



(ABN 72 056 482 636)

2005 ANNUAL REPORT

CORPORATE DIRECTORY

AUSTRALIAN COMPANY NUMBER:

056 482 636

DIRECTORS:

Jeffrey David Edwards
Christopher John Quirk
Hugh David Warner

SECRETARY:

John Joseph Palermo
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LEEDERVILLE WESTERN AUSTRALIA 6007

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AUDITORS:

PKF Chartered Accountants & Business Advisers
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Telephone: +61 2 9251 4100

HOME EXCHANGE:

Australian Stock Exchange Limited
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PERTH WESTERN AUSTRALIA 6000

ASX CODE:

OBJ

CONTENTS:

	Page
Corporate Directory	1
Review of Operations	2
Directors' Report	7
Auditor's Independence Declaration	12
Corporate Governance Statement	13
Statement of Financial Performance	21
Statement of Financial Position	22
Statement of Cash Flows	23
Notes to the Financial Statements	24
Directors' Declaration	45
Independent Audit Report to the Members	46
ASX Additional Information	48

OBJ Limited is a public company limited by shares and is domiciled in Australia

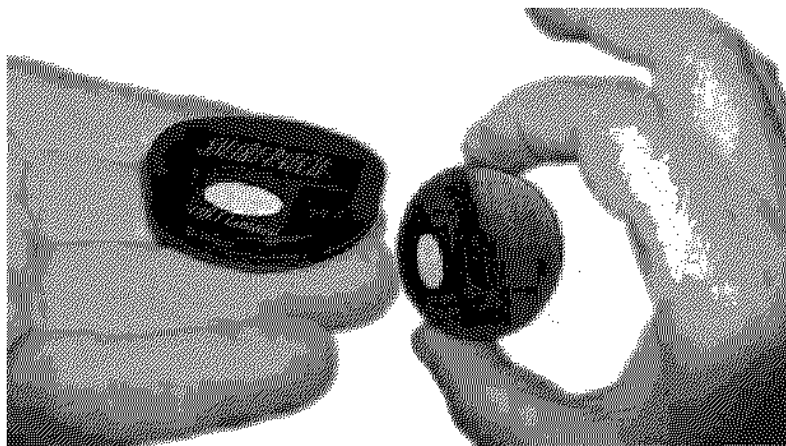
REVIEW OF OPERATIONS

SUMMARY

This year has been a rewarding and exciting one for the Company. After the successful acquisition of International Scientific Pty Ltd in November 2004, the Company was able to focus on biotechnology and more particularly on the important transdermal or through-the-skin drug delivery system.

Transdermal drug delivery offers pharmaceutical and cosmetic companies a more convenient, less costly and more market friendly method of administering certain drugs.

The skin poses a significant barrier to anything other than the smallest and most simple of compounds and this dramatically restricts the number and type of drugs that can be administered successfully through-the-skin.



OBJ's technology is approaching this problem by directly targeting the skin's barrier effect at the cellular level and in doing so, brings transdermal delivery within the reach of many large molecular drugs and compounds requiring controlled dosage.

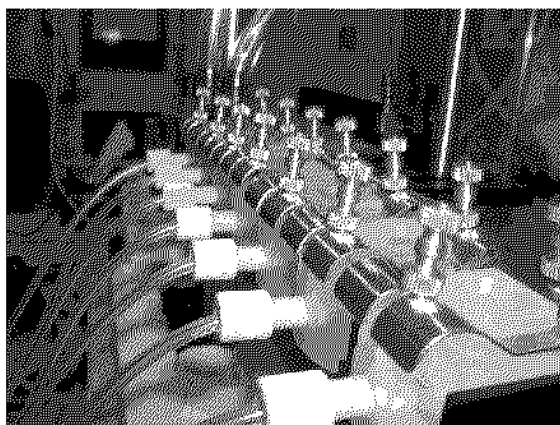
The ability of the OBJ technology to overcome the normal limitations of transdermal delivery was highlighted shortly after the acquisition, when the Western Australian Biomedical Research Institute confirmed that OBJ's technology had succeeded in increasing the delivery rate of the drug caffeine through-the-skin by 500%.

This was followed in December with the release of encouraging results using the topical anaesthetics lignocaine and prilocaine hydrochloride. These results were further quantified by Curtin University's Drug Development Department and were the subject of a poster presentation at the World Congress on Pain in Sydney in August of this year.

Research continued across a number of known problematic drugs, culminating in an announcement in July that the Company had succeeded in increasing the through-the-skin delivery of the oncology drug 5-ALA by 900%.

In addition to testing specific drugs, the Company has also been active in refining the technology's ability to provide pharmaceutical companies with control over a range of commercially important drug delivery factors. This was highlighted in March with the announcement that independent university trials confirmed a far higher degree of control over drug delivery parameters than previously thought possible.

REVIEW OF OPERATIONS (continued)



In commercial development terms, the Company has been active in the cosmetic, vaccine and drug delivery fields. The announced joint venture with Becca Cosmetics to develop a new range of advanced bio-available skin care products is an ongoing activity for the Company. OBJ is currently awaiting completion and regulatory approval of its cosmetic delivery system, which are being designed and manufactured at FDA certified facilities in Singapore.

Your Company is in early stage discussion with major pharmaceutical companies with the view to developing customized delivery solutions for a range of problematic or underperforming drugs or compounds. The Company is active in raising the level of awareness in the general pharmaceutical community of the Company's successes. Drs Kay Fei CHAN and Chin Joo GOH have been supporting this work in Asia and Dr Maud Eijkenboom has been invaluable in building relationship with European and US based pharmaceutical companies.

The Company would like to acknowledge the contributions of Dr Heather Benson, Dr John Snowden and Dr Andrew Barker for their ongoing support and scientific involvement in the development of the Company's technology. Dr Chris Quirk has worked tirelessly in all aspects of the Company's business, both in his capacity as clinical advisor, as a member of the Board of Directors and as a presenter of the Company's technology at events such as the World Congress on Inflammation.

HIGHLIGHTS

A number of highlights occurred during the year. While the technical accomplishments may be most visible, the Company also achieved a high level of peer recognition, culminating in poster and podium presentations at several major medical conferences including a visit from the Commonwealth Minister of Health, Hon. Tony Abbot. The Minister took time out of his busy schedule to view the Company's development work at the Western Australian Biomedical Research Institute's facilities in Bentley, Western Australia.

The Company's technical accomplishments became apparent shortly after the acquisition of the Dermaportation technology in November 2004.



From Left: Hon Tony Abbott, Dr Heather Benson, Jeffrey Edwards, Dr Simon Carroll at WABRI Laboratory

REVIEW OF OPERATIONS (continued)

The 500% increase in the transdermal delivery of the drug caffeine was a major event for the Company. Not only did this establish Dermaportation as a new and innovative approach to the through-the-skin delivery of important drugs, but also demonstrated that Dermaportation could be optimised to match the molecular characteristics of particular drugs. This had important intellectual property implications for the Company as it allows the unique association between a drug's molecular structure and the OBJ delivery solutions to be claimed as separate patentable items. This allows the Company to exploit unique delivery solutions for hundreds of drugs across the pharmaceutical sector.

Shortly after the acquisition, the Company announced a strategic development program with the Western Australian Biomedical Research Institute (WABRI) for the laboratory testing of between 10 to 12 commercially important drugs, followed by a clinical trial using voluntary human subjects. The program is managed by Associate Professor Heather Benson, Head of Drug development at the Curtin University School of Pharmacology.

5-ALA - photodynamic cancer drug



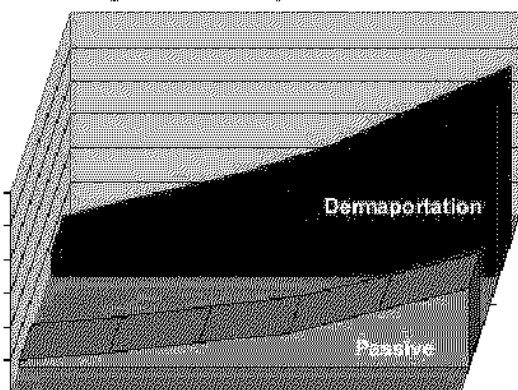
The program is expected to run for approximately 40 weeks and deliver valuable insight to the scope and capabilities of the Dermaportation system.

Dr Maud Eijkenboom joined the OBJ team in December 2004. Dr Eijkenboom provides the Company with considerable experience and expertise in the processes of managing trials and developments in accordance with the expectations of potential US and European partners.

EXPANDING HORIZONS

The results from the WABRI studies indicated that Dermaportation was far more flexible than first thought and was able to demonstrate that it could reduce the time taken to achieve certain therapeutic qualities of drugs transdermally by as much as 70%. Reducing the time of delivery of a specific drug, and in doing so reduce the time to onset, is a critical factor in deciding the route of delivery of both new and existing drugs. The ability to manage both dosages and time-to-effect is a significant technological achievement for the Company.

Lignocaine - topical anaesthetic



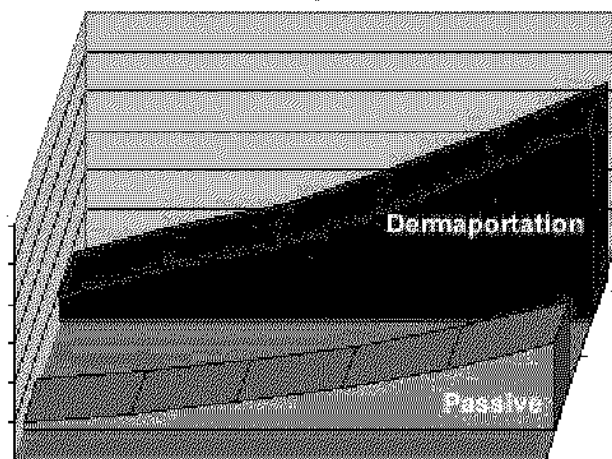
During this period, the Company moved to expand its intellectual property and patent portfolio by lodging patent application covering the specific use of the Dermaportation process as a means of enhancing the transdermal delivery of local anaesthetics. This generic patent application focused on lignocaine and prilocaine hydrochloride, two of the most commonly used topical anaesthetic ingredients.

The strategy of testing, lodging a patent application then presenting commercially significant results at major international conferences is now an established practice for the Company. This process was first used at the 39th Annual Conference of the Australian Society of Cosmetic Chemists in March, when the Company announced and presented its then patented local anaesthetic results.

This was followed shortly after by an invitation to present at the Australasian College of Dermatologist conference in May and at the Australian Society of Dermatology Research.

Later in the year the Company announced an ambitious Vaccine and Anti-body drug-patch development program that would include the transdermal delivery of certain vaccines and anti-bodies in live animal trials. Ethics committee approval from Murdoch University paved the way for these trials, which are now awaiting final delivery system hardware and the availability of the animals of the correct immunological age. This is an important and ongoing program for the Company as it has wide immunological and veterinary implications. The full program may run for several years, however initial results are expected to be available prior to the end of the calendar year.

Prilocaine - topical anaesthetic



The Company has also been active on the commercial development front.

The first commercial joint venture was announced in April between BECCA Cosmetics and OBJ to develop a range of enhanced delivery skin care products. BECCA was one of the fastest growing cosmetic branding in the USA the previous year and made an ideal partner for the Company due to their high value products, international market reach and high quality profile. BECCA is designing and developing the retail systems while Curtin University is continuing with testing of the anti-aging compounds to be delivered by the Dermaportation method.

SUBSEQUENT EVENTS

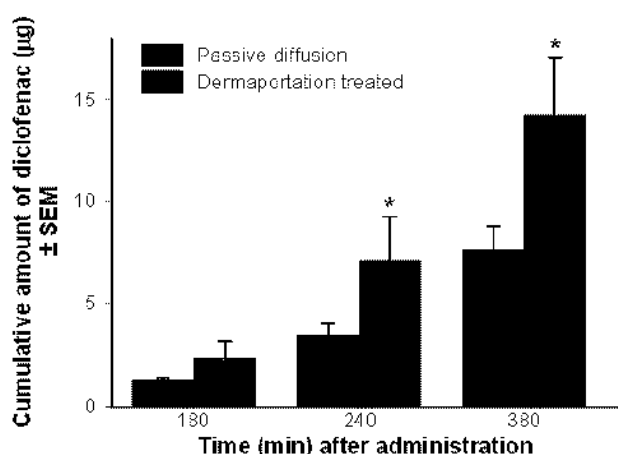
Since the end of the financial year, the Company has been able to make considerable scientific and development progress. In early August, the Company announced what it believes is the world's first fully computerized non-contact drug delivery patch, which was dubbed "smart" patch. This was followed shortly after by an article on the Company and its technology in the Australian Biotechnology news.

On 20 August the Company announced its most significant scientific results to date with the release of a study by the Western Australian Biomedical Research Institute (WABRI) into the effect of Dermaportation on the oncology drug 5-ALA.

REVIEW OF OPERATIONS (continued)

5-ALA is a topical photodynamic drug that is used in the treatment of skin cancers, however its 3 hour absorption time reduces its marketability in the broader dermatology field. The ability of the OBJ technology to reduce the pre-treatment waiting times are expected to be of particular interest to the vendors of a range of topical photodynamic compounds.

The Company presented at two major international medical conferences during August giving it an invaluable opportunity to display the result and discuss the technology with a number of major pharmaceutical companies.



During September the Company announced the results of WABRI study into the use of the Company's technology to enhance the delivery of Voltaren Emulgel (™Novartis Consumer Health Australasia Pty Ltd). This project clearly establishes dermaportation's ability to operate with both common OTC products and the important Non-steroidal Anti-inflammatory range of drugs.

CONCLUSION

During the year, the Company has evolved from its early research and development background into a developer of targeted delivery solutions for the pharmaceutical, nutraceutical and cosmetic markets.

The Company's team has developed from a handful of dedicated local specialists into a professional group spanning three continents and covering disciplines as diverse as anesthesiology, pain, dermatology, micro-computing and business development.

The recent capital raising allowed the Company to tackle its current commercial strategies with vigour and enthusiasm.

The Company expects that in the next 12 months it will continue to grow shareholder value.

Jeffery Edwards
Director of Operations

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

DIRECTORS' REPORT

The Directors present their report on the results of OBJ Limited and its controlled entity for the year ended 30 June 2005.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Mr. David Christian Steinepreis	Resigned 8 December 2004
Mr. Gary Christian Steinepreis	Resigned 17 November 2004
Mr. Jeffrey David Edwards	Appointed 7 October 2004
Mr. Hugh David Warner	
Dr. Christopher John Quirk	Appointed 19 November 2004

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year ended 30 June 2005 were the development of its dermaportation technology.

There were no significant changes in the nature of the Company's principal activities during the financial year other than those referred to below in the review of operations.

OPERATING RESULT

The net consolidated loss of the Company after providing for income tax amounted to \$1,234,506. (2004: net profit after income tax: \$721,109).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year ended 30 June 2005 (2004: Nil).

The Board has not made a recommendation to pay dividends for the period to 30 June 2005.

REVIEW OF OPERATIONS

The Company continues to pursue development of its dermaportation technology, review its intellectual property assets and evaluate value enhancement opportunities from existing assets.

SIGNIFICANT AFTER BALANCE DATE EVENTS

In order to continue the development of its dermaportation technology, the Company placed 23,875,000 shares at \$0.032 per share to investors. The proceeds of the placement will be used to fund the continued development of the dermaportation technology.

Other than the above there have not been any matters or circumstances that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year other than as described elsewhere in this Directors' Report.

DIRECTORS' REPORT (continued)

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

Certain information regarding future developments and announcements has been disclosed in this report under the heading "Significant after balance date events". The disclosure of expected results of likely future developments is likely, in the opinion of the Directors, to result in unreasonable prejudice to the interests of the Company and accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATION

The Company is not affected by any specific environmental legislation.

INFORMATION ON DIRECTORS

Mr Jeffrey Edwards

Jeffrey Edwards has over twenty years experience in managing new technological innovations. He is experienced in production, intellectual property, regulatory affairs and quality systems. He is an award winning technology developer, and has worked with a number of leading international medical, and biomedical companies, including Salus Technologies Limited (tissue engineering), Global Energy Medicine (therapeutics) and CollTech Australia (biomaterials).

Dr Christopher Quirk

Christopher Quirk is an Australian dermatologist who has been a teaching hospital consultant for 21 years and has conducted numerous trials for international pharmaceutical companies such as Roche, Novartis, 3M and Matrix and has served on advisory boards for Merck, Allergan and Roche. He has published 22 papers in international journals and recently has presented at the World Congress of Dermatology in Paris and the World Congress on Cancers of the Skin in Seville.

Mr Hugh Warner

Hugh Warner holds a Bachelor of Economics Degree from the University of Western Australia. Mr Warner has been involved with a number of private and publicly listed companies in Australia, UK and Canada involved in the oil and gas, gold, diamonds and technology sectors. He contributes general corporate and company secretarial management skills along with a strong knowledge of both the Australian and UK Stock Exchange requirements.

Mr Warner is a director of Green Rock Energy Limited and M Health Limited, companies listed on the Australian Stock Exchange, Ascent Resources PLC, Tower Resources PLC and Uranium Resources PLC, companies listed on AIM in London.

COMPANY SECRETARY

Mr John J Palermo B.Bus CA

Mr Palermo is a Chartered Accountant with nine years experience in the Public Practice sector. Currently with Palermo Chartered Accountants he has experience in public company accounting and administration. He is also Company Secretary of Salus Technologies Limited.

Mr Palermo has completed extensive work for the Institute of Chartered Accountants both in Australia and overseas with the delivery of their CA Programme.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

DIRECTORS' REPORT (continued)

MEETINGS OF DIRECTORS

During the financial year, meetings of directors were held. Attendances were:

	No. eligible to attend	No. attended
Mr. H D Warner	6	6
Mr J D Edwards	1	1
Mr C J Quirk	1	1
Mr D C Steinepreis	5	4
Mr G C Steinepreis	5	5

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the end of the financial year, the Company has indemnified and entered into agreements to indemnify, on behalf of the Directors' and auditors.

INTEREST OF DIRECTORS

At the date of this report, directors held directly or indirectly, the following interests in the Company:

<i>Name of Director</i>	Direct	Indirect	Total Shares
Jeffrey David Edwards	Nil	93,525,000	93,525,000
Hugh David Warner	Nil	Nil	Nil
Christopher John Quirk	15,600,000	15,600,000	31,200,000
	15,600,000	109,125,000	124,725,000

OPTIONS

As at the date of this report, no options are on issue.

During the year ended 30 June 2005, the following ordinary shares of OBJ Limited were issued by virtue of the exercise of options granted via a prospectus dated 5 April 2005. No further shares have been issued since that date. An amounts are unpaid on any of the shares.

Number Exercised	Exercise Price
32,000,000	\$0.01
32,000,000	

No person entitled to exercise an option had any right by virtue of the option to participate in any share issue of any other body corporate.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

DIRECTORS' REPORT (continued)

REMUNERATION REPORT

The Board receives independent advice on remuneration policies and practices generally, and also receives specific recommendations on remuneration packages and other terms of employment for senior executives.

Executive remuneration and other terms of employment are reviewed annually by the board having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Consolidated Entity's operations.

Remuneration of non-executive Directors is determined by the Board within the maximum amount approved by the shareholders from time to time.

The Board undertakes an annual review of its performance against goals set at the start of the year.

Directors and Executives Remuneration:

The Board is responsible for making recommendations on remuneration packages and policies applicable to Board members and senior executives of the Company. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Directors' remuneration is arrived at after consideration of the level of expertise each director brings to the Company, the time and commitment required to efficiently and effectively perform the required tasks.

Details of the nature and amount of each major element of the emoluments of each director of the Company and each of the named executive officers of the Company, receiving the highest emoluments, for the financial year, are:

<i>Directors</i>	Salary \$	Consulting Fees \$	Superannuation \$	Total \$
Mr. H D Warner	33,773	--	3,040	36,813
Mr J D Edwards	--	81,800	--	81,800
Mr C J Quirk	15,417	--	1,388	16,805
	49,190	81,800	4,428	135,418

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

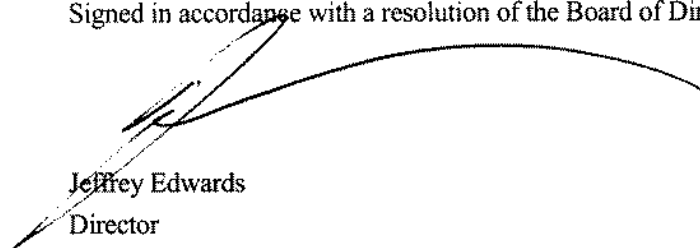
The auditor's independence declaration under section 307C has been received and is attached.

DIRECTORS' REPORT (continued)

NON-AUDIT SERVICES

There were no amounts paid or are payable to the external auditors for non-audit services during the year ended 30 June 2005.

Signed in accordance with a resolution of the Board of Directors:



Jeffrey Edwards
Director

Perth, Western Australia

30th September 2005



Chartered Accountants
& Business Advisers

NSW Partnership
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Liability is limited by the Accountants
Scheme, approved under the
Professional Standards Act 1994 (NSW)

30 September 2005

The Board of Directors
OBJ Limited
Level 1, 284 Oxford Street
LEEDERVILLE WA 6007

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2005 there have been:

- (i) no contraventions of the auditors independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully

.....
PKF – NSW PARTNERSHIP

.....
Grant F Saxon
Partner

Sydney, 30th September 2005

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has considered the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*.

In line with the above the Board approved the adoption of a board charter on 30 June 2004. This charter sets out the way forward for the Company in its implementation of its Principles of Good Corporate Governance and Best Practice Recommendations. The approach taken by the board was to set a blueprint for the Company to follow as it introduces elements of the governance process. Due to the current size of the Company and the scale of its operations it is neither practical nor economic for the adoption of all of the recommendations approved via the board charter. Where the Company has not adhered to the recommendations it has stated that fact in the annual report however has set out a mandate for future compliance when the size of the Company and the scale of its operations warrants the introduction of those recommendations.

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry its functions, it has developed a Code of Conduct to guide the Directors.

1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated in the Directors' Report on page 8 along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr H Warner and Dr C Quirk are Non-Executive Directors, however they are not independent directors' as they do not meet the following criteria for independence adopted by the Company.

CORPORATE GOVERNANCE STATEMENT (continued)

1.2 Composition of the Board (continued)

An Independent Director:

1. is a Non-Executive Director and;
2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
6. has no material contractual relationship with the Company or other group member other than as a Director of the Company;
7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mr J Edwards is an Executive Director of the Company. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Dr C J Quirk is a Non-Executive Director of the Company. His experience and knowledge makes his contribution to the Board such that it is appropriate for him to remain on the Board.

Mr H D Warner is a Non-Executive Director of the Company. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

CORPORATE GOVERNANCE STATEMENT (continued)

1.3 Responsibilities of the Board (continued)

1. Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
2. Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
3. Overseeing Planning Activities: the development of the Company's strategic plan.
4. Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
5. Monitoring, Compliance and Risk Management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
6. Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
7. Human Resources: appointing, and, where appropriate, removing the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy.
8. Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
9. Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available for inspection at the Company's registered office.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

CORPORATE GOVERNANCE STATEMENT (continued)

1.4 Board Policies (continued)

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

1.4.5 Education and Induction

It is the policy of the Company that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- a copy of the Board Charter; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

CORPORATE GOVERNANCE STATEMENT (continued)

1.4 Board Policies (continued)

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

1. communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
2. giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
3. making it easy for shareholders to participate in general meetings of the Company; and
4. requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

1.4.9 Trading in Company Shares

- The Company has a Share Trading Policy which states that Directors, members of senior management, certain other employees and their associates likely to be in possession of unpublished price sensitive information may not trade in the Company's securities prior to that unpublished price sensitive information being released to the market via the ASX.

Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

1.4.10 Performance Review / Evaluation

It is the policy of the Board to conduct evaluation of its performance. The evaluation process was introduced via the Board Charter adopted on 30 June 2004 and will be implemented for the financial year ended 30 June 2005. The objective of this evaluation will be to provide best practice corporate governance to the Company.

CORPORATE GOVERNANCE STATEMENT (continued)

1.4 Board Policies (continued)

1.4.11 Attestations by CEO and CFO

It is the Board's policy, that the CEO and the CFO make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report. However, as at the date of this report the Company does not have a designated CEO or CFO. Due to the size and scale of operations of the Company these roles are performed by the Board.

2. Board Committees

2.1 Audit Committee

Due to the size and scale of operations of the Company, the Company does not have an Audit Committee.

2.2 Remuneration Committee

2.2.1 Role

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

As the whole Board only consists of three (3) members, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.2.2 Remuneration Policy

Director Remuneration was approved by resolution of the Board on 6 August 2004.

2.2.2.1 Non-Executive Director Remuneration Policy

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company.

Non-Executive Directors are entitled to but not necessarily paid statutory superannuation.

2.2.3 Current Director Remuneration

Full details regarding the remuneration of Directors, is included in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT (continued)

2.3 Nomination Committee

2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of three (3) members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.2 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience appropriate to the Company's target market. In addition, Directors should have the relevant blend of personal experience in:

- Accounting and financial management; and
- Director-level business experience.

3. Company Code Of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. The Company Code of Conduct was adopted by resolution of the Board on 30 June 2004. This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

The Company has an obligation to use its best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers and is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company policy is to endeavour to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources. As at the date of this report there are no employees who are not also directors.

CORPORATE GOVERNANCE STATEMENT (continued)

3. Company Code Of Conduct (continued)

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers and competitors.

Responsibilities to the Community

As part of the community the Company:

- is committed to conducting its business in accordance with applicable environmental laws and regulations

Responsibility to the Individual

The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Directors and Employees must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Complies with Legislation Affecting its Operations

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code

The Board of the Company is committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		30 June 2005 \$	30 June 2004 \$	30 June 2005 \$	30 June 2004 \$
Revenues from ordinary activities	2	51,964	1,227,458	43,564	1,227,458
Employee benefits expenses		(74,684)	(20,000)	(74,684)	(20,000)
Research and development					
consultants/corporate management		(434,954)	(96,527)	(434,954)	(96,527)
Administration expenses		(125,772)	(297,207)	(124,010)	(297,207)
Occupancy expenses		(71,015)	(17,626)	(66,224)	(17,626)
Depreciation expenses	3	(5,503)	--	(4,145)	--
Amortisation of goodwill		(18,909)	--	--	--
Write down of intangibles and investments	3	(480,000)	--	(480,000)	--
Share of joint venture expenses		(29,902)	(68,963)	(29,902)	(68,963)
Other expenses from ordinary activities		(45,731)	(6,026)	(45,003)	(6,026)
Profit/(loss) from ordinary activities before income tax expense		(1,234,506)	721,109	(1,215,358)	721,109
Income tax expense relating to ordinary activities	4	--	--	--	--
Net profit/(loss) from ordinary activities after related income tax attributable to members		(1,234,506)	721,109	(1,215,358)	721,109
Total changes in equity other than those resulting from transactions with owners as owners		(1,234,506)	721,109	(1,215,358)	721,109
		Cents	Cents		
Basic earnings per share	22	(0.4)	1.4		
Diluted earnings per share	22	(0.4)	1.2		

The above statement of financial performance is to be read in conjunction with the attached notes.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		30 June 2005 \$	30 June 2004 \$	30 June 2005 \$	30 June 2004 \$
Current assets					
Cash assets	6	723,821	900,308	722,674	900,308
Receivables	8	15,205	14,675	21,240	14,675
Total current assets		739,026	914,983	743,914	914,983
Non-current assets					
Plant and equipment	7	25,435	--	22,264	--
Other financial assets	9	--	--	610,000	--
Intangible assets	19	600,076	--	--	--
Total non-current assets		625,511	--	632,264	--
Total assets		1,364,537	914,983	1,376,178	914,983
Current liabilities					
Payables	10	134,386	11,444	127,998	11,444
Current tax liabilities	4	1,118	--	--	--
Total current liabilities		135,504	11,444	127,998	11,444
Total liabilities		135,504	11,444	127,998	11,444
Net assets		1,229,033	903,539	1,248,180	903,539
Equity					
Contributed equity	18	10,191,429	8,631,429	10,191,429	8,631,429
Accumulated losses	5	(8,962,396)	(7,727,890)	(8,943,249)	(7,727,890)
Total equity		1,229,033	903,539	1,248,180	903,539

The above statement of financial position is to be read in conjunction with the attached notes.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		Parent Entity	
		30 June 2005 \$	30 June 2004 \$	30 June 2005 \$	30 June 2004 \$
Cash flows from operating activities					
Receipts from customers		--	--	--	--
Payments to suppliers and employees		(666,175)	(1,133,672)	(657,789)	(1,133,672)
Interest received		41,796	15,617	41,796	15,617
Contribution under the Government Employee Entitlements Redundancy Scheme		--	32,409	--	32,409
Other income received		10,168	6,711	(5,232)	6,711
Net cash used in operating activities	13a	(614,211)	(1,078,935)	(621,225)	(1,078,935)
Cash flows from investing activities					
Payment for property, plant and equipment		(30,301)	--	(26,409)	--
Aggregate cashflows from acquisition of International Scientific Pty Ltd	13c	25,131	--	--	--
Proceeds from sale of business		--	284,192	--	284,192
Net cash (used in)/provided by investing activities		(5,170)	284,192	(26,409)	284,192
Cash flows from financing activities					
Proceeds from issues of securities		470,000	1,401,000	470,000	1,401,000
Repayment of loans		(27,106)	--	--	--
Costs associated with the issue of securities		--	(21,389)	--	(21,389)
Net cash provided by financing activities		442,894	1,379,611	470,000	1,379,611
Net (decrease) / increase in cash held		(176,487)	584,868	(177,634)	584,868
Cash at the beginning of the financial year		900,308	315,440	900,308	315,440
Cash at the end of the financial year	6	723,821	900,308	722,674	900,308

The above statement of cash flows is to be read in conjunction with the attached notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report, which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act, 2001.

Basis of accounting

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Going Concern

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company is continuing to invest in the development and commercialisation of its key products. This continuing development will be funded using existing cash resources and the proceeds from capital raisings and placements as they occur. Subsequent to year end, the company issued a further 23,875,000 shares at \$0.032 to fund the continuation of the development of its dermaportation technology, further adding to its cash resources and enabling the company to continue to operate as a going concern.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income tax

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting profit after adjusting for items which, as a result of their treatment under income tax legislation, create permanent differences between that profit and taxable income. The tax effect of timing differences which arise from the recognition in the accounts of items of revenue and expenses in the periods different from those in which they are assessable or allowable for income tax purposes, are represented in the balance sheet as "future income tax benefits" or "provision for deferred income tax", as the case may be, at current tax rates.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Recoverable amounts

The carrying amounts of non-current assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets. The expected net cash flows included in determining the recoverable amounts have been discounted to their present values.

(d) Receivables

Trade accounts receivable and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(e) Property, plant & equipment

Property, plant and equipment are brought to account at cost or at independent valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. Expected net cash flows have not been discounted to present value in determining recoverable amount. On disposal of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset at the time of disposal is recognised as income or expense.

The depreciable amount of all fixed assets is depreciated, using the straight-line method, over their useful lives to the Company commencing from the time the asset is held ready for use. Plant and Equipment is depreciated at rates of between 15% and 37.5%.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Payables

Payables represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(g) Borrowings

Bank loans are recognised in the financial statements on the basis of the nominal amounts outstanding at balance date plus accrued interest.

(h) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(i) Employee entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured in their nominal amount. Other employee entitlements later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

All other employee entitlements, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to balance date. Liabilities are determined after taking into consideration estimated future increase in wages and salaries and past experience regarding staff departures. Related on-costs are included.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(j) Leases and hire purchase contracts

Leases of fixed assets and hire purchase contracts where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Translation of foreign currency transactions

Transactions in foreign currencies are initially measured and brought to account at the rate of exchange in effect at the date of each transaction.

Foreign currency monetary items outstanding at balance date have been translated at the spot rates current at balance date.

Exchange differences relating to monetary items have been brought to account in the statement of financial performance in the financial period in which the exchange rates change as exchange gains or losses.

(l) Research and development expenditure

Research and Development costs are charged to net profit or loss before income tax as incurred.

(m) Ownership-based remuneration scheme

Details of the executive share scheme operated by the Company are set out in the Company's Constitution and in the Executive Share Option Plan (XSOP) rules as lodged with ASIC. Shares issued under the scheme are recognised as equity to the extent of the amounts paid up on the shares.

(n) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.

(o) Interests in Joint Ventures

The Company's share of assets liabilities, revenue and expenses of joint venture operations are included in appropriate items of the statement of financial performance and position. Details on the Company's interests are shown in **Note 20**.

(p) Intangible assets - goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value of attributed to its net assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 2: REVENUE FROM ORDINARY ACTIVITIES

	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
<i>Non operating revenue:</i>	\$	\$	\$	\$
Interest received	41,796	15,617	41,796	15,617
Contribution under the Government Employee Entitlement Redundancy Scheme	--	32,409	--	32,409
Gain on debt defeasance	--	1,172,721	--	1,172,721
Other income	10,168	6,711	1,768	6,711
Total revenues from ordinary activities	51,964	1,227,458	43,564	1,227,458

NOTE 3: PROFIT/LOSS FROM ORDINARY ACTIVITIES

Profit/(loss) from ordinary activities before income tax includes:

Depreciation of property, plant and equipment:	5,503	--	4,145	--
Writedown of Intangibles and Investments	480,000	--	480,000	--
Contribution under the Government Employee Entitlement Redundancy Scheme	--	32,409	--	32,409

NOTE 4: INCOME TAX EXPENSE

The amount provided in respect of income tax differs from the amount of prima facie tax payable on net profit/(loss). The difference is reconciled as follows:

Profit/(loss) from ordinary activities	(1,234,506)	721,109	(1,215,359)	721,109
Less gain on debt defeasance due to deed of company arrangement	--	(1,172,721)	--	(1,172,721)
Less other exempt income	--	(45,669)	--	(45,669)
Add non-allowable expenses	487,754	84,683	487,754	84,683
	(746,752)	(412,598)	(727,605)	(412,598)
Prima facie tax payable on loss at 30%	(224,026)	(123,779)	(218,281)	(123,779)
Less tax effect of current period losses not recognised as future income tax benefit	224,026	123,779	218,281	123,779
Income tax expense attributable to operating loss	--	--	--	--
The directors estimate that the potential future income tax benefit at 30 June 2005 in respect of tax losses not brought to account is	1,169,350	412,598	1,140,203	412,598

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 4: INCOME TAX EXPENSE (continued)

As a result of the recapitalisation of the Company on 30 April 2004, the Company will not be able to deduct any tax losses incurred by the Company prior to that date. At 30 June 2005, the Company had accumulated tax losses of \$1,169,350 relating to the period subsequent to the recapitalisation of the Company on 30 April 2004. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
	\$	\$	\$	\$
Current tax liabilities				
Provision for income tax	1,118	--	--	--

**NOTE 5: ACCUMULATED LOSSES AND
TOTAL EQUITY**

Accumulated Losses

Balance at beginning of year	(7,727,890)	(8,448,999)	(7,727,890)	(8,448,999)
Net profit/(loss) attributable to members	(1,234,506)	721,109	(1,215,359)	721,109
	(8,962,396)	(7,727,890)	(8,943,249)	(7,727,890)

Total Equity

Total equity at beginning of year	903,539	(1,197,181)	903,539	(1,197,181)
Increase in shareholders funds	1,560,000	1,401,000	1,560,000	1,401,000
Costs associated with raising funds	--	(21,389)	--	(21,389)
Total changes in equity recognised in the statement of financial performance	(1,234,506)	721,109	(1,215,359)	721,109
	1,229,033	903,539	1,248,180	903,539

NOTE 6: CASH ASSETS

Cash at bank and on hand	723,821	900,308	722,674	900,308
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OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 7: PROPERTY, PLANT AND EQUIPMENT	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
	\$	\$	\$	\$
Plant and equipment at cost	33,473	--	26,409	--
Accumulated depreciation	8,038	--	4,145	--
Total property, plant and equipment – net book value	25,435	--	22,264	--

Reconciliation of the carrying amount of plant and equipment is set out below:

Balance at the beginning of the year	--	--	--	--
Additions	32,837	--	26,409	--
Acquisitions through the acquisition of International Scientific Pty Ltd	636	--	--	--
Depreciation Expense	(8,038)	--	(4,145)	--
Carrying amount at the end of the year	25,435	--	22,264	--

NOTE 8: RECEIVABLES

Debtors	11,295	11,675	11,240	11,675
Amounts receivable from controlled entities	--	--	7,000	--
Prepayments- Rent paid in advance	3,000	3,000	3,000	3,000
Other	910	--	--	--
Total receivables	15,205	14,675	21,240	14,675

NOTE 9: OTHER FINANCIAL ASSETS

Shares in controlled entities at cost	--	--	1,090,000	--
Less: Provision for write-down to recoverable amount	--	--	(480,000)	--
	--	--	610,000	--

The Directors reviewed the shares in controlled entities during the year. Due to the uncertainty over the potential future benefits to be derived and the timing of the benefits, the Directors have recognised a once off write down of shares in controlled entities of \$480,000 during the year.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
NOTE 10: PAYABLES	\$	\$	\$	\$
Other creditors and accruals	134,386	11,444	127,998	11,444

NOTE 11: EXPENDITURE COMMITMENTS

(a) Capital Expenditure commitments

There were no capital expenditure commitments as at 30 June 2005.

(b) Finance lease and hire purchase commitments

There were no finance lease and hire purchase commitments as at 30 June 2005.

NOTE 12: SUPERANNUATION COMMITMENTS

The Company contributes to retirement funds that provide benefits to employees. The level of contributions is determined by Superannuation Guarantee legislation. The Company has no responsibility for the administration or performance of the funds.

NOTE 13: CASH FLOW INFORMATION

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts.

**(a) Reconciliation of net cash used in operating activities
to net profit/(loss) after income tax**

	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
	\$	\$	\$	\$
Operating profit/(loss) after income tax	(1,234,506)	721,109	(1,215,358)	721,109
Depreciation and amortisation	24,412	--	4,145	--
Write off of intangibles and investments	480,000	--	480,000	--
Gain on debt defeasance	--	(1,172,721)	--	(1,172,721)
Changes in Assets & Liabilities				
Decrease/(increase) in receivables	9,276	(14,675)	(6,565)	(14,675)
Increase/(decrease) in payables	106,607	(612,648)	116,553	(612,648)
Net cash used in operating activities	(614,211)	(1,078,935)	(621,225)	(1,078,935)

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 13: CASH FLOW INFORMATION (continued)	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
	\$	\$	\$	\$
(b) Disposal of business				
On 19 March 2003 the Company sold the business of the supply of software product range of next generation operational support systems.				
Inflow of cash from sale of business				
Cash consideration	--	--	--	--
Proceeds on sale received during the year ended 30 June 2005	--	284,192	--	284,192
	--	284,192	--	284,192
(c) Acquisition of businesses				
On 19 November 2004, the Company acquired 100% of the issued ordinary shares of International Scientific Pty Ltd.				
Details of the transaction are as follows:				
Consideration:				
34,000,000 ordinary shares of OBJ Limited	340,000	--	340,000	--
24,000,000 A Class shares of OBJ Limited (converted to ordinary shares on 9 March 2005)	720,000	--	720,000	--
49,000,000 B Class shares of OBJ Limited	--	--	--	--
49,000,000 C Class shares of OBJ Limited	--	--	--	--
Acquisition costs:				
3,000,000 ordinary shares of OBJ Limited	30,000	--	30,000	--
	1,090,000	--	1,090,000	--
Fair value of net assets acquired				
Cash	25,131	--	25,131	--
Property, plant and equipment	636	--	636	--
Other assets	910	--	910	--
Payables	(35,662)	--	(35,662)	--
	(8,985)	--	(8,985)	--
Goodwill	1,098,985	--	1,098,985	--
Inflows of cash from acquisition of International Scientific Pty Ltd:				
Cash balance acquired	25,131	--	25,131	--

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 14: EMPLOYEE NUMBERS	Consolidated		Parent Entity	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	\$	\$	\$	\$
Number of employees at end of financial year	1	3	1	3

NOTE 15: DIRECTORS' REMUNERATION

(a) Names and positions of Directors and specified executives in office at any time during the financial year are:

Directors

Mr. David Christian Steinepreis	Chairman – Non-Executive	Resigned 8 December 2004
Mr. Gary Christian Steinepreis	Director – Non-Executive	Resigned 17 November 2004
Mr. Jeffrey David Edwards	Director – Executive	Appointed 7 October 2004
Mr. Hugh David Warner	Director – Non-Executive	
Dr. Christopher John Quirk	Director – Non-Executive	Appointed 19 November 2004

Specified Executives

Other than Directors, there were no executive officers employed by the Company during the period.

(b) Directors Remuneration

2005

	Salary and/or Fees	Primary Superannuation Contributions	Non-Cash Benefits	Equity	Other	Total
	\$	\$	\$	\$	\$	\$
Mr J Edwards	81,800	--	--	--	--	81,800
Mr H Warner	33,773	3,040	--	--	--	36,813
Dr C Quirk	15,417	1,388	--	--	--	16,805
	130,990	4,428	--	--	--	135,418

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 15: DIRECTORS' REMUNERATION (continued)

(c) Directors Remuneration (continued)

2004

	Salary and Fees \$	Primary Superannuation Contributions \$	Non-Cash Benefits \$	Equity \$	Other \$	Total \$
Mr J Edwards	20,000	--	--	--	--	20,000
Mr H Warner	18,349	1,651	--	--	--	20,000
Dr C Quirk	20,000	--	--	--	--	20,000
	58,349	1,651	--	--	--	60,000

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contract for service between the Company and specified directors are on a continuing basis the terms of which are not expected to change in the immediate future.

(c) Number of shares held by Directors (directly and indirectly)

	Balance 1/7/04	Shares Acquired	Shares Disposed	Balance 30/6/05
Mr J Edwards	Nil	93,600,000	75,000	93,525,000
Mr H Warner	12,222,222	4,666,667	16,888,889	Nil
Dr C Quirk	Nil	31,200,000	Nil	31,200,000

(d) Number of options held by Directors (directly and indirectly)

	Balance 1/7/04	Options Acquired	Options Disposed	Balance 30/6/05
Mr J Edwards	Nil	Nil	Nil	Nil
Mr H Warner	6,000,000	Nil	6,000,000	Nil
Dr C Quirk	Nil	Nil	Nil	Nil

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 16: RELATED PARTY TRANSACTIONS	Consolidated		Parent Entity	
	30 June 2005 \$	30 June 2004 \$	30 June 2005 \$	30 June 2004 \$

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(i) Director-related entities

Fees associated with the Company and reimbursement of expenses incurred on the Company's behalf paid to Ascent Capital Pty Ltd. Mr H Warner is a director, has shareholdings in and exerts significant influence over Ascent Capital Pty Ltd.

	--	62,909	--	62,909
--	----	--------	----	--------

Occupancy fees paid to Ord Street Services. Mr D Steinepreis has shareholdings in and significant influence over Ord Street Services.

	19,200	16,979	--	16,979
--	--------	--------	----	--------

NOTE 17: AUDITORS' REMUNERATION

Remuneration of the auditors of the Company:

- auditor of the Company for audit or review	16,500	15,500	16,500	15,500
- auditor of the Company for other services	-	8,000	-	8,000
	16,500	23,500	16,500	23,500

NOTE 18: CONTRIBUTED EQUITY

331,000,000 fully paid ordinary shares
(2004: 228,000,000)

	10,191,429	8,631,429	10,191,429	8,631,429
--	------------	-----------	------------	-----------

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

NOTE 18: CONTRIBUTED EQUITY (continued)

Movements in Contributed Equity – Ordinary Shares	Number of Shares	\$
Opening Balance as at 01/07/04	228,000,000	8,631,429
Ordinary shares issued:		
Under a placement order dated 21/10/2004	10,000,000	150,000
Under International Scientific Pty Ltd Purchase Agreement dated 19/11/2004	34,000,000	340,000
As consideration for costs associated with acquisition of International Scientific Pty Ltd	3,000,000	30,000
Exercise of options as of 25/11/2004 at 0.01 cents per ordinary share	8,000,000	80,000
Exercise of options as of 23/12/2004 at 0.01 cents per ordinary share	19,000,000	190,000
Exercise of options as of 04/02/2005 at 0.01 cents per ordinary share	5,000,000	50,000
Conversion of "A" class shares as of 09/03/2005	24,000,000	720,000
Balance as at 30/06/05	331,000,000	10,191,429

	Consolidated		Parent Entity	
	30 June 2005	30 June 2004	30 June 2005	30 June 2004
NOTE 19: INTANGIBLES	\$	\$	\$	\$
Goodwill – at cost	1,098,985	--	--	--
Accumulated amortisation	(498,909)	--	--	--
	<u>600,076</u>	<u>--</u>	<u>--</u>	<u>--</u>

The Directors reviewed the balance of goodwill during the year. Due to the uncertainty over the potential future benefits to be derived and the timing of the benefits, the Directors have recognised a once off write down of goodwill of \$480,000 during the year.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

		Consolidated		Parent Entity	
NOTE 20: JOINT VENTURES		30 June	30 June	30 June	30 June
		2005	2004	2005	2004
		\$	\$	\$	\$

The Company has a 50% interest in the Keystone Marketing Asia Joint Venture with respect to the Company's licence over the Australian region to market the Keystone suite of products.

The Company's share of assets employed in the joint venture is:

Current Assets

Cash	1,481	31,075	1,481	31,075
Share of total assets of joint venture	1,481	31,075	1,481	31,075
Net interest in joint venture	1,481	31,075	1,481	31,075

NOTE 21: INVESTMENTS IN CONTROLLED ENTITIES

On 19 November 2004, the Company acquired all of the issued share capital of International Scientific Pty Ltd. At the date of acquisition the acquired entity was involved in medical technology development.

Name of the Parent Entity

OBJ Limited

Name of acquired entity	Country of incorporation	Class of shares	Percentage equity holding 2005	Percentage equity holding 2004
International Scientific Pty Ltd	Australia	Ordinary	100%	-

Details of the acquisition are as follows:

Purchase Consideration	Number of Shares	Value \$
Ordinary Shares	10,000,000	100,000
Ordinary Shares	24,000,000	240,000
A Class Shares	24,000,000	720,000
B Class Shares	49,000,000	--
C Class Shares	49,000,000	--
Acquisition Costs	3,000,000	30,000
		1,090,000
Fair value of identifiable net assets of controlled entity acquired		\$
Cash		25,131
Property, Plant and Equipment		636
Other Assets		910
Payables		(35,662)
Goodwill		1,098,985
		1,090,000

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

NOTE 21: INVESTMENTS IN CONTROLLED ENTITIES (continued)

In the event that certain milestones are met within designated periods the B and C class shares will convert to ordinary shares.

As at the date of this report the first milestone has been achieved and 24 million A Class Shares have been converted to Ordinary Shares.

NOTE 22: EARNINGS PER SHARE	Consolidated	
	30 June 2005	30 June 2004
Basic earnings per share (cents per share)	(0.4)	1.4
Diluted earnings per share (cents per share)	(0.4)	1.2
Net profit/(loss) used in calculating basic and diluted EPS (dollars)	(1,234,506)	721,109
Weighted average number of ordinary shares outstanding during the year used in the calculation of EPS (number)	281,534,247	53,095,931
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS (number)	281,534,247	58,443,877

NOTE 23: FINANCIAL INSTRUMENTS

Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is summarised as follows:

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 23: FINANCIAL INSTRUMENTS (continued)

Consolidated Entity

2005	Non-Interest Bearing (\$)	Fixed Interest Rate Maturing			Floating Interest Rate (\$)	Total (\$)	Weighted average interest rate
		1 Year or Less (\$)	Over 1 to 5 Years (\$)	More than 5 years (\$)			
Financial assets:							
Cash	-	--	--	--	723,821	723,821	3.5%
Accounts receivable	14,295	--	--	--	--	14,295	0.0%
	14,295	--	--	--	723,821	738,116	
Financial liabilities:							
Payables	135,504	--	--	--	--	135,504	0.0%
	135,504	--	--	--	--	135,504	
Net financial instruments	(121,209)	--	--	--	723,821	602,612	

2004	Non-Interest Bearing (\$)	Fixed Interest Rate Maturing			Floating Interest Rate (\$)	Total (\$)	Weighted average interest rate
		1 Year or Less (\$)	Over 1 to 5 Years (\$)	More than 5 years (\$)			
Financial assets:							
Cash	--	--	--	--	900,308	900,308	3.5%
Accounts receivable	11,675	--	--	--	--	11,675	0.0%
Inventories	--	--	--	--	--	--	
	11,675	--	--	--	900,308	911,983	
Financial liabilities:							
Trade and other creditors	11,444	--	--	--	--	11,444	0.0%
Bank overdraft	--	--	--	--	--	--	
Lease and hire purchase liability	--	--	--	--	--	--	
	11,444	--	--	--	--	11,444	
Net financial instruments	231	--	--	--	900,308	900,539	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

In continuing the development of its dermaportation technology the Company placed 23,875,000 shares at \$0.032 per share to investors, the proceeds of which will be used to fund the continued development of the dermaportation technology.

Other than the above there have not been any matters or circumstances that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 25: AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australian equivalents to International Financial Reporting Standards (AIFRS) will be adopted in the financial report for the year ending 30 June 2006 and the comparative information presented in that report for the year ending 30 June 2005. The majority of the AIFRS adjustments will be made retrospectively against retained earnings at 1 July 2004.

The consolidated entity's management has assessed the significance of the expected changes and is preparing for their implementation. An AIFRS committee is overseeing and managing the consolidated entity's transition to AIFRS. The impact of alternative treatments and elections under AASB 1 "First Time Adoption of Australian International Financial Reporting Standards" has been considered where applicable.

The directors are of the opinion that the key material differences in the consolidated entity's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows (Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by the standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the consolidated entity's AIFRS committee).

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 25: AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

a) Reconciliation of equity as presented under AGAAP to that under AIFRS

		Consolidated	
		30 June	30 June
		2005	2004
		\$	\$
Note			
Total equity under AGAAP		1,229,032	903,539
Write-back of goodwill amortisation	(i)	18,909	-
Impairment of goodwill	(ii)	(618,985)	-
		628,956	903,539
Total equity under AIFRS			
Net profit/(loss) under AGAAP		(1,234,506)	721,109
Write-back of goodwill amortisation	(i)	18,909	-
Impairment of goodwill	(ii)	(618,985)	-
		(1,834,582)	721,109
Net profit/(loss) under AIFRS			

(i) Intangible assets – goodwill

Under AASB3 “Business Combinations”, amortisation of goodwill will no longer be permitted. At the date of adoption of AIFRS goodwill will be allocated to cash generating units of the entity and will be impairment tested on initial adoption of AIFRS and annually thereafter.

\$18,909 of goodwill amortised during the year ended 30 June 2005 will, therefore, be reversed resulting in an increase of \$18,909 in retained earnings as at 30 June 2005 and an increase in profit amounting to \$18,909 for the year ended 30 June 2005.

Due to the fact that the consolidated entity’s technology is currently in the development and testing phase, as at 30 June 2005, no reliable cash flow forecasts are available. Therefore the impairment testing undertaken as at 30 June 2005 indicated impairment of the goodwill as disclosed in the consolidated entity’s financial statements as at 30 June 2005. \$618,985 of goodwill not written off during the year 30 June 2005 will, therefore, be written off resulting in a decrease of \$618,985 in retained earnings as at 30 June 2005 and a decrease in profit amounting to \$618,985 for the year ended 30 June 2005.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 25: AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

(ii) Income tax

AASB 112 "Income Tax" requires all income tax balances to be calculated using the comprehensive balance sheet liability method. Deferred tax items will be calculated by comparing the difference in carrying amounts to tax bases for all assets and liabilities and multiplying this by the tax rates expected to apply to the period when the asset is realised or the liability settled. Recognition of the resulting amounts are subject to some exceptions, but generally deferred tax balances must be calculated for each item in the statement of financial position. Deferred tax assets will only be recognised where there exists the probability that future taxable profit will be available to recognise the asset.

On transition, the financial effect of this impact is assessed as nil.

(iii) Equity-based compensation benefits

The consolidated entity currently engages in the practice of allocating to its directors and employees shares and share options as part of their remuneration packages. AASB 2 "Share Based Payments" require that these payments and also payments made to other counterparties in return for goods and services shall be measured at the more readily determinable fair value of the good/service or the fair values of the equity instrument. This amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

On transition, the financial effect of this impact is assessed as nil.

NOTE 26: ECONOMIC DEPENDENCY

The Company is not economically dependent upon any third parties.

NOTE 27: DISCONTINUING OPERATIONS

At a meeting of creditors of the Company convened under Section 439A(1) of the Corporations Act and held on 18 March 2003 the Company's creditors resolved that the Company sell its business of the supply of software product range of next generation operational support systems.

The business was sold on 19 March 2003 with the sale being incorporated into the prior year's result.

OBJ LIMITED AND ITS CONTROLLED ENTITY
(ABN 72 056 482 636)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 27: DISCONTINUING OPERATIONS (continued)

The proceeds from the sale were received on the following dates:

	\$
18 March 2003	30,000
23 April 2003	55,000
7 July 2003	70,000
15 July 2003	200,000
24 July 2003	14,192
	<u>369,192</u>

	Consolidated		Parent Entity	
	30 June 2005 \$	30 June 2004 \$	30 June 2005 \$	30 June 2004 \$
Net cash flows attributable to discounting operations				
Cash outflow from operating activities	--	(455,801)	--	(455,801)
Cash inflow from investing activities	--	284,192	--	284,192
Cash outflow from financing activities	--	--	--	--
Total cash outflow	--	<u>(171,609)</u>	--	<u>(171,609)</u>

Details of the sale of the business were incorporated into the prior year's result.

NOTE 28: DEBT DEFEASANCE

Aggregate carrying amount of assets given up for the purpose of defeasance	--	200,000	--	200,000
Aggregate carrying amount of debt extinguished	--	1,372,721	--	1,372,721
Net gain taken to statement of financial performance	--	<u>1,172,721</u>	--	<u>1,172,721</u>

NOTE 29: SEGMENT INFORMATION

Following the acquisition of International Scientific Pty Ltd in November 2004, the principal activity of the Company is the development of the dermaportation drug delivery technology. Previously the Company operated in the information technology and telecommunications industry.

The Company operates in one geographical segment being Australia.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 30: DEFERRED CONSIDERATION

On 19 November 2004, the Company acquired International Scientific Pty Limited. As part of the purchase consideration, the Company issued the following convertible shares:

49 million B Class shares, and
49 million C Class shares

These convertible shares have no voting rights and cannot be traded but are convertible to ordinary shares on the basis of one ordinary share for every one B or C Class Share subject to the achievement by the Company of certain performance milestones.

AASB 1015 'Acquisition of Assets' recommends that where the purchase consideration is dependant upon one or more future events, the amount of the variation should be included in the cost of acquisition where it can be reliably measured.

At the date of this report, the Directors are unable to quantify the financial effect arising from the potential conversion of these shares. In accordance with AASB 1015 the cost of acquisition will require to be adjusted when the variation can be reliably measured.

DIRECTORS' DECLARATION

1) In the opinion of the Directors:

- (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including;
 - i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards and Corporation Regulation 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2) The Chief Executive Officer and Chief Finance Officer have each declared that:

- (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
- (c) the financial statements and notes for the financial year give a true and fair view.

Signed in accordance with a resolution of the Board of Directors:



Jeffrey Edwards
Director

Perth, Western Australia

23rd September 2005



Chartered Accountants
& Business Advisers

NSW Partnership
ABN 83 236 985 726

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Liability is limited by the Accountants
Scheme, approved under the
Professional Standards Act 1994 (NSW)

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF OBJ LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for OBJ Limited and the consolidated entity, for the financial year ended 30 June 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing and Assurance Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

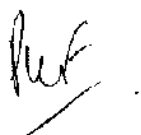
Independence

In conducting our audit, we followed independence requirements of applicable Australian professional ethical pronouncements and the Corporations Act 2001.

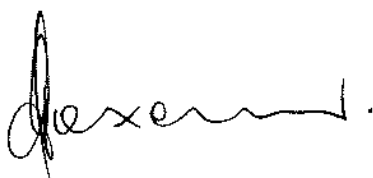
Audit opinion

In our opinion, the financial report of OBJ Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.



PKF (NSW Partnership)
Chartered Accountants



Grant F. Saxon
Partner

Sydney, Dated this 30th day of September 2005.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

1. Shareholding

a. Distribution of Shareholders Number as at 21 September 2005

Category (size of Holding)	Holders
1 – 1,000	222
1,001 – 5,000	236
5,001 – 10,000	41
10,001 – 100,000	386
100,001 – and over	423
	1,308

b. There are 1,308 holders of fully paid ordinary shares. The Company has no other class of shares issued.

c. The number of shareholdings held in less than marketable parcels is 515.

d. The names of the substantial shareholders listed in the holding company's register as at 21 September 2005 are:

Shareholder	Ordinary	%
JEB Holdings Pty Ltd	34,725,000	9.79
Douglas Robert Alexander	18,250,000	5.14

e. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

These securities have no voting rights.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (continued)

f. 20 Largest Shareholders as at 21 September 2005 — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. JEB Holdings Pty Ltd	34,725,000	9.79
2. Douglas Robert Alexander	18,250,000	5.14
3. Shemariah Pty Ltd	8,525,000	2.40
4. Shemariah Pty Ltd	8,230,000	2.32
5. Fongrad Pty Ltd	7,950,000	2.24
6. Wells Peter Graham	7,310,000	2.06
7. BCI Holdings Pty Ltd	7,000,000	1.97
8. Manfree Nominees Pty Ltd	6,500,000	1.83
9. Kirkwood Colin	5,930,000	1.67
10. Thrupp Peter Ernest	5,843,326	1.65
11. Snowden John M & Pauline	5,800,000	1.63
12. Hill Peter	5,800,000	1.63
13. Seymour Administration PT	5,000,000	1.41
14. Dolphin Technology Pty Ltd	4,833,334	1.36
15. Wu Xiangqun	3,580,000	1.01
16. Quirk Dr Christopher John	3,400,000	0.96
17. Hamelin Nominees Pty Ltd	3,400,000	0.96
18. Hislop Paul Gerard & The Next Phase A/c	3,380,020	0.95
19. Erebon Pty Ltd	3,350,000	0.94
20. Siller Roderick	2,800,000	0.79
	151,606,680	42.71

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (continued)

g. Options

There are no options on issue as at the date of this report.

h. Restricted Securities

There are no restricted securities as at the date of this report

2. The name of the Company Secretary is Mr. John J Palermo.
3. The address of the principal registered office in Australia is Level 1, 284 Oxford Street, Leederville, Western Australia, 6007. Telephone (08) 9443 3011.
4. Registers of securities are held at Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross, Western Australia, 6153. Telephone (08) 9315 0933.
5. Stock Exchange Listing: The Company's securities are quoted on the official list of the Australian Stock Exchange Limited, the home branch being Perth.
ASX code: OBJ