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## MARKET UPDATE

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The Company is pleased to provide the following market update:

### **Convertible Note Facility**

As previously announced to the market, the recently acquired Marketboomer Group continues to see ongoing growth in its sales pipeline as well as incremental growth occurring in transaction numbers. In order to ensure that the Group is appropriately positioned to support this ongoing growth both in existing markets and for expansion into new markets, the Company has secured a redeemable convertible note facility of A\$700,000 (**Redeemable Convertible Note Facility**) with CVC Private Equity Limited (**CVC**).

The material terms of the Redeemable Convertible Note Facility are:

- Facility Limit: A\$700,000
- Maturity Date: 2 years from the earlier of date of first drawdown or 18 March 2010
- Interest Rate: 12% per annum, accruing on a daily basis and payable monthly in arrears
- Security: First ranking fixed and floating charge over the assets of WebSpy Limited and Marketboomer Pty Ltd
- Facility Fee: 2,000,000 fully paid ordinary shares at a deemed issue price of \$0.02 per share
- Convertible into fully paid ordinary shares at a deemed issue price of \$0.02 per share (subject to adjustment to the issue price in the event of a bonus issue or a rights issue or placement of shares at an issue price lower than the deemed issue price of \$0.02 prior to the Maturity Date).

An Appendix 3B seeking quotation of the 2,000,000 fully paid ordinary shares follows this announcement.

### **Appointment of CEO**

The Company is pleased to announce Mr Declan Monahan, executive director of WebSpy, has agreed to accept the role of CEO. As CEO of the Marketboomer Group, the Board feels Mr Monahan has the appropriate skills and experience relevant to both the Marketboomer and WebSpy business units. He has been the driving force in the Marketboomer Group's international success since joining the group of entities in 1999 and has the necessary reputation and experience in international business development to lead the Company through this critical cycle of growth.



As previously announced, Mr Jack Andrys resigned as CEO on 30 November 2009. Since that time, Mr Andrys has continued in the role of acting CEO while the Board considered candidates for a new CEO. Mr Andrys will remain as an Executive Director overseeing the WebSpy business unit. In his new role, Mr Andrys will take executive responsibility for business development and sales within the WebSpy business unit.

The appointment of Mr Monahan is subject to the finalisation and completion of an employment agreement, the terms of which will be released to the market immediately upon completion and execution, which is anticipated to occur in the near term.

**AUTHORISED BY:**

Jack Andrys  
Chief Executive Officer  
WebSpy Ltd  
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**About WebSpy Ltd**

WebSpy is a global vendor of software solutions that transform the raw data in log files into manageable information, providing a transparent view over organisations' Internet, email and network usage. WebSpy enables organisations to protect and maximize their Internet investment, reducing costs related to unproductive behaviour, bandwidth usage and legal liability, whilst still allowing enjoyment of the benefits of a web-enabled environment.

For more information visit: <http://www.WebSpy.com>.

Marketboomer is an Internet based procurement and materials management system that provides its clients with the tools, information and control to transition from their current approach to procurement to industry best practice. The solution facilitates a more competitive market enabling businesses to trade with each other more effectively by allowing purchasers to buy from suppliers at the best possible price at a given point in time, and by improving processes.

For more information visit <http://www.marketboomer.com/>



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## 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.

Name of entity

**WEBSPY LIMITED**

ABN

**60 066 153 982**

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   | <b>Shares</b>                      |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | <b>2,000,000</b>                   |
| 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) | <b>Fully paid ordinary shares.</b> |

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**Appendix 3B**  
**New issue announcement**

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p><b>Yes</b></p>				
<p>5 Issue price or consideration</p>	<p><b>Deemed issue price of \$0.02 per share</b></p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p><b>The shares have been issued in satisfaction of the facility fee payable to the lender for the provision of the convertible note facility to the Company.</b></p>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or dispatch of certificates</p>	<p><b>18 March 2010</b></p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">Number</th> <th style="width: 50%; text-align: left;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">236,141,275*</td> <td style="text-align: center;"><b>Ordinary fully paid shares</b></td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	236,141,275*	<b>Ordinary fully paid shares</b>
Number	<sup>+</sup> Class				
236,141,275*	<b>Ordinary fully paid shares</b>				

\* *includes 105,694,191 shares under voluntary escrow.*

+ See chapter 19 for defined terms.

	<b>Number</b>	<b>+Class</b>
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)		<b>Not Applicable</b>
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<b>N/A</b>	

## Part 2 - Bonus issue or pro rata issue

*Questions 11 to 33 Not Applicable*

## 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

(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**

*(If the additional securities do not form a new class, go to 43)*

***Questions 35 to 37 - Not Applicable***

### Entities that have ticked box 34(b)

***Questions 38 to 42 - Not Applicable***

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**Appendix 3B**  
**New issue announcement**

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**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.
- 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.

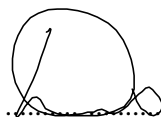
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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 section 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided 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:

  
.....  
**CEO**

Date: **18 March 2010**

Print name: **Jack Andrys**

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