



Transdermal drug delivery technology

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**Monday, 8 September 2008**

## **SHAREHOLDER UPDATE**

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OBJ Limited (ASX: OBJ) wishes to update shareholders on the progress by the Company.

The Company has multiple research programs underway to develop, optimize and validate its transdermal drug delivery platforms. In January 2008, the Company commenced an in vitro proof-of-concept (POC) program at the University of Queensland (UQ) to validate its DP and ETP delivery platforms for pharmaceutical applications. This program included a series of in vitro skin diffusion studies to evaluate and select susceptible drugs and then optimize the formulation and magnetic fields before progressing to in vivo POC in animals and/or humans. One objective of this program was to validate previous in vitro human epidermal studies that had been conducted at Curtin University of Technology (Curtin) in Western Australia.

The initial replication studies undertaken at UQ were focused on small molecules and found initial evidence supporting enhanced transdermal delivery of Naltrexone by the Dermaportation platform. However, the improvement was less than the results previously achieved at Curtin. The Company subsequently embarked on a program at Curtin to investigate the potential technology, equipment and skin model factors that may have contributed to these variable results, such that it can improve its technology transfer procedures and increase the reliability of results across different laboratories.

Following the completion of the current testing program at Curtin, the Company intends to continue the POC program at UQ. The early-stage and uniqueness of the OBJ magnetic delivery platforms requires further research and development to identify and optimize the key factors influencing magnetic delivery. These factors will be explored as part of a broader POC program.

The Company has filed an international PCT patent application for its ETP platform and is continuing with ETP research to develop and optimize the technology for transdermal delivery. An internal cosmetic program was initiated during the period to evaluate the efficacy of ETP for a range of active cosmetic ingredients and products using in vivo techniques. Preliminary results suggest that the ETP platform may improve wrinkle depth and hydration when used as a daily patch treatment compared to topical treatment. The Company is currently collaborating with an independent cosmetic testing laboratory in NSW to conduct a cosmetic patch trial to validate the efficacy of ETP for cosmetic use. The cosmetic active ingredients to be used in the trial have been supplied by a major cosmetic ingredient manufacturer.

The Company also signed a research collaboration with the University of Queensland in January 2008 for a \$250,000 ARC Linkage Grant titled "Topical peptide delivery for cosmetic and therapeutic benefits", and plans to investigate

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the mechanism and feasibility of using the ETP platform for delivery of cosmetic peptides under this collaboration.

The Company has spent considerable time working with international pharmaceutical and cosmetic companies in the evaluation of the Company's technologies. OBJ aims to take advantage of the current interest in active delivery platforms that can provide a transdermal solution for existing drugs going off-patent within next 4-5 years. The objective is to negotiate development and licensing agreements with interested parties for the OBJ technology upon demonstration of successful feasibility/POC.

In December 2007, the Company executed its second research collaboration agreement with a global healthcare company to evaluate its magnetic delivery platforms for OTC applications. The terms of the agreement and details of the feasibility project are subject to confidentiality; however the Company will receive payment for completion of the project. The agreement also deals with future collaboration and licensing rights that may arise following a successful feasibility.

The Company intends to continue to advance its technology proof-of-concept program in the 2009 financial year with a focus on increasing its scientific data package and progressing susceptible molecules through to in vivo validation. It also intends to advance its device development program through collaborations with University and industry partners to develop DP and ETP patch prototypes.

The Company is committed to focusing on its science, people and partnerships in 2009. OBJ plans to strengthen its scientific team, increase its internal research programs and evaluate further business opportunities to broaden its technology and/or product portfolio.

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**About OBJ:**

OBJ is an early-stage drug delivery Company focused on the development of transdermal drug delivery technology for use in the pharmaceutical and cosmetic industries. The Company is developing two drug delivery technologies for the transdermal delivery of pharmaceutical and cosmetic compounds through or into the skin without the need for injections. The foundation technology, Dermaportation (DP), is a powered drug delivery technology that uses battery power to generate time-varying electromagnetic fields. The Company's second technology, Enhanced Transdermal Polymer (ETP) is an unpowered drug delivery technology that uses a magnetic gradient technique to enhance transdermal delivery. The DP platform is designed to be integrated into a battery-operated transdermal patch for pharmaceutical applications, whereas the ETP platform is intended as a powerless patch targeted at the competitive over-the-counter pharmaceutical and cosmetic markets.

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