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**MARKETBOOMER GROUP ACQUISITION – ISSUE OF DEFERRED PERFORMANCE SHARES**

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The Directors of WebSpy Limited (ASX: WSY) are pleased to announce that following an independent review of transactions processed by the Marketboomer business unit (which confirmed that the transactions processed aggregated more than 250,000 in a consecutive 3-month period), it has been determined that one of the performance hurdles pursuant to the share sale agreements in respect of the Marketboomer Group acquisition (**Share Sale Agreements**) has been achieved.

In accordance with the Share Sale Agreements, the Board has resolved to allot 361,565,100 fully paid ordinary shares in the Company (**Shares**), representing the contingent consideration payable under those Agreements, to the vendors of the Marketboomer Group.

The issue of Shares was approved by shareholders at the Company's general meeting held 16 November 2009. Pursuant to the terms of the Share Sale Agreements, a voluntary escrow period applies to the 332,307,223 of the Shares as follows:

83,076,804	restricted until 23 February 2011
83,076,803	restricted until 23 August 2011
166,153,616	restricted until 23 August 2012
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332,307,223	
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The Directors are delighted with this achievement as it confirms that the number of transactions processed by the Marketboomer Group has increased by around 43% since the baseline numbers on which WebSpy first reviewed the acquisition opportunity and determined the performance hurdles under the Share Sale Agreements. The Board believes the achievement of this performance hurdle demonstrates that the Marketboomer business unit is delivering beyond the growth potential anticipated by the Company.

Marketboomer operates an internet based procurement solution specifically for the hospitality industry allowing hotel and hospitality businesses to buy better and more efficiently, thus offering significant cost savings and efficiencies in the buying process. Its clients include such prestigious global hotel brands as Starwood, Intercontinental, Jumeirah, Mirvac, Hilton and Sheraton.



Following this announcement is an Appendix 3B seeking quotation of the Shares.

**AUTHORISED BY:**

Ben Donovan  
Non-Executive Director  
WebSpy Ltd

**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>361,565,100</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 +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"> <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>The shares were issued as consideration for the achievement of a performance hurdle (see 6 below).</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 upon achievement of a Deferred Event pursuant to the Share Sale Agreements with the vendors of the Marketboomer group of entities, acquired in November 2009 and as previously approved by shareholders.</b></p>				
<p>7 Dates of entering +securities into uncertificated holdings or dispatch of certificates</p>	<p><b>23 August 2010</b></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="686 1422 941 1478">Number</th> <th data-bbox="941 1422 1283 1478">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 941 1662"><b>597,706,375*</b></td> <td data-bbox="941 1478 1283 1662"><b>Ordinary fully paid shares</b></td> </tr> </tbody> </table>	Number	+Class	<b>597,706,375*</b>	<b>Ordinary fully paid shares</b>
Number	+Class				
<b>597,706,375*</b>	<b>Ordinary fully paid shares</b>				

*\* includes 411,577,866 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: ..... Date: **23 August 2010**  
**Non-Executive Director**

Print name: **Ben Donovan**

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