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PERTH, AUSTRALIA

FOR IMMEDIATE RELEASE:

$3M RAISED TO ACCELERATE INTERNATIONAL GROWTH

Highlights

- Successful completion of $2m share placement with strong support from predominantly new US and Australian investors, along with $1m in debt from US investors
- Funds raised will be used to:
  - Enable iWebGate to focus on delivering strong commercial outcomes through the Telstra channel
  - Continue to grow iWebGate's European operational and sales capability
  - Execute a number of recently commenced pilot projects with pan-European service providers and major telecommunications organisations
- Places iWebGate in a strong position to deploy its enterprise-grade cloud-based cybersecurity software rapidly and accelerate growth across key target markets including Australia, Europe and the USA
- Well-funded and strategically positioned to execute on growth strategy and position IWG as a leading cybersecurity player globally

iWebGate Limited ("iWebGate"; "Company") is pleased to announce it has successfully raised $2 million via a share placement to mostly new US and Australian investors. Additionally, new US-based investors have provided a senior debt facility for $1 million and some of the equity. The placement of 11.768m ordinary shares was completed at $0.17 per share, together with one free attaching option (exercisable at 25 cents on or before 31 October 2017) for every share subscribed, increasing the Company's cash reserves to circa $3.5 million.

The debt facility has been put in place by three parties representing an up-front amount of $1 million with an ability for this amount to be extended by another $1 million by mutual consent. The loan is repayable in three tranches with 25% of funds to be repaid within 3 months, 50% repaid within 6 months, with the balance repaid in 9 months. Interest of 10% per annum is payable quarterly. In the event of default, the loan is convertible at a conversion rate of 80% of VWAP over the 5 days immediately preceding conversion. In addition, a total of 2,139,037 unlisted options exercisable at $0.187 within 5 years are to be issued to the parties advancing loan funds.

The funds raised will be used to accelerate the Company's growth strategy across key target markets in Australia, Europe and the US. In particular, the funds will enable iWebGate to continue focusing on delivering strong commercial outcomes from the Telstra channel. Funds will also be used to continue commercial progress in Europe where the cybersecurity market is estimated to be worth US$25 billion and expected to grow to US$35.53 billion by 2019. Together, North America and Europe are the largest cybersecurity revenue contributors globally, according to TechSci Research.

In Europe specifically, the funding will support the continued growth of iWebGate's operational and sales capability and the execution of a number of recently commenced pilot projects with service providers and major telecommunications organisations. This includes a comprehensive product evaluation in the cybersecurity test labs of a global telecommunications company, as well as a proof-of-concept deployment

of iWebGate's world-class security technology as the core security framework for a pan-European service provider's software application platform.

Commenting on the successful placement, iWebGate CEO Tim Gooch said:
"We are delighted to have received such strong support from new and existing investors for this placement. It strongly supports our strategy to expand into international cycbersecurity markets such as Europe and the US, and also validates the Company's market opportunity in Australia. With the launch of a number of promising pilot projects in Europe with pan-European service providers and major telecommunications organisations, we are confident this momentum will continue to benefit the business and our shareholders."

- End -

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About iWebGate

Proper segmentation of networks matter.

iWebGate, LTD is a technology company providing network solutions to organizations of all sizes. Our software creates a new network communication environment out front of the firewalls bounding proprietary networks. To compliment this new network platform, we have also created interlinking technology commanding computer devices, applications and users to connect through this best practice architecture.

For the first time, iWebGate's software is enabling large and influential partners to deliver best of breed technologies as-a-Service to their customers. Our software is currently available through the Telstra Marketplace with plans to rapidly expand offerings in the US and Europe.

iWebGate holds several patents filed and granted in the US, Europe and Australia. The Company has won a number of prestigious awards including worldwide winner of the Global Security Challenge. iWebGate is the first international company accepted into Northrop Grumman's (NYSE: NOC) Cyber Incubation Program.

iWebGate well positioned to help many enterprises and government agencies. The worldwide cyber security and mobile connectivity market continues to grow rapidly and is expected to increase from US$75 billion in 2015 to US$170 billion by 2020.

For more information, please visit: http://www.iwebgate.com/