

WannaCry Ransomware Overview

WannaCry ransomware, which surfaced in May 2017, became one of the most notable and destructive ransomware attacks to date due to its widespread impact and rapid propagation. It primarily leveraged a vulnerability in the Windows Server Message Block (SMB) protocol, known as EternalBlue, which was initially developed by the U.S. National Security Agency (NSA) and later leaked by a group called the Shadow Brokers. This exploit enabled WannaCry to spread across networks without requiring any user action, making it exceptionally virulent and capable of infecting a vast number of systems in a short time frame.

Upon infection, WannaCry encrypted numerous file types on the compromised machine, appending the ".wncry" extension to affected files. Victims were then shown a ransom note demanding payment in Bitcoin, typically amounting to a few hundred dollars, to receive the decryption key necessary for restoring their files. This ransom note contained multilingual messages, making it accessible to users worldwide. Additionally, WannaCry's ransom demands threatened to increase over time if the payment was not made promptly, pressuring victims to act quickly.

WannaCry spread through a "worm" mechanism, which enabled it to propagate automatically to other vulnerable computers on the same network, vastly increasing its reach and amplifying its damage. This made it unique from other ransomware attacks, as it combined both ransomware and worm characteristics, allowing it to compromise large organizations, critical infrastructure, and health services globally. Among the most heavily impacted was the United Kingdom's National Health Service (NHS), which suffered widespread disruptions to healthcare services and patient care due to encrypted medical records and inaccessible systems.

Following its initial success, various adaptations and versions of WannaCry were discovered. These versions generally retained the ".wncry" extension and core encryption methods but introduced minor tweaks to evade evolving security defenses. Although the original strain used a "kill switch" domain as an anti-sandboxing technique, researchers discovered and activated this kill switch, effectively halting the primary outbreak. However, subsequent variants removed or altered this kill switch mechanism, allowing for continued, albeit reduced, spread of WannaCry in different regions.

WannaCry employed both RSA and AES encryption algorithms to ensure that decrypting the files without paying the ransom would be nearly impossible. Its efficient use of dual encryption increased the complexity of the decryption process, leaving victims few options aside from payment. Despite widespread ransomware countermeasures, WannaCry's use of a then-

unpatched SMB exploit enabled it to bypass conventional defenses and infiltrate networked environments, resulting in estimated damages ranging from hundreds of millions to billions of dollars.

The impact of WannaCry underscored the need for timely software updates and cybersecurity practices across industries. In response to the attack, Microsoft released critical patches for the SMB vulnerability and even took the unprecedented step of issuing updates for outdated and unsupported Windows systems, such as Windows XP, to mitigate the risk. Additionally, the WannaCry outbreak intensified global discussions around cybersecurity preparedness, particularly within essential service sectors and government institutions, and accelerated the adoption of improved patch management strategies.

Despite its eventual containment, WannaCry's ability to exploit a known vulnerability demonstrated the potential consequences of delayed cybersecurity updates and insufficient defenses. WannaCry remains a focal point in discussions about ransomware preparedness and serves as a cautionary example of how fast-moving malware can exploit lapses in security to create widespread havoc.

EternalBlue Exploit and Its Role in WannaCry's Spread

EternalBlue's significance in WannaCry's spread lies in its automation and low requirement for user interaction. As an exploit targeting the Windows SMB protocol, EternalBlue allowed WannaCry to act as a "worm" that could propagate autonomously within and across networks. This attribute enabled WannaCry to target systems that were not directly exposed to external threats but shared a network with an infected machine, greatly amplifying its impact in organizational environments.

EternalBlue specifically exploited the SMBv1 protocol, which had known vulnerabilities related to buffer overflow issues. By sending specially crafted packets to vulnerable systems, the exploit gained unauthorized access, facilitating WannaCry's installation and execution without triggering typical security alerts. Once WannaCry gained a foothold, it leveraged EternalBlue's capability to scan and identify other vulnerable devices on the same network, continuing the cycle of infection.

This propagation method was particularly damaging in environments with a mix of outdated and newer systems, as WannaCry could compromise one vulnerable machine and subsequently spread to any connected but unpatched systems, regardless of whether they were typically isolated from internet-facing threats. This capability caused critical issues in healthcare, finance, and transportation sectors, where internal networks often lack stringent compartmentalization, thus amplifying EternalBlue's effectiveness.

One important technical note is that EternalBlue operates independently of typical user permissions or user-driven actions, making it both stealthy and challenging to intercept once it begins spreading. Security researchers observed that even standard antivirus tools had limitations in halting its progress in real time due to its network-based mechanism rather than traditional malware behavior. This propagation technique highlighted gaps in network segmentation and patch management within large organizations.

In sum, EternalBlue's role in WannaCry's spread was central to its design as a self-replicating, network-propagating ransomware. EternalBlue transformed WannaCry from a conventional ransomware attack into a wide-scale cybersecurity incident, emphasizing the risks inherent in unpatched, network-dependent vulnerabilities.

Encryption Process Employed by WannaCry

WannaCry's encryption process was strategically designed to maximize the ransomware's impact by targeting a wide array of file types while using a dual-layer encryption method. Upon infection, WannaCry first generated a unique AES (Advanced Encryption Standard) key for each targeted file. AES, a symmetric encryption algorithm, was used because it is both secure and efficient, allowing WannaCry to encrypt files rapidly without excessive processing overhead. This speed was essential, as it enabled WannaCry to lock down as many files as possible before detection or mitigation could occur.

Once files were encrypted with AES, WannaCry used an RSA (Rivest-Shamir-Adleman) public key to encrypt the AES keys themselves. This RSA encryption, an asymmetric encryption method, ensured that the AES keys were only retrievable through the corresponding private RSA key, held by the attackers. This layered encryption meant that even if victims accessed the encrypted files, they would lack the necessary keys to decrypt the data independently, creating a secure lock on all affected files.

The choice of combining AES and RSA encryption offered two main advantages. First, it allowed WannaCry to encrypt files quickly with AES, while still maintaining the security of those AES keys via RSA's robust encryption. Secondly, this approach minimized the storage requirements on the ransomware itself, as only a single public RSA key was needed to encrypt each AES key, rather than storing a unique decryption mechanism for each file.

WannaCry's encryption also included specific file extensions that it targeted, ensuring that valuable and commonly used files, such as documents, images, and databases, were prioritized. By focusing on such files, WannaCry maximized the pressure on victims to pay the ransom. Furthermore, each encrypted file received a distinctive ".wnCRY" extension, making it clear to victims which files had been compromised.

The encryption approach used by WannaCry was significant not just for its technical execution but for the psychological impact it generated. By rendering files unusable without the decryption key, WannaCry left victims with few options outside of paying the ransom. Its reliance on secure and tested encryption standards (AES and RSA) underscored the ransomware's ability to hold data hostage with little to no risk of easy decryption by affected users or organizations.

Mitigation Techniques: System Patching, Network Defense, and Ransomware Detection Mechanisms

Mitigating WannaCry and similar ransomware threats relies heavily on several proactive and layered defense strategies, each addressing different stages of a ransomware attack.

1. **System Patching:** One of the most direct and effective responses to WannaCry was Microsoft's patch MS17-010, which closed the SMB vulnerability that EternalBlue exploited. Regular patching and updates are essential because they address newly discovered vulnerabilities before attackers can exploit them. Beyond simply applying individual patches, organizations benefit from establishing a structured patch management strategy to ensure that all systems, including legacy systems that may lack vendor support, receive updates regularly. Automated patch management tools are particularly useful in larger networks to ensure no systems are missed and to maintain a consistent security baseline across devices.

2. **Network Defense:** Network segmentation and internal firewall controls are critical in limiting the spread of ransomware. By dividing a network into isolated segments, organizations

can prevent ransomware from moving laterally between systems, which was a key feature in WannaCry's rapid spread. Using network access control (NAC) to restrict device connectivity and implementing intrusion detection and prevention systems (IDPS) can help identify unusual traffic patterns, like those created by WannaCry's worm behavior. Additionally, disabling the SMBv1 protocol, which is outdated and unnecessary in many environments, can reduce exposure to similar exploits.

3. Ransomware Detection Mechanisms: Effective ransomware detection mechanisms utilize both behavior-based and signature-based detection methods. While signature-based methods identify known ransomware by matching it against databases of known malware, behavior-based detection tools can recognize suspicious activities—such as unusual file encryption activity, rapid renaming of files, or access to sensitive data directories—indicative of ransomware. Endpoints with anti-ransomware features are designed to halt encryption processes if they detect ransomware-like behavior, potentially stopping ransomware before it completes encryption. Advanced solutions may use machine learning to improve detection accuracy and adaptability to new, unidentified strains.

4. Data Backup and Recovery: Although not a direct form of prevention, regular, secure data backups are among the most reliable defenses against ransomware. For WannaCry victims who could restore from unaffected backups, the impact of the attack was minimal. Organizations should store backups in isolated environments (e.g., offline or offsite) to prevent ransomware from reaching them and should test backups periodically to ensure their reliability.

5. User Education and Phishing Awareness: Although WannaCry primarily spread via EternalBlue rather than phishing, user education remains critical for other ransomware types. Training users to recognize phishing attempts and social engineering tactics reduces the risk of initial infection, especially for variants that rely on email-based attacks. Combined with other techniques, user awareness strengthens the overall resilience of the network.

In summary, mitigation of WannaCry-like attacks involves a combination of prompt system patching, robust network segmentation, advanced ransomware detection mechanisms, and reliable data backup practices. By addressing vulnerabilities at multiple points, these techniques collectively reduce the likelihood of infection and minimize damage if an attack does occur.

Simulation

Why VMOracle is the Best Choice for Simulating WannaCry Ransomware

VMOracle (Oracle VirtualBox) is an excellent choice for simulating the WannaCry ransomware due to its robust features, user-friendly interface, and compatibility with a wide range of operating systems. Here are the primary reasons why VMOracle stands out for this project:

- 1. Ease of Setup and Use**

VMOracle is straightforward to download, install, and configure, making it accessible even to users with minimal experience in virtualization. Its intuitive GUI allows for quick setup of virtual machines (VMs), enabling the replication of complex environments without unnecessary overhead.

- 2. Cross-Platform Compatibility**

VMOracle supports a variety of host operating systems, including Windows, macOS, and Linux. This ensures flexibility regardless of the system you're using to execute the WannaCry simulation. Additionally, it supports guest operating systems like Windows XP and Windows 7, which are critical for testing WannaCry since these were the primary targets of the attack.

- 3. Snapshot Functionality**

One of VMOracle's most useful features is its snapshot capability. This allows users to create a restore point before executing potentially destructive malware, like WannaCry, ensuring that the environment can be easily reset without the need for a full reinstallation.

- 4. Networking Flexibility**

WannaCry's propagation relies heavily on network vulnerabilities. VMOracle provides advanced networking options, such as NAT, bridged, and host-only modes, which allow the creation of isolated or interconnected test environments. This flexibility is essential for replicating WannaCry's worm-like behavior safely within a controlled environment.

- 5. Open Source and Free**

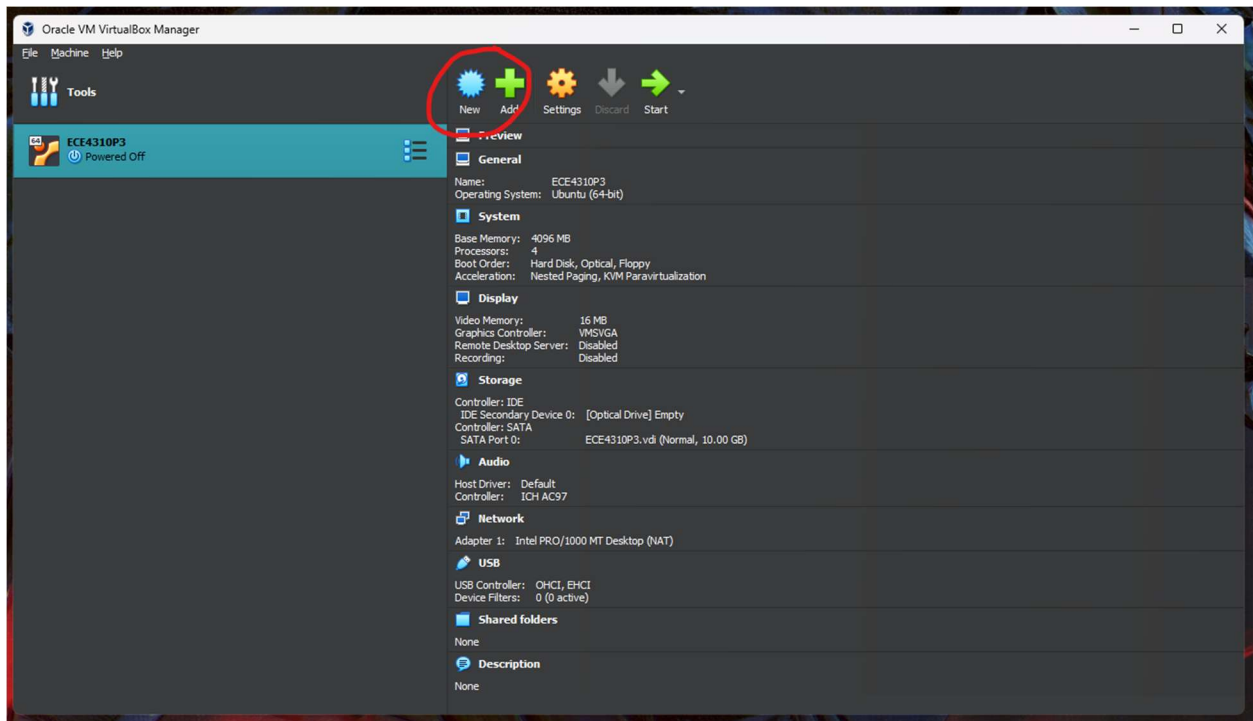
Being open-source software, VMOracle is entirely free to use, making it a budget-friendly option for researchers, students, and professionals. Its accessibility ensures that cost does not become a barrier to running comprehensive simulations.

- 6. Extensive Documentation and Community Support**

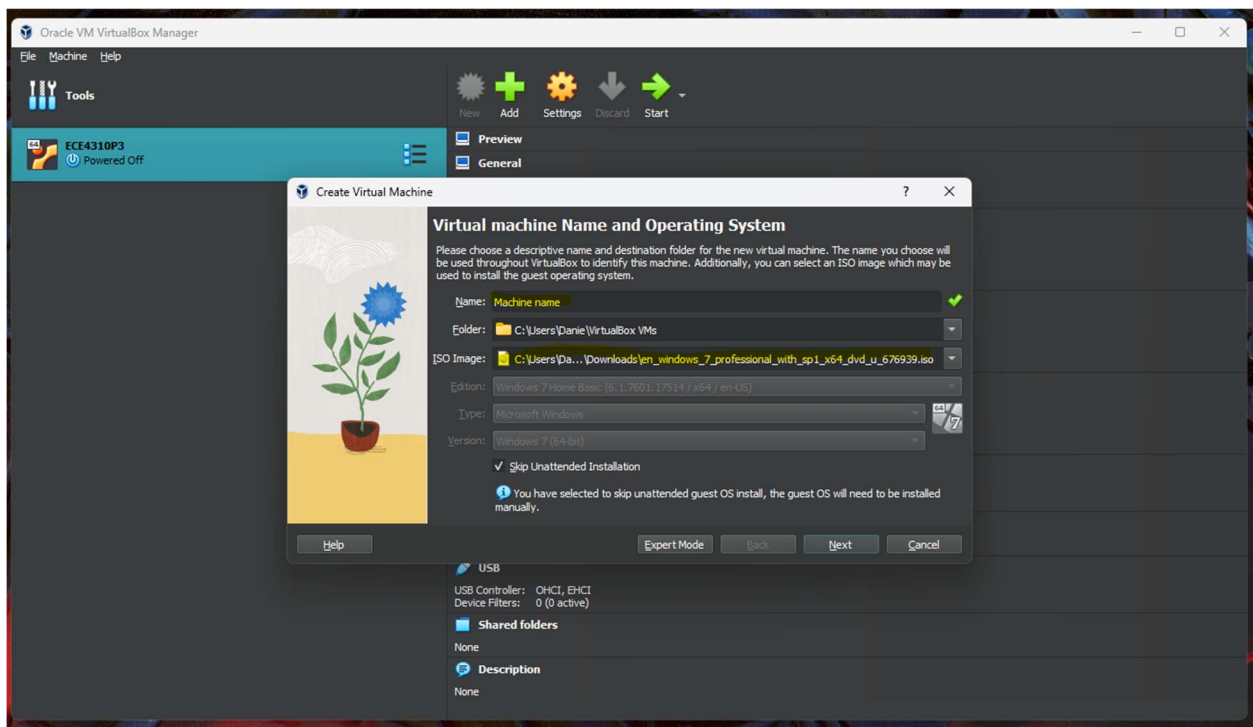
VMOracle has a well-established community and extensive documentation. This is particularly advantageous when troubleshooting or fine-tuning virtual machines for specific simulation requirements, such as creating vulnerable SMB environments for WannaCry.

VMOracle intro

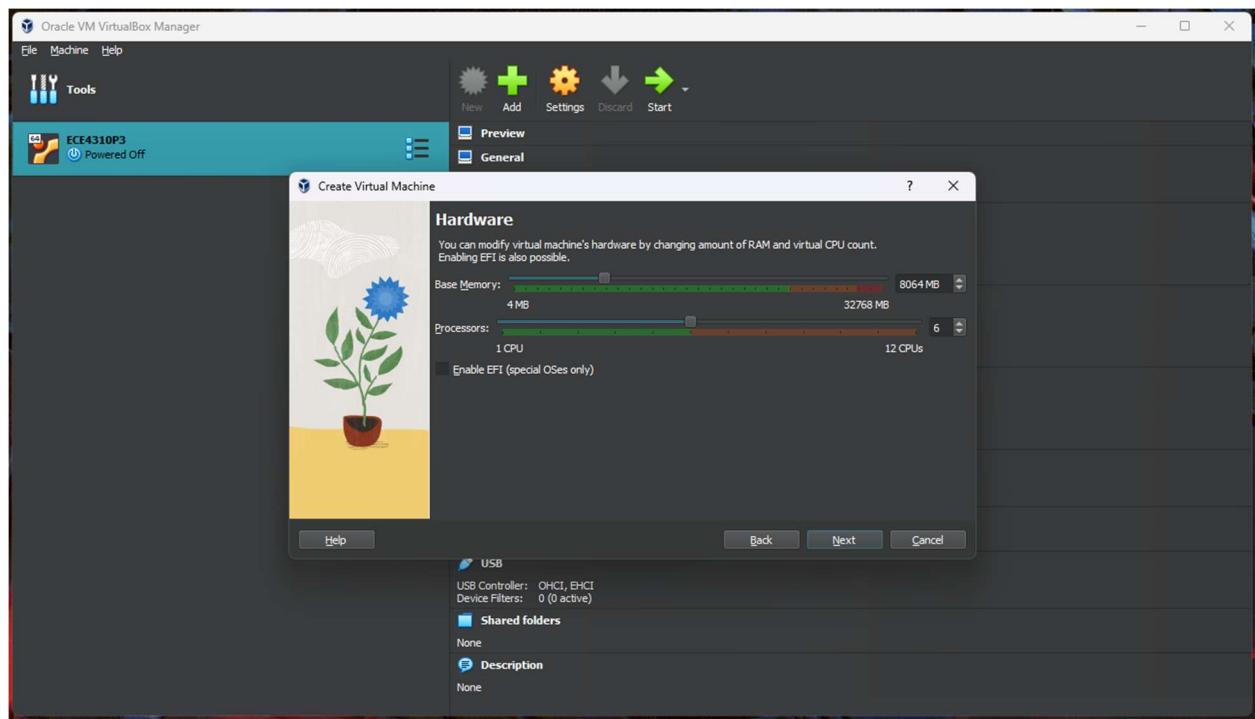
Once in VMOracle, create a new machine by clicking in New



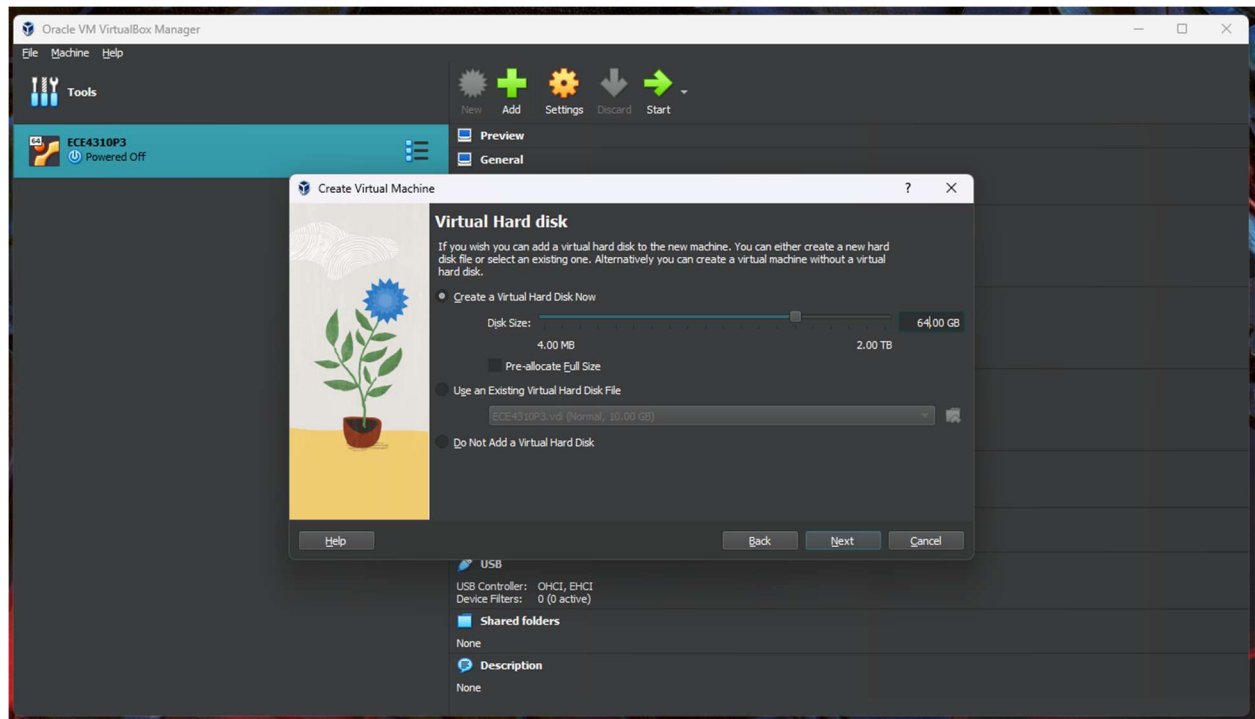
Set a name for the machine and select an ISO (optical disc image) – In this case, a Windows 7 as that's the OS that was mostly affected back in 2017.



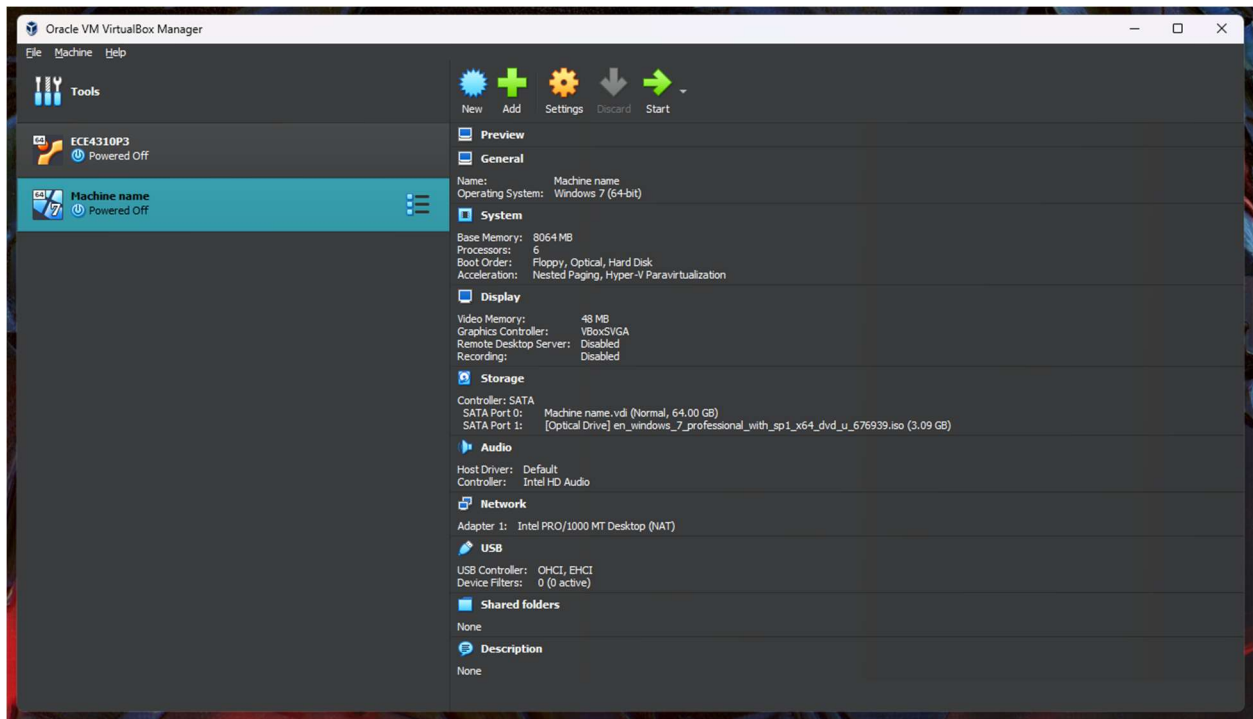
Set the memory and amount of processors. In my case, I wanted to secure a smooth virtualization so I decided to utilize half of my hardware for this VM. A quarter of my specs would have been enough to demonstrate this.



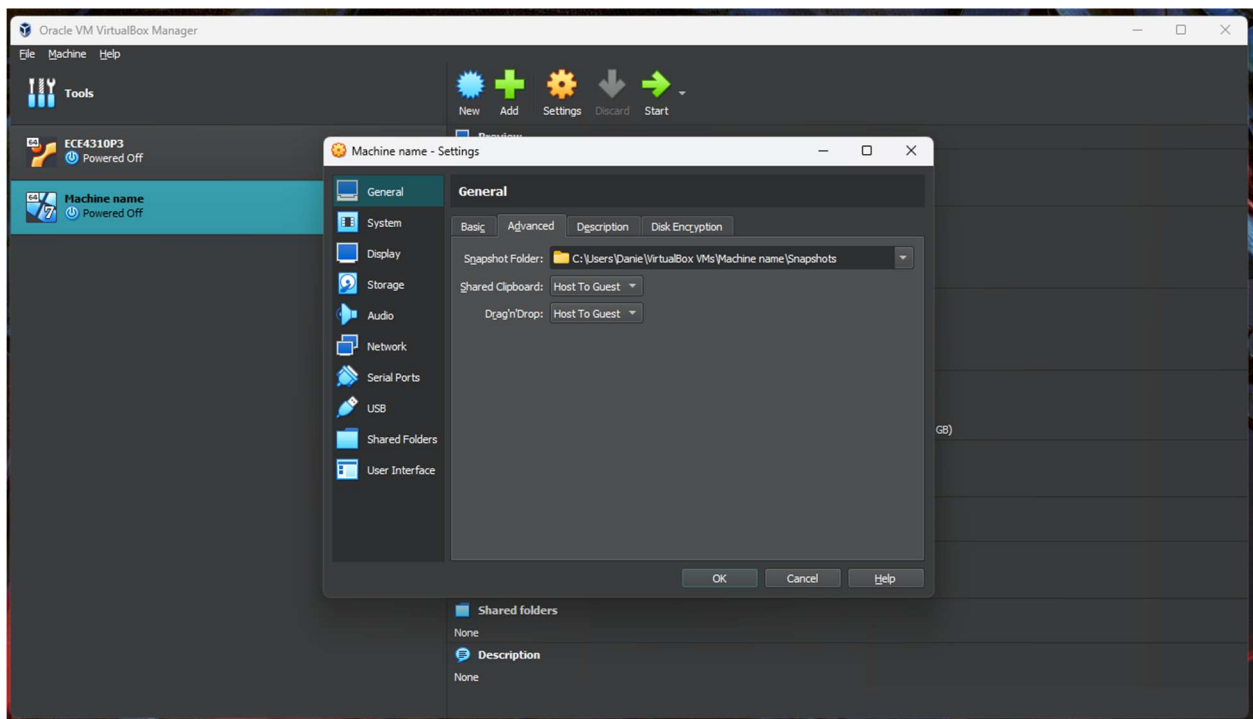
Set some storage for the machine, in this case I chose 64Gbs, ~20Gbs would've been enough to easily demonstrate this demo as win7 takes 10-14Gb of storage.



This should be the results



For this demo, I made sure I had drag n drop enabled from host to guest (PC to VM) to facilitate some files that will be required



Note: Make sure to disable this at the moment of the malware download!

Ransomware preparations

Once that's setup, we can easily start our Windows 7 machine and proceed with the steps instructed. Make sure to download the basic drivers that can be found in the machine network (to easily access the internet).

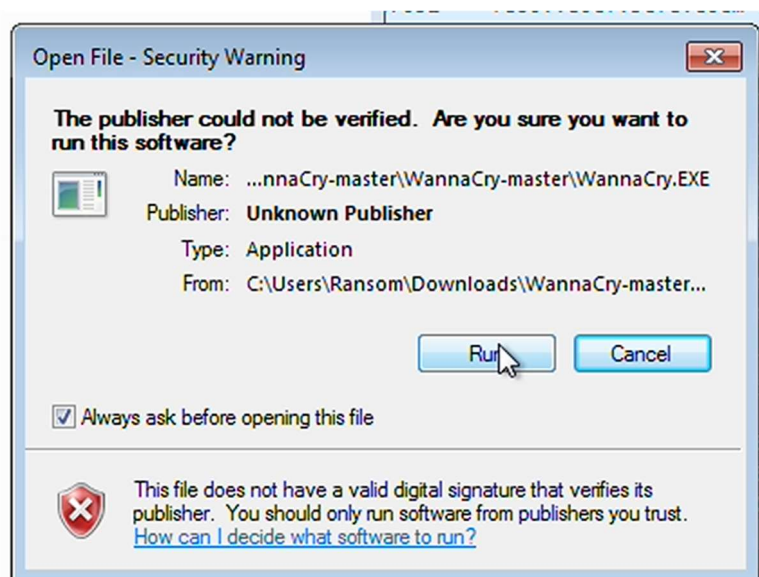
The only steps left to do would be to download the directory (.zip file) from the GitHub that contains the desired Ransomware. However, due to internet explorer being obsolete/unusable, we had to find a way to browse the internet to enter into GitHub as we didn't want to download the ransomware from any of our local machines. To do so, we found out that there's a basic chromium based browser called supermium [<https://github.com/win32ss/supermium/releases>], so we downloaded the files onto our local machines and then dragged them onto the VM.

Now with access to internet and a usable browser, we can access to the ransomware [<https://github.com/SomeCodingCoolGuy/WannaCry>], and before executing it, we downloaded Wireshark [<https://www.wireshark.org/download/win32/all-versions>] in our VMs as well to monitor the traffic. Due to the nature of ransomware, it will require some access to our network to download the software and notify the ransomware server to proceed with the attack.

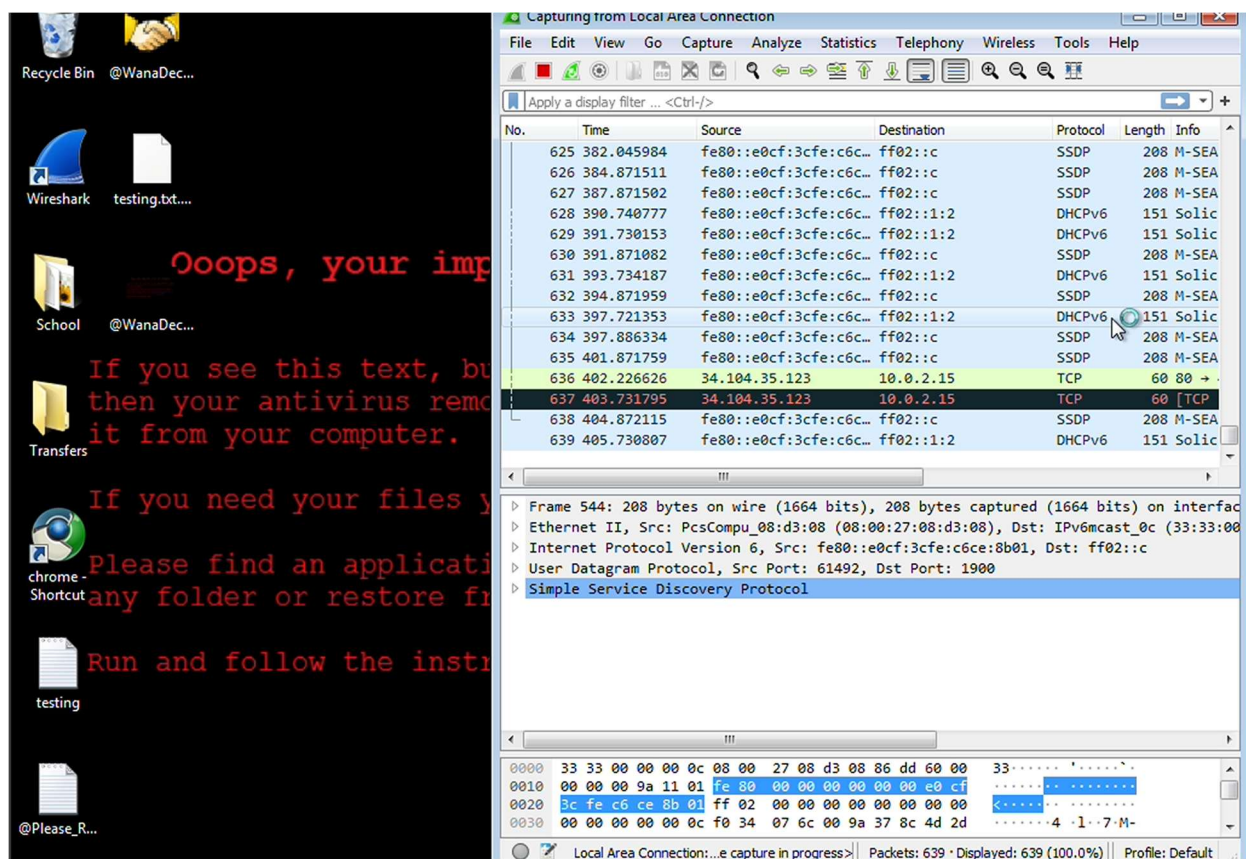
We also transferred some files from our local machine to the VM so we can see some encryption by the malware on action, such as school projects and even a text note with some random text on it.

Ransomware attack

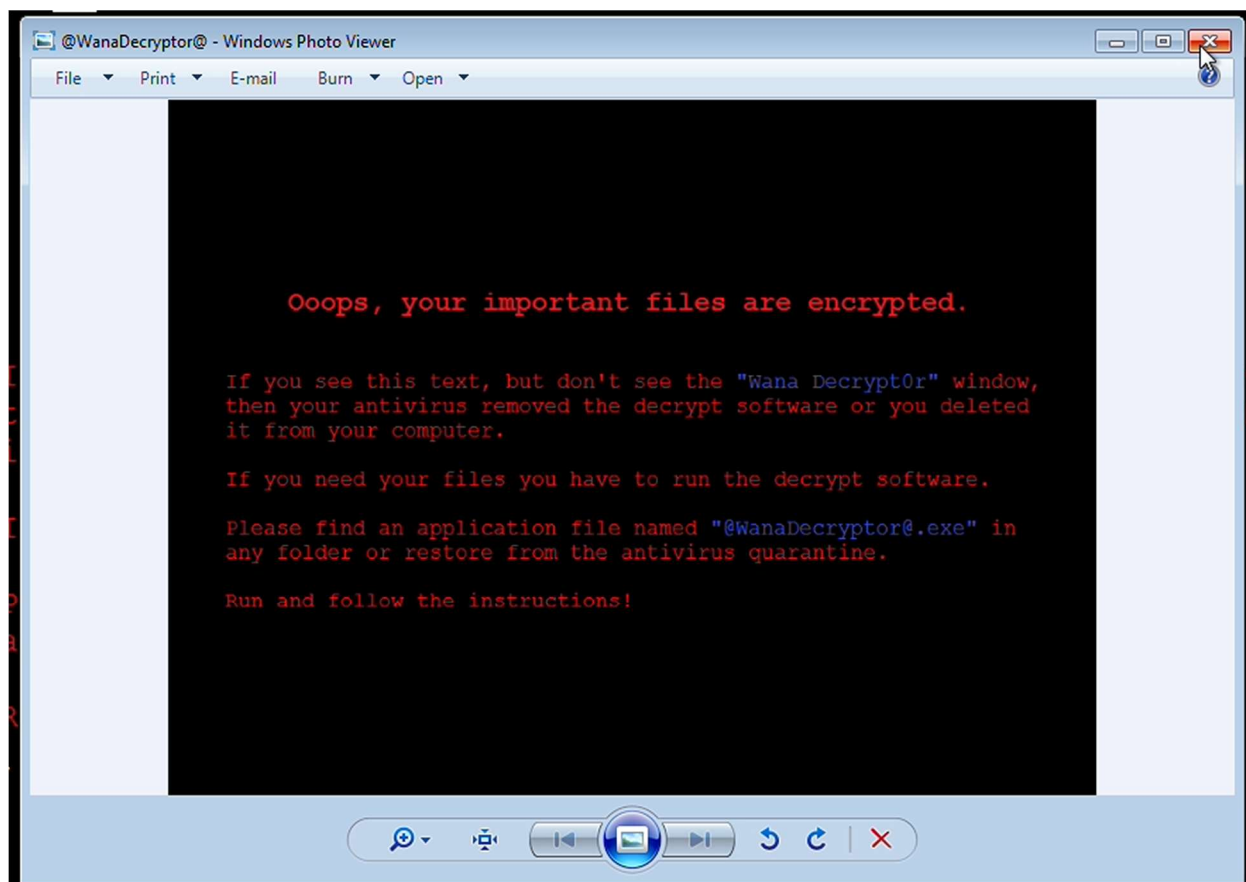
First, we extracted the folder of the ransomware that initially contained 3 files, two .txt files (LICENSE, README) and the .exe (executable ransomware). Once we clicked on it, Windows asked us if we were sure as the publisher was not verified, but obviously we proceeded.



Shortly after we noticed a change in the wallpaper and some TCP protocols in our Wireshark.



The wallpaper seems to be an automatic process of the ransomware, which downloads the image and sets it up as the wallpaper shortly after executing it.



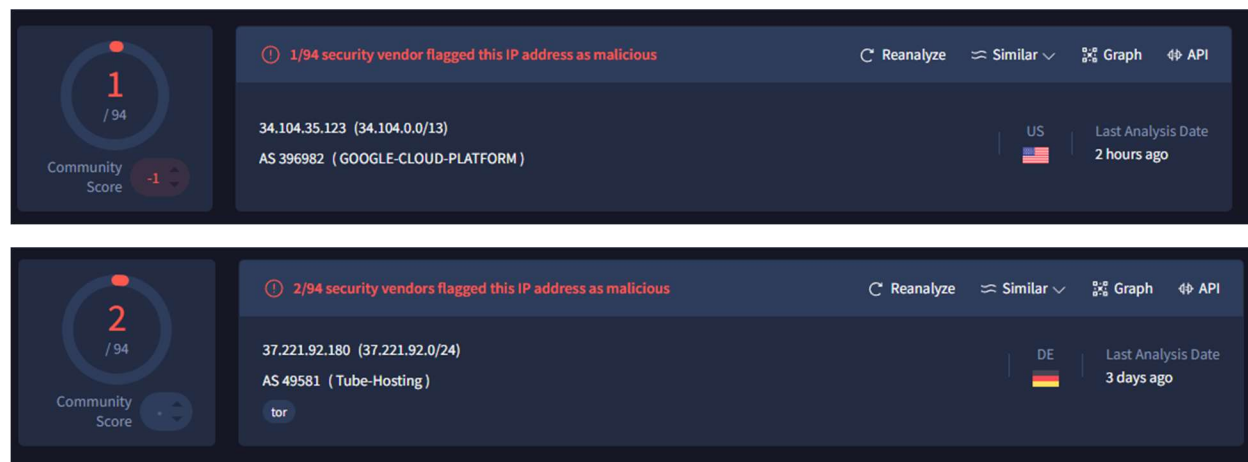
When it comes to our Wireshark monitoring, we see multiple protocols happening, mostly done through Google.

However, we can identify some indicators:

Some traffic in SMB (IPs: 34.104.35.123 and 37.221.92.180)

The image shows a Wireshark packet capture of SMB traffic. The packet list on the left shows a sequence of packets, including Session Setup, Tree Connect, and File Read requests. The packet details on the right show the structure of the selected SMB message, including the SMB header, tree connect request, and file read request. The packet bytes pane on the right shows the raw data of the selected packet.

Here the reports of these two IPs respectively (through <https://www.virustotal.com/>)



We also found quite some traffic in the DNS with requests to the, possibly, the execution of the ransomware “ iuqerfsodp9ifjaposdfjhgosurijfaewrwergwea.com “.

Furthermore, some malformed SMB commands like “TreeConnectAndX” and “WriteAndX”.

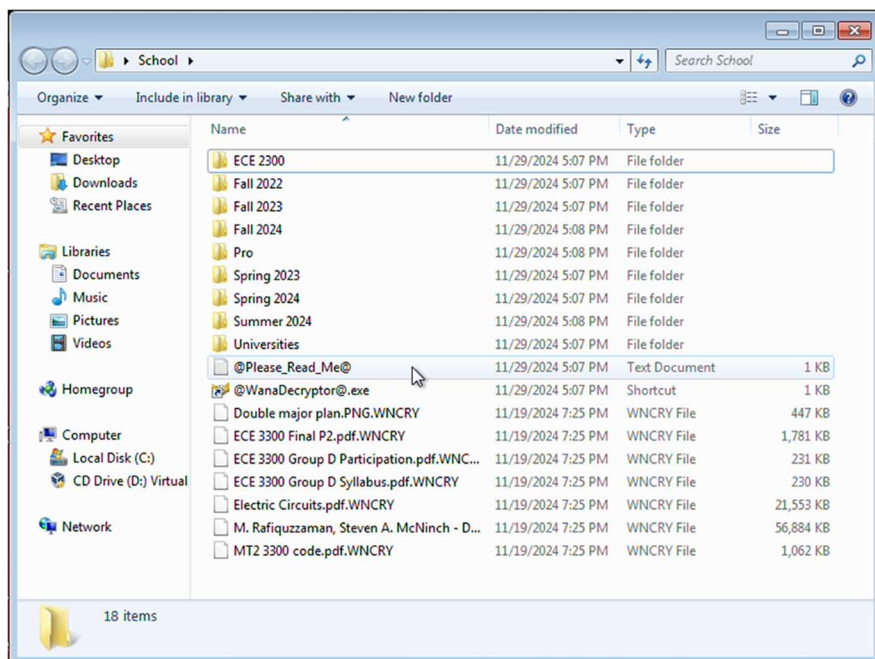
Last but not least, we also found some extensive queries to TLSv1.3 and QUIC traffic, which indicates a possible malicious activity.

When it comes to “raw” data from Wireshark, these were the findings. While the report was quite large, with multiple protocols happening at the same time, it is obvious that the ransomware was communicating with a server as there’s barely any logs before the malware is executed.

Once the malware is activated, it will be prompting a payment request in Bitcoin to the bad actors so they could “decrypt” the victim’s files.

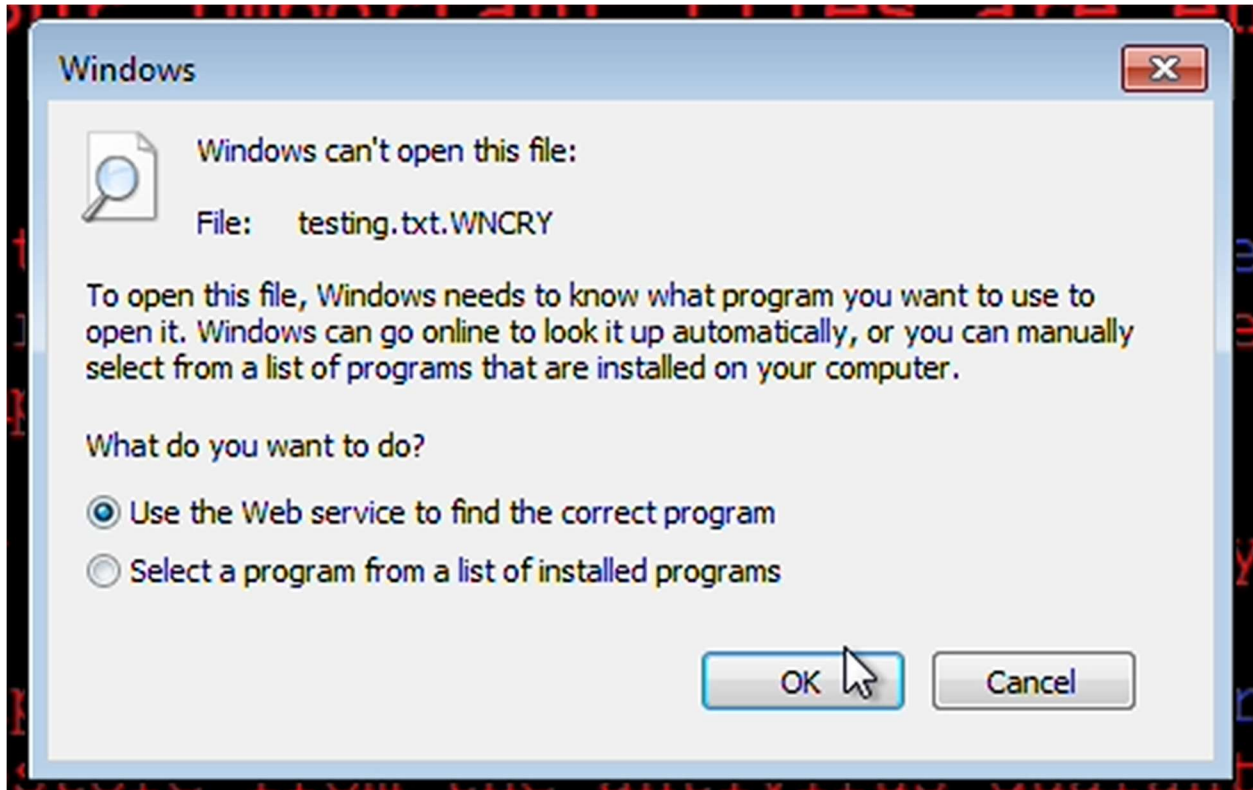


The hyperlinks this window offer us are a Wikipedia link to what is Bitcoin, a google search of “how to buy bitcoin” and contact us wasn’t prompting an error. Check payment will load a “payment” checker which probably would do nothing, and the decrypt might be a way of the hacker to send an activation key to “disarm” the ransomware.

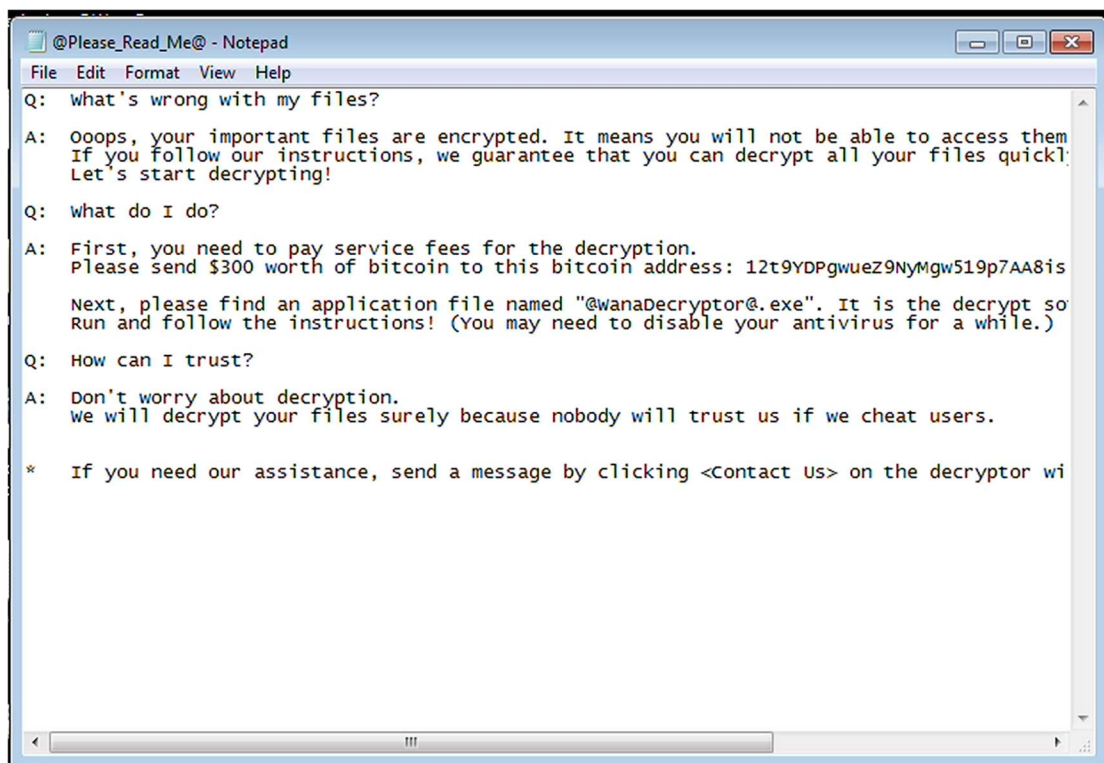


Once we check the files we transfer to the VM machine, we can see how images and documents were encrypted with .WNCRY.

The attempt to open any of these files will result in an error as Windows will not know how to properly open these files



Besides of the encryption, we can also see how the creator of this malware made sure to explain to the victim “what was going on” and how to get rid of the issue. He did this by creating .txt files called “@Please_Read_Me@”



An interesting fact of this ransomware is continuously active until disarmed, so injecting a flash drive to the VM will cause the USB to also fall under the WannaCry encryption. Although this was a problem when I introduced the flash drive into the VM, we also noticed that not all files are encrypted, but mostly document/images/video files. We presume that the creator didn't want to attack the whole system as that would defeat the whole purpose of his attack, as that could affect files that were critical for the system to operate. Some files that were not affected that are not critical for Windows to operate were .JSON (JavaScript Object Notation) and .pcapng (Wireshark file).

With this, we would finalize the attack to our VM by executing the WannaCry ransomware.

How to defend against WannaCry and similar ransomware

Ransomware attacks, such as WannaCry, have highlighted critical vulnerabilities in modern cybersecurity practices and the devastating impact these attacks can have on individuals, organizations, and governments. To combat such threats effectively, a comprehensive, multi-layered defense strategy is required. This section will outline key methods to defend against ransomware like WannaCry and provide a final summary of this project.

1. System Updates and Patch Management

The WannaCry ransomware exploited the EternalBlue vulnerability in the Windows SMB protocol, which had already been addressed by Microsoft in its MS17-010 patch. However, many systems remained unpatched due to outdated infrastructure, lack of patching policies, or negligence. To prevent such exploits, organizations must implement a structured **patch management process** to ensure that all devices, including legacy systems, are regularly updated. Tools for automated patch management can help track and apply updates systematically, closing vulnerabilities before attackers can exploit them.

2. Network Segmentation and Access Controls

A critical factor in WannaCry's widespread impact was its ability to propagate across networks autonomously. **Network segmentation** mitigates this risk by dividing an organization's network into isolated zones, restricting ransomware's ability to move laterally between systems. Additionally, **network access controls (NAC)** limit device connectivity and prevent unauthorized devices from joining the network. For added security, disabling outdated and unnecessary protocols, such as SMBv1, removes potential attack vectors that ransomware might exploit.

3. Behavior-Based Detection and Anti-Ransomware Tools

Traditional signature-based antivirus software struggled to detect WannaCry due to its novel methods. Modern defenses require **behavior-based detection tools** that identify suspicious activities, such as mass file encryption or unusual network traffic. These tools can flag and halt

ransomware-like behavior before it spreads widely. Advanced solutions, powered by machine learning, improve adaptability to new ransomware strains, ensuring better protection against emerging threats.

4. Secure Data Backups and Recovery

Regular **data backups** stored offline or in isolated environments are among the most effective defenses against ransomware. In the case of WannaCry, victims who had reliable backups could recover their data without paying the ransom. Backup solutions should include regular testing to ensure they work effectively and include features like encryption to prevent backup tampering by attackers.

5. User Education and Awareness

While WannaCry primarily relied on EternalBlue, many ransomware attacks use phishing emails and social engineering to gain initial access. Educating users to identify suspicious emails, links, and attachments can significantly reduce the chances of infection. Training sessions and simulated phishing exercises help reinforce good cybersecurity habits among employees and end-users.

6. Advanced Incident Response Planning

Preparedness is key to minimizing the impact of a ransomware attack. Organizations should develop and routinely test **incident response plans** that outline procedures for detecting, containing, and recovering from ransomware incidents. A robust plan ensures that all stakeholders understand their roles, reducing response times and mitigating damage.

Project Summary

This project provided an in-depth exploration of WannaCry ransomware, including its methods of propagation, encryption techniques, and the extensive damage it caused. WannaCry leveraged the EternalBlue exploit to spread rapidly across networks, targeting unpatched systems. Its use of RSA and AES encryption rendered affected files inaccessible without the attackers' decryption key, causing significant financial and operational disruptions.

The simulation conducted during this project demonstrated WannaCry's behavior in a controlled environment, utilizing VMOracle as the virtualization tool. The simulation highlighted how WannaCry infects systems, encrypts data, and attempts to propagate through network vulnerabilities. Additionally, network traffic analysis using Wireshark revealed indicators of compromise and malicious server communication, offering valuable insights into the ransomware's operation.

To conclude, defending against ransomware attacks like WannaCry requires a proactive approach combining timely system updates, network segmentation, advanced detection tools, secure backups, and user education. By implementing these strategies, organizations can strengthen

their defenses and minimize the risk of future ransomware incidents. This project underscores the importance of maintaining robust cybersecurity measures and provides a foundation for further research and preparedness in combating evolving cyber threats.

By reflecting on this incident, we are reminded that the digital landscape is continually evolving, requiring constant vigilance, innovation, and collaboration to address emerging challenges.

Sources

- WannaCrypt ransomware worm targets out-of-date systems
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- Investigation: WannaCry cyber attack and the NHS
<https://www.nao.org.uk/reports/investigation-wannacry-cyber-attack-and-the-nhs/>
- Indicators Associated With WannaCry Ransomware
<https://www.cisa.gov/news-events/alerts/2017/05/12/indicators-associated-wannacry-ransomware>
- What is WANNACRY/WANACRYPTOR?
https://www.cisa.gov/sites/default/files/FactSheets/NCCIC%20ICS_FactSheet_WannaCry_Ransomware_S508C.pdf
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Software

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- <https://www.wireshark.org/download/win32/all-versions>
- <https://github.com/SomeCodingCoolGuy/WannaCry>