

Tuesday, 5 April 2011

SHAREHOLDER UPDATE

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

GlaxoSmithKline Consumer Healthcare (GSK)

In October 2010, the Company reported the commencement of discussions regarding the next steps in a development program for an undisclosed but important area in Consumer Healthcare products. These discussions were in response to a series of earlier successful evaluations by GSK's UK based Consumer Healthcare Division.

The Company is pleased to report that the relationship between the two Companies is progressing well with plans for first-in-man studies being finalised. Further details will be provided once negotiations regarding the study programs, protocols and agreements have been concluded.

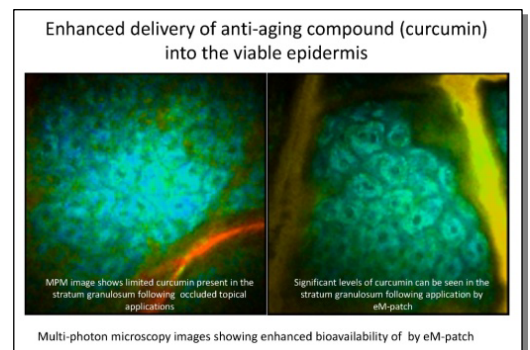
FMCG - Strategic Alliance – Consumer Care Products

The Strategic Alliance with a major international FMCG company announced in September 2010 is progressing across multiple fronts. The broad range of products for which the OBJ technology is being evaluated has required the establishment of a number of new and innovative test models and the recruitment of leading specialists and industry experts familiar with these product categories. Various regulatory pre-requisites in different parts of the world have introduced additional regulatory requirements which the Company is now addressing.

Amongst recent successes has been an independent university study that showed a significant increase in the delivery of a key anti-ageing ingredient through the stratum corneum (upper skin surface) and into the living tissues of the skin. The ability to show enhanced penetration of cosmetic compounds beyond the superficial surface provides a major competitive advantage for cosmetic and FMCG companies.

FMCG – OTC Healthcare

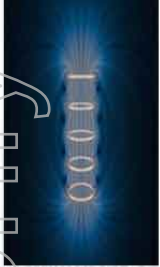
The Company's collaboration with a second major international FMCG, initially announced in 2009, has progressed through a number of stages of technical evaluation and has more recently been subjected to consumer studies. As a consequence of the response to date, this



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development program has now moved to being reviewed by FMCG's international marketing department.

In addition, interest from another product group within the same FMCG company has created further potential product development opportunities for the Company. The use of drug delivery technology in this category, if adopted, will be a further demonstration of the versatility of the Company's technologies.

Expansion of UK presence

The increasing levels of partnering and scientific activity in the UK and Europe have encouraged the Company to expand its presence in that region.

Mr Jeffrey Edwards, the Company's Technical Director, will work in the UK with Dr Kevin Hammond, the Company's International Partnering Manager, in meeting client, partnering and product development requirements.

Dr Matt McIldowie will remain in Perth to manage the Company's specialist transdermal laboratory and will provide technical support and testing for Mr Edwards and Dr Hammond's partnering and product development activities. The increased presence in the U.K. will allow the Company to better manage programs both in Europe and in the USA and permit a more focused internal product development program.

- End -

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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 with 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

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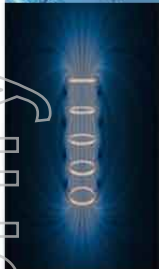
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OBJ offers a portfolio of proprietary technologies and supports partners by providing IP protected market exclusivity, expertise in magnetic array design, feasibility and efficacy and claims testing, engineering and production.

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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