

F A C S I M I L E

Attention:	ASX COMPANY ANNOUNCEMENTS OFFICE	Date:	13 September 2002
Company:	ASX Announcements Office	Fax No:	1300 300 021
From:	Anthony Ho	Pages (Including Cover Sheet):	21
Subject:	Announcement	cc.	

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Dear Sir/Madam

Please find attached Appendix 4B - Preliminary Final Report and an announcement re: Activities Overview Summary 2001/2002.

Yours sincerely

Anthony Ho
Company Secretary

Att.

Activities Overview Summary 2001/2002

Introduction

The 2001/2002 financial year and to date for WebSpy Ltd has seen a number of major milestones achieved, with the most significant being the contribution to our cash resources by the increase of 104% in software revenues. With a low point in cash having been \$1.7m and a current cash position of \$2.3m the company is proud of its efforts in both increased revenues and reduced cost; again prudent fiscal management has been exercised during the period. This approach will continue, with the expectation of similar or better revenue growth trends over this financial year.

The company's overseas sales offices consisting of the Seattle based USA office WebSpy (USA) Inc, and the London based UK office WebSpy (UK) Ltd have both increased revenues to the point that they have commenced accumulation of cash. Both sales offices have seen improved operational efficiency and increased sales revenues in direct sales, and this trend is expected to continue whilst being also applied to the new channel sales program being commences in the US in September 2002.

The Company's outlook for this financial year is very positive, with both the WebSpy® and Inspection Manager™ software products continuing to increase market share in their respective fields. As a result of last year's efforts the Company was able to achieve its goal of generating an operating cash surplus by the end of the period, and whilst its activities are not insulated from the global economic difficulties, the Company has been able to secure its operations with positive cash flow in the last quarter of the financial year.

Industry analysts in the United States forecasts show that in the area of Employee Internet Monitoring which is where the Company's WebSpy® product range fits, there exists expected market growth to over \$800 USD million by 2006, a 32 percent Compound Annual Growth Rate from approximately \$200 USD million in 2001, and the possibility that the market may be on the verge of a major expansion.

WebSpy Product Line

WebSpy's business unit centered on sales of Internet monitoring and management tools, has enjoyed a year in which sales growth doubled to finish with revenues in excess of \$1.2 million dollars. Further to this, the unit's regional sales offices in London and Seattle have cemented their positions as successful and self sufficient operations.

The proactive approach taken by WebSpy towards employee Internet management has won the application acceptance across a broad spectrum of clients. In the last financial year WebSpy secured sales to BMW Canada, Citibank, Ikea North America, Epson and a number of key government and educational institutions.

In addition to increasing sales revenues from WebSpy software, the company has worked to establish a long-term base for global software sales by expanding its resale and distribution channel, and introducing a new channel partners program, designed to facilitate greater information flow and brand awareness for the WebSpy product range.

Development of the WebSpy product range has continued to introduce new and innovative products to the market, focused on current client needs and concerns. WebSpy Live, a real time monitoring and management solution was released late in 2001 which was a first-of-its-kind live analysis tool designed exclusively for the small to medium business market.

Most recently, WebSpy has launched extensions to its most popular application WebSpy Analyzer. With the release of Email Analyzer and Analyzer Giga, the market opportunities for WebSpy have expanded to include clients who wish to monitor and manage email use and clients who require more extensive, customizable analysis on larger volumes of log file data.

Inspection Manager Product Line

Netlink Inspection Systems, the business unit responsible for the distribution of Inspection Manager Asset Integrity Management, completed stage one of its current contract with Qatar Petroleum, resulting in sales of in excess of \$700,000. This current contract, considered to be a pilot program for Qatar Petroleum, is likely to be expanded upon as the company envisages increasing the number of software licenses purchase and implementing the Inspection Manager system for use within its offshore facilities.

WebSpy plans to utilize this successful implementation to facilitate expanded operations in the Persian Gulf and are confident of further sales success due to Qatar Petroleum's reputation in the industry as an early adopter of new technologies.

In addition to the successful completion of this contract, Netlink Inspection Systems have continued to increase their market share through sales into Australia and have also expanded operations into North America, establishing a sales presence for Inspection Manager in Houston, widely considered as the US capital for the region's offshore oil and gas operations.

Jack Andrys
Chief Executive Officer