

Shareholder Update

OBJ (ASX: OBJ) is pleased to provide shareholders with an update of activities and programs since August 2010.

Material Transfer Agreement

OBJ entered into a Material Transfer Agreement (MTA) in November 2009 which enabled the exploration of OBJ's **eM-patch™** magnetic enhanced drug delivery technology. The MTA was extended in January 2010 to allow sufficient time to conclude their internal evaluations.

This program of work is now complete and the other party to agreement has reconfirmed its interest in OBJ continuing to recommend that party as a potential contract manufacturer for magnetic arrays to interested partners. The ongoing relationship remains important to OBJ as it provides an internationally respected GMP manufacturing capability for OBJ partners' product requirements. Additionally, OBJ has agreed to share the results of a product performance enhancement program for two existing commercial patch products. This internal program will utilise the full magnetic micro-array development capabilities of OBJ's laboratory.

FMCG - Strategic Alliance

The Strategic Alliance with a major FMCG company announced in September 2010 is progressing on schedule with the arrival of a number of drug candidates that will form part of the Technical Evaluation phase of the Strategic Alliance. The drugs and active ingredients received are from existing commercial products of the FMCG company with global sales. Dr Matthew McIldowie, the Company's Research Manager, is working closely with the various product groups in the FMCG company in the development of the testing and assay methodologies that will be used to quantify the level of enhancement provided by the Company's **eM-patch™** and **FIM™** technologies. The internal resources of the Company's laboratory are being expanded to accommodate this work which will be further augmented by speciality research organisations in the UK and Europe.

BioPartnering Europe

The Company's International Partnering Manager, Dr Kevin Hammond presented the Company's technologies and partnering opportunities at the *BioPartnering Europe* conference in London on 11th and 12th October. The presentation was used by Dr Hammond to further the Company's partnering activities in the pharmaceutical and regulated medicines field. Discussions with pharmaceutical companies resulted which are being followed up with a view to expanding the Company's activities in the regulated medical sector.

Website

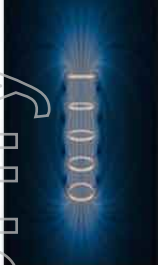
The Company has updated its website and shareholders are invited to view this at www.obj.com.au

- End -

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OBJ Limited

leaders in magnetic micro-array drug delivery



For more information:

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About OBJ:

OBJ is a leading developer of magnetic micro-array drug delivery and product enhancement technologies and has over 100 years combined expertise in the pharmaceutical, healthcare and consumer goods sectors.

OBJ partners leading companies in the design and development of next generation products using physical science rather than chemistry to provide new levels of product performance without the cost of reformulation or new ingredient approvals.

OBJ provides partnering and design expertise in:

- Transdermal Drug Delivery
- Cosmetic and Therapeutic Skincare
- Oral Health, Haircare and Deo-actives
- High Penetration Surface Care and Hygiene
- Fabric and Carpet Care

OBJ offers a portfolio of proprietary technologies and supports partners by providing IP protected market exclusivity, expertise in magnetic array design, feasibility and efficacy and claims testing, engineering and production.

About OBJ's Technologies

OBJ has developed a platform of physical enhancement technologies based on low-cost magnetic micro-arrays that influence the movement and penetration of drugs, active ingredients and formulations at the molecular level.

Complex 3-D array and moving magnetic fields have the ability to repulse certain molecules to enhanced diffusion and to alter the permeability of certain biological and non-biological targets.

OBJ is the first company to develop low cost micro-array film technology that utilises diamagnetic repulsion, induced permeation and energy redirection to offer a new way of managing the speed, depth of penetration and delivery of active ingredients in a wide range of pharmaceutical and consumer products.

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

OBJ LIMITED

ABN

72 056 482 636

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	--	--
1.2 Payments for (a) staff costs	(41)	(41)
(b) advertising and marketing	--	--
(c) research and development	(211)	(211)
(d) leased assets	--	--
(e) other working capital	(202)	(202)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	74	74
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid	--	--
1.7 Other (GST)	(17)	(17)
Other (R & D tax offset)	--	--
Other (EMDG Grant)	--	--
Net operating cash flows	(402)	(402)

+ See chapter 19 for defined terms.

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Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(402)	(402)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	(1)	(1)
(e) other non-current assets	--	--
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	--	--
(e) other non-current assets	--	--
1.11 Loans to other entities	--	--
1.12 Loans repaid by other entities	--	--
1.13 Other (provide details if material)	--	--
Net investing cash flows	(1)	(1)
1.14 Total operating and investing cash flows	(403)	(403)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	52	52
1.16 Proceeds from sale of forfeited shares	--	--
1.17 Proceeds from borrowings	--	--
1.18 Repayment of borrowings	--	--
1.19 Dividends paid	--	--
1.20 Other (capital raising costs)	--	--
Net financing cash flows	52	52
Net increase (decrease) in cash held	(351)	(351)
1.21 Cash at beginning of quarter/year to date	5,424	5,424
1.22 Exchange rate adjustments to item 1.20	--	--
1.23 Cash at end of quarter	5,073	5,073

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	92
1.25 Aggregate amount of loans to the parties included in item 1.11	--

+ See chapter 19 for defined terms.

1.26 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	--	--
3.2 Credit standby arrangements	--	--

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	350	404
4.2 Deposits at call	4,720	5,020
4.3 Bank overdraft	--	--
4.4 Other (share application account)	3	--
Total: cash at end of quarter (item 1.23)	5,073	5,424

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Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
(Director)

Date: 25 October 2010

Print name: JEFFREY EDWARDS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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