June 2012 b) 6 June 2012</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1675 935 1715">Number</th> <th data-bbox="935 1675 1295 1715">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1715 935 1944">689,736,476</td> <td data-bbox="935 1715 1295 1944">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	689,736,476	Fully paid ordinary shares
Number	⁺ Class				
689,736,476	Fully paid ordinary shares				

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="772 197 991 235">Number</th> <th data-bbox="991 197 1370 235">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="772 235 991 353">6,200,003</td> <td data-bbox="991 235 1370 353">Options exercisable before 30/06/12 @ 10.0c</td> </tr> <tr> <td data-bbox="772 353 991 450">1,000,000</td> <td data-bbox="991 353 1370 450">Options exercisable before 22/10/12 @ 9.0c</td> </tr> <tr> <td data-bbox="772 450 991 546">51,700,000</td> <td data-bbox="991 450 1370 546">Options exercisable before 31/01/13 @ 5.3c</td> </tr> <tr> <td data-bbox="772 546 991 642">7,258,824</td> <td data-bbox="991 546 1370 642">Options exercisable before 31/01/13 @ 5.6c</td> </tr> <tr> <td data-bbox="772 642 991 739">2,000,000</td> <td data-bbox="991 642 1370 739">Options exercisable before 9/07/14 @ 15.1c</td> </tr> <tr> <td data-bbox="772 739 991 835">3,000,000</td> <td data-bbox="991 739 1370 835">Options exercisable before 30/09/14 @11.6c</td> </tr> <tr> <td data-bbox="772 835 991 931">300,000</td> <td data-bbox="991 835 1370 931">Options exercisable before 30/09/14 @19c</td> </tr> </tbody> </table>	Number	⁺ Class	6,200,003	Options exercisable before 30/06/12 @ 10.0c	1,000,000	Options exercisable before 22/10/12 @ 9.0c	51,700,000	Options exercisable before 31/01/13 @ 5.3c	7,258,824	Options exercisable before 31/01/13 @ 5.6c	2,000,000	Options exercisable before 9/07/14 @ 15.1c	3,000,000	Options exercisable before 30/09/14 @11.6c	300,000	Options exercisable before 30/09/14 @19c
Number	⁺ Class																	
6,200,003	Options exercisable before 30/06/12 @ 10.0c																	
1,000,000	Options exercisable before 22/10/12 @ 9.0c																	
51,700,000	Options exercisable before 31/01/13 @ 5.3c																	
7,258,824	Options exercisable before 31/01/13 @ 5.6c																	
2,000,000	Options exercisable before 9/07/14 @ 15.1c																	
3,000,000	Options exercisable before 30/09/14 @11.6c																	
300,000	Options exercisable before 30/09/14 @19c																	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There has been no change to Webfirm Group Limited's dividend policy																

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the ⁺ securities will be offered | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | |
| 15 | ⁺ Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

- | | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1 (Unrestricted securities)

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 100,000

100,001 - 1,000,000

1,000,001 - 10,000,000

10,000,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

--

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

--

42 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 38)

Number	⁺ Class

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.

⁺ See chapter 19 for defined terms.

- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Print name: BRENDAN MAHER
(Company Secretary)

Date: 6 June 2012