OBJ LIMITED

(ABN 72 056 482 636)

2011 ANNUAL REPORT

CORPORATE DIRECTORY

AUSTRALIAN COMPANY NUMBER:
056 482 636

DIRECTORS:
Glyn Gregory Horne Denison
Jeffrey David Edwards
Christopher John Quirk

SECRETARY:
John Joseph Palermo
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LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board I am pleased to present the Company's Annual Report and the results for the year ended 30 June 2011.

During the reporting period, the Company extended its relationships with a number of international companies with interest in utilising OBJ's technologies for the effective delivery of their products. Products cover the pharmaceutical, cosmetic and Fast Moving Consumer Goods (FMCG) market sectors.

During the year, the Company secured ethics approval to undertake testing of formulations with skin in its own laboratory. This enables the Company to manage its own testing programs without the need to rely on third party institutions. This in-house testing program is complemented with specialist testing at UK based institutions where the Company is working with some of the world's experts in transdermal research.

One program that is nearing completion is the testing and evaluation under a Letter of Intent with an FMCG company which covers several commonly-used formulations. This was announced to the market in 2010. The Company is now in discussions with that FMCG company to consider the next stage of development.

During the period, the Company announced further development work with GlaxoSmithKline (GSK). The results showed statistically significant levels of enhancement in an in vitro testing model in a consumer healthcare product. This program highlighted the first successful series of tests using the new FIM technology.

The relationship with GSK has been extended with the execution of a Collaborative Development Agreement for consideration in the use of OBJ's technology in oral healthcare. The program will cover a number of phases for both in vitro and in vivo testing and focuses on the possible development of products using our technologies in the $29 billion oral healthcare market.

The Company has, over the past eight years, undertaken testing of many different compounds and formulations with these efforts being directed towards establishing the types of compounds and formulations that perform best using our technologies.

It is pleasing that, as recently announced, the Company will commence the development of its own patch directed at the relief of pain in joints. The experience gained from this initial development will form the basis for other patch applications that are targeted with our international partnering companies.

The Company has successfully managed its growth, expansion and increased activity in all sectors and has emerged as a stronger, better resourced, better skilled and better equipped unit ready to meet the demands and needs of its global partners.

I would like to take this opportunity to thank you for supporting the Company throughout the year. 2011 established the base from which we expect on-going potential development programs being initiated with our partners.

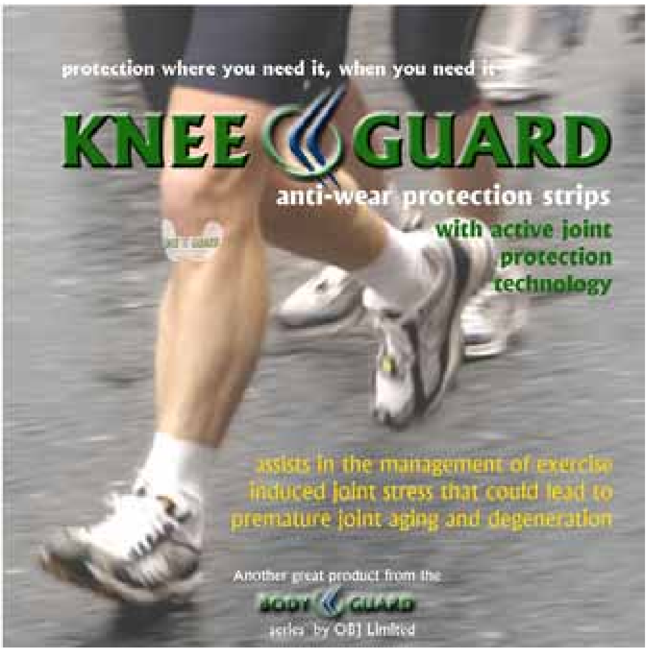
Glyn Denison
Director

REVIEW OF OPERATIONS

The 2011 year was an important one for the Company, as it moved further from its research and development base to product-focused development programs and partnering activities. Significant growth and progress in all key areas has seen the Company well placed with its unique drug delivery and product enhancement technologies translating into potential commercial products which may deliver real benefits to patients and consumers.

The Company and its Technologies

OBJ is a medical device company located in Western Australia specialising in the development of next generation transdermal (through-skin) drug delivery and product performance enhancement technologies. OBJ is a leader in the development of magnetic micro-array, magnetophoresis and active powerless transdermal drug delivery technologies.



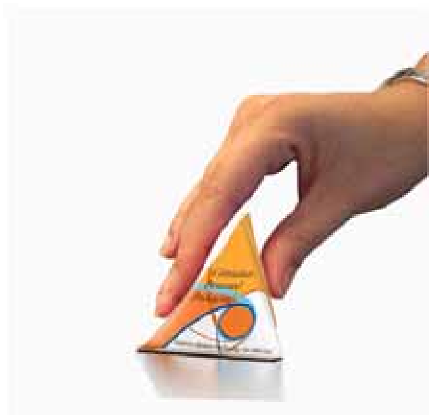
The Company has internal product development programs and international collaborations with world leading medical and consumer healthcare companies. OBJ has developed and has patents filed for a number of unique and low-cost drug delivery methods based on the interactions between magnetic micro-arrays and the atomic behaviour of target ingredients. By using a physical rather than a chemical approach, OBJ is able to develop a new generation of potential products that provide new opportunities for its international partners in the delivery of their formulations.

Science behind the Technology

When placed close to the skin, OBJ's technologies influence skin permeability through a process known as electro-osmosis that gives energy and direction to target molecules through magnetophoresis. These effects combine to significantly change the efficiency of through-the-skin drug delivery and make possible a wide range of performance enhancements in both medical and consumer products.

OBJ achieves this by harnessing complex 3-D micro-array and moving magnetic fields that exploit the reluctance of paired electrons to move across a magnetic field. This is combined with the magnetic field's ability to change surface charge and wettability to provide overall performance enhancements through physical rather than chemical means. OBJ is believed to be the first company to develop low cost magnetic field technology that utilises:

- Diamagnetic repulsion for controlling the rate, depth of penetration and delivery pathway of active ingredients during diffusion and partitioning;
- Induced charge permeation to manage permeability and to focus the delivery of ingredients to specific targets; and
- Energy redirection to capture the motion of normal consumer behaviour and redirect that as an energy source for enhanced delivery of target active ingredients.



REVIEW OF OPERATIONS *(continued)*

OBJ achieves this dual effect using low cost thin-film magnetic technology and inexpensive device technologies that are well suited to the needs of both pharmaceutical and consumer products.

The Company's business model involves both internal product development that utilises its unique low-cost technologies and international partnering and collaboration programs with major pharmaceutical, dermatology, cosmetic and FMCG (fast moving consumer goods) companies.

Commentary on the Period

During 2011, the Company moved further into product focused developments and partnering programs with specific product objectives. The period saw a refocus from exclusive partner-managed technology evaluations to a more collaborative relationship with partners.

Highlights of the period included:

- Encouraging progress in the multi-product Strategic Alliance with one of the world's leading Fast Moving Consumer Good (FMCG) companies;
- Continuing success in the GSK Oral Health pre-clinical programs;
- Additional commercial and collaboration discussions with international partners across multiple product development sectors; and
- Establishment of a retail consumer Anti-Pain Patch program.

In addition, the Company established a number of off-shore product development programs, primarily in the UK, with leading scientific and university groups to further new product development opportunities in the pharmaceutical, therapeutic, cosmetic, hygiene and surface care fields.

Developments during the Period

In August 2010, the Company announced an expansion of its marketing and development activities into new areas, made possible by advances in the Company's proprietary Field-In-Motion (FIM) technology and the filing of new patents to cover the use of these technologies in special key markets of interest. At the same time, the Company announced the appointment of Dr Matthew McIldowie as Research Manager to coordinate the expanded study and development programs.

The Company also signed a letter of intent with one of the world's largest Consumer Healthcare and Homecare product companies. Subject to an initial testing program, the companies intend working together in the design and development of suitable evaluation methodologies for specific active ingredients with the view to achieving commercially significant level of enhancements using OBJ's technologies. These programs have progressed well after initial regulatory delays in accessing certain biomaterials.

REVIEW OF OPERATIONS *(continued)*

During the reporting period, the Company accepted an invitation to present at the prestigious BioPartnering Conference in London. At the same time, the Company announced that consumer studies by a major FMCG company had commenced into a key OTC pharmaceutical application with encouraging results. Discussions in this area are ongoing with more than one international partner now interested in progressing this application in collaboration with the Company.

Prior to the closure of the reporting period, the Company announced the commencement of the first-in-man clinical study program in an oral health collaboration with GlaxoSmithKline (GSK) following continued successes in pre-clinical studies.

This program is underway and Mr Edwards and Dr Hammond were able to provide hands-on support and technical assistance to the GSK teams during the program establishment phases.

Business Development and Partnering Report

Considerable progress has been made over the past twelve months in consolidating one of the business strategic goals of securing partnering activities to deliver short, medium and long-term commercial return.

Activities have again focused primarily on exploiting ETP, but Dermaportation remains of interest for specialised applications and has been boosted by securing of granted patent protection in the U.S.A.

Alongside business development activities, an initiative of particular note has been the expansion of our technical capabilities to meet business needs. The services of several key international experts have been secured to support our activities, and complementary research programs have been established at several prestigious academic institutions.

In the more lucrative medium to long-term Pharmaceutical and Healthcare sectors, we were pleased to announce in May this year our securing of a collaborative research and development agreement with GSK Healthcare. Since the announcement, further and more compelling data has been generated. Both static and FIM magnetic arrays - and *in vivo* clinical studies are now well advanced.

On topical drug delivery in general, (both OTC and Rx), we are now engaging the interests of more than one large Healthcare company.

The potential personal care applications for magnetic arrays have continued to receive substantial interest from several FMCG and prestige cosmetic companies. A key achievement in this area was the announcement in September 2010, of a Strategic Alliance program with one of the world's largest FMCG companies. Work on this latter program has proved particularly encouraging, with magnetic array technology now demonstrated to improve the delivery of several key therapeutic agents - both ex vivo and in vivo. The most effective approach to bringing one or more applications to market is now the focus of discussions.

REVIEW OF OPERATIONS *(continued)*

Homecare and Hygiene applications were new areas of consideration last year, but along with personal care these areas offer opportunities for a shorter time to market. Partnering activities remain a critical focus for OBJ, but as made apparent by our recent announcement, when clear business opportunities are identified OBJ is prepared to adopt a first-mover approach. Musculoskeletal pain treatment and prevention is an area where OBJ technology offers potential unique benefits, something the Company will be pro-actively exploring with a view to a future partnership or possible direct launch into the market place.

Scientific and Laboratory Report

The laboratory team has continued to deliver the essential research support for our client sponsored feasibility and testing programs, whilst maintaining the fundamental development of new product platforms that incorporate the Company's magnetic micro array, FIM and Dermaportation technologies.

The preceding year has been productive and fruitful for the OBJ research team, with a number of significant developments that have substantially enhanced our core research capabilities.

OBJ won independent Ethic Committee approval for the use of human tissues in our medical research which has allowed the Company to develop excellent working arrangements with local medical facilities to ensure that the supply of this key research tool will be maintained in the future. Access to sufficient quantities of high quality epidermal materials has already resulted in an acceleration of client sponsored programs and a number of studies into the application of magnetic micro array technology to the activation of cosmetic, depilatory and hygiene ingredients.

The laboratory programme has allowed the Company to grow its in-house expertise which has resulted in a new range of study methodologies being developed for *in vivo* programs. This type of data is highly effective in partnering programs as it is generally regarded as the best evidence for substantiation of cosmetic/skincare benefits. This has also proven a fertile technique rapidly resulting in the attainment of positive results.

OBJ has also built upon its internal formulation expertise and has undertaken a core development program focused on the incorporation of OBJ's magnetic micro array technology into patches containing a variety of desirable drug/cosmetic actives and adhesives. Development of this key knowledge will allow OBJ to move more efficiently into existing markets and cultivate new more effective patch technologies to meet market opportunities.

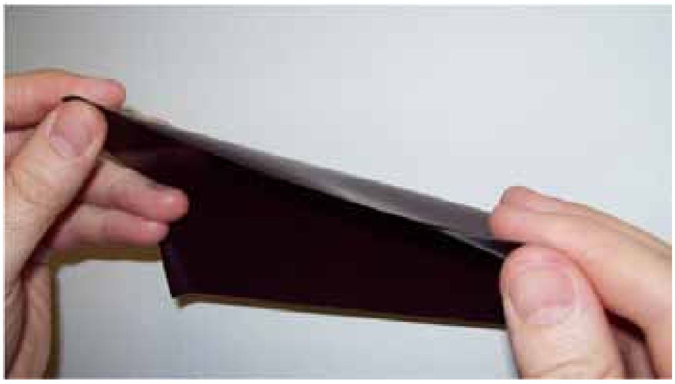
OBJ's laboratory operations have been doubled during the year and with the acquisition of a new analytical instrument, capabilities have dramatically increased our capacity to undertake multiple lines of investigation concurrently without restriction. These acquisitions allow OBJ to provide more rapid and effective support to our FMCG partner projects.

REVIEW OF OPERATIONS *(continued)*

The period has also seen a number of close scientific collaborations being established in the UK and in the USA. Such scientific collaborations have already yielded at least one proprietary test methodology for the cosmetic industry that has already attracted the interest of one of our FMCG partners.

Technology Platforms

During the period, Dr Matthew McIldowie, the Company's Research Manager, was responsible for expansion of the Australian laboratory in both human and technical resources. Dr McIldowie has successfully established a number of new *in vitro* and *in vivo* testing capabilities in the Company's laboratory and now works closely with the scientific teams of the Company's international partners.



Recent technical achievements, successes in partner evaluations and a greater focus on value added products will enhance the Company's activities in the coming period.

The Company has strong collaboration relationships with leadings intentional groups, a growing network of scientific resources, a strong financial position and solid technology and product development programs.

Intellectual Property

Over the period, the Company has undertaken significant expansion to its IP and Patent portfolios with the lodgement of 6 additional "Field of Use" patent applications covering the major commercial areas of interest to OBJ's partner companies and the progression of its foundation patents through to final examination in both the USA and Europe.   These programs are designed to provide OBJ with broad exclusivity across key markets and to allow efficient and effective licensing across key market sectors.

DIRECTORS' REPORT

The directors present their report on the results of OBJ Limited and its controlled entities for the year ended 30 June 2011.

DIRECTORS

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

Mr Glyn Gregory Horne Denison
Mr Jeffrey David Edwards
Dr Christopher John Quirk

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year ended 30 June 2011 were research and development for its Dermaportation and ETP transdermal drug delivery technologies.

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

OPERATING RESULT

The net consolidated loss of the consolidated entity after providing for income tax amounted to $(897,529) (2010: $954,931).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid during the year ended 30 June 2011.

The Board has not made a recommendation to pay dividends for the period to 30 June 2011.

REVIEW OF OPERATIONS

The Company continues to pursue development of its Dermaportation and ETP technologies, review its intellectual property assets and evaluate new business opportunities to strengthen its technology and/or product portfolio with the objective of enhancing shareholder value.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

Certain information regarding future developments has been disclosed in this report under the heading "Review of Operations". 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.

DIRECTORS' REPORT *(continued)*

INFORMATION ON DIRECTORS

Mr Jeffrey Edwards
Jeffrey Edwards has over 20 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 Global Energy Medicine Pty Ltd (therapeutics) and CollTech Australia Limited (biomaterials). During the past three years, Mr Edwards has not held a directorship in any other listed companies.

Mr Glyn Denison
Glyn Denison is a qualified professional engineer and operates his own business consultancy advising companies in their development internationally. Mr Denison was one of the founders of the ERG Group and held several senior executive positions over the period from 1987 to 2003. These positions included President of the Americas for the ERG fare collection business and the New Business Development Director for ERG Transit. Prior to ERG, Mr Denison held several commercial positions with Bunnings Forest Products (now part of the Wesfarmers Group). During the past three years, Mr Denison has also served as a director of the following other listed companies:

- Australian Renewable Fuels Limited (resigned August 2009)

(* denotes current directorship)

Dr Christopher Quirk
Christopher Quirk is an Australian dermatologist who has been a teaching hospital consultant for 27 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 has presented at the World Congress of Dermatology in Paris and the World Congress on Cancers of the Skin in Seville. During the past three years, Dr Quirk has also served as a director of the following other listed companies:

- Pharmanet Group Limited *

(* denotes current directorship)

COMPANY SECRETARY

Mr John J Palermo B.Bus. CA, ACIS
Mr Palermo is a Chartered Accountant with 15 years experience in Public Practice. Currently a director of Palermo Chartered Accountants, he has experience in public company accounting and administration. Mr Palermo is a Regional Councillor with the Institute of Chartered Accountants and sits on the Executive of the National Trust of Western Australia. In 2009, Mr Palermo was awarded a West Australian Business News 40 Under 40 award.

DIRECTORS' REPORT *(continued)*

DIRECTORS' MEETINGS

During the financial year ended 30 June 2011, the Company held directors' meetings, including directors' resolutions. The total number of meetings attended and circular resolutions executed by each director were:

	Board Meetings		Resolutions
	Number Eligible to Attend	Number Attended	Number Executed
Mr J D Edwards	3	3	36
Mr G G H Denison	3	3	36
Dr C J Quirk	3	3	36

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During or since the end of the financial year, the Company has indemnified and entered into agreements to indemnify its directors and officers.

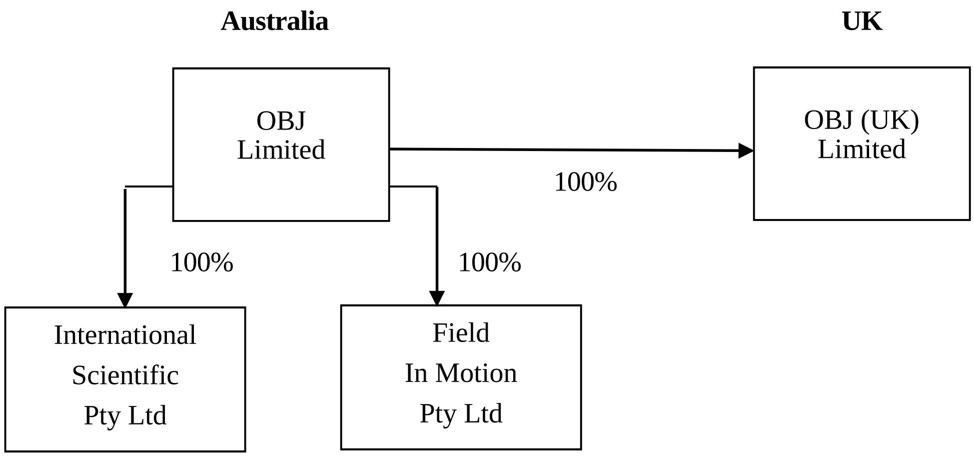
EVENTS SUBSEQUENT TO REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

CORPORATE STRUCTURE

OBJ Limited is a company limited by shares that is incorporated and domiciled in Australia with its principal place of business at Ground floor, 284 Oxford Street, Leederville, Western Australia.

OBJ Limited has prepared this consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the group's corporate structure:



DIRECTORS' REPORT *(continued)*

SHARE OPTIONS

As at 30 June 2011, there existed the following outstanding options to acquire ordinary shares:

Listed Options

111,488,969 options remain on issue, exercisable at $0.01125 on or before 31 December 2011.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any future share issues.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of the Company.

Remuneration policy

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 Company’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 and the time and commitment required to efficiently and effectively perform the required tasks.

Remuneration of Executive Director

Jeffrey Edwards is paid $19,250 per calendar month, paid monthly in arrears for consulting fees.

Remuneration of Non Executive Directors

Glyn Denison is paid $25,000 per annum plus $1,500 per day or a proportion thereof on a pro rata basis, paid monthly in arrears for consulting fees.

Chris Quirk is paid $25,000 per annum, paid quarterly in arrears for consulting fees.

Remuneration of Senior Executive

Dr Kevin Hammond is paid £9,000 per month for his services as an International Partnering Manager.

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT *(continued)*

Remuneration of Directors and Executives (audited)

	Primary Salary & Fees ($)	Cash Bonus ($)	Non-Monetary ($)	Post Employment Superannuation ($)	Post Employment Retirement Benefits ($)	Equity Options ($)	Other Benefits ($)	TOTAL ($)
Parent Entity Directors and Executives								
Edwards, J D: Director (executive)								
2011	228,204	--	--	--	--	--	10,200	238,404
2010	206,300	30,000	--	--	--	--	--	236,300
Denison, G G H: Director (non-executive)								
2011	76,500	--	--	25,000	--	--	--	101,500
2010	122,492	--	--	25,000	--	--	--	147,492
Quirk, C J: Director (non-executive)								
2011	18,750	--	--	--	--	--	--	18,750
2010	25,000	--	--	--	--	--	--	25,000
Hammond, K: Senior Executive								
2011	179,515	--	--	--	--	--	8,274	187,789
2010	57,480	--	--	--	--	7,500	868	65,848
Total								
2011	502,969	--	--	25,000	--	--	18,474	546,443
2010	411,272	30,000	--	25,000	--	7,500	868	474,640

There are no other specified executives in positions of control or exercising management authority.

DIRECTORS' REPORT *(continued)*

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.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of OBJ Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained in the annual report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 14.

NON-AUDIT SERVICES

Any non-audit services that may have been provided by the entity's auditor, RSM Bird Cameron Partners, is shown at Note 14. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act and the general principles relating to auditor independence set out in APES 110 Code of Ethics for Professional Accountants. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed in accordance with a resolution of the board of directors.

Jeffrey Edwards
Director
Perth, Western Australia
26th September 2011

RSM Bird Cameron Partners
Chartered Accountants

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www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of OBJ Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated: 26 September 2011

TUTU PHONG
Partner

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 30 June 2011 $	Consolidated 30 June 2010 $
Revenue	**2**	889,774	961,683
Borrowing costs	**3(a)**	(19,000)	(19,921)
Depreciation expenses	**3(a)**	(17,793)	(8,676)
Administration fees and administration benefits expenses	**3(b)**	(164,267)	(276,965)
Auditor's remuneration	**3(b)**	(25,000)	(23,500)
Consultants and consultants benefits expenses	**3(b)**	(523,004)	(655,684)
Directors' and employees benefits expenses	**3(b)**	(578,964)	(504,510)
Insurance	**3(b)**	(20,293)	(18,854)
Legal costs	**3(b)**	(18,478)	(3,659)
Occupancy expenses	**3(b)**	(62,573)	(50,534)
Patent fees	**3(b)**	(81,034)	(67,634)
Travel and accommodation	**3(b)**	(79,121)	(115,136)
Other expenses	**3(b)**	(197,776)	(171,541)
Loss before income tax		(897,529)	(954,931)
Income tax	**4**	--	--
Loss for the year		(897,529)	(954,931)
Other comprehensive income		--	--
Total comprehensive loss for the year		(897,529)	(954,931)
Loss attributable to:			
Members of the parent entity		(897,529)	(954,931)
		Cents	**Cents**
Basic and diluted losses per share (cents per share)	**17**	(0.08)	(0.1)

The above statement of comprehensive income
should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Consolidated 30 June 2011 $	30 June 2010 $
Current Assets			
Cash and cash equivalents	**5**	4,641,003	5,326,997
Trade and other receivables	**6**	207,482	193,653
Total Current Assets		4,848,485	5,520,650
Non-Current Assets			
Plant and equipment	**7**	82,983	33,895
Total Non-Current Assets		82,983	33,895
Total Assets		4,931,468	5,554,545
Current Liabilities			
Trade and other payables	**8**	257,949	319,768
Interest bearing liabilities	**9**	190,000	190,000
Total Current Liabilities		447,949	509,768
Total Liabilities		447,949	509,768
Net Assets		4,483,519	5,044,777
Equity			
Issued capital	**15**	20,108,976	19,798,559
Reserves	**16**	1,277,174	1,251,320
Accumulated losses		(16,902,631)	(16,005,102)
Total Equity		4,483,519	5,044,777

The above statement of financial position
should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Issued Capital	Option Reserves	Accumulated Losses	Total
	$	$	$	$
<u>Consolidated</u>				
Balance at 1 July 2009	14,511,593	960,820	(15,050,171)	422,242
Total comprehensive loss for the year	--	--	(954,931)	(954,931)
Shares issued during the year	5,639,188	--	--	5,639,188
Options issued during the year	--	292,000	--	292,000
Transaction costs	(352,222)	(1,500)	--	(353,722)
Balance at 30 June 2010	19,798,559	1,251,320	(16,005,102)	5,044,777
Balance at 1 July 2010	19,798,559	1,251,320	(16,005,102)	5,044,777
Total comprehensive loss for the year	--	--	(897,529)	(897,529)
Shares issued during the year	310,417	--	--	310,417
Options issued during the year	--	55,748	--	55,748
Transaction costs	--	(29,894)	--	(29,894)
Balance at 30 June 2011	20,108,976	1,277,174	(16,902,631)	4,483,519

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 30 June 2011 $	Consolidated 30 June 2010 $
Cash flows from operating activities			
Receipts from customers		601,346	429,858
Payments to suppliers and employees		(1,776,871)	(1,595,281)
Interest received		282,854	35,845
Borrowing costs		(19,000)	(19,921)
Net cash used in operating activities	**11**	(911,671)	(1,149,499)
Cash flows from investing activities			
Payment for plant and equipment		(66,881)	(13,466)
Proceeds from sale of plant and equipment		--	600
Net cash used in investing activities		(66,881)	(12,866)
Cash flows from financing activities			
Proceeds from issues of shares and options		366,165	5,419,188
Transaction costs from issue of shares and options		(29,894)	(353,722)
Net cash provided by financing activities		336,271	5,065,466
Net (decrease)/increase in cash and cash equivalents held		(642,281)	3,903,101
Cash and cash equivalents at the beginning of the financial year		5,326,997	1,436,817
Effect of exchange rate changes on cash holdings		(43,713)	(12,921)
Cash and cash equivalents at the end of the financial year	**5**	4,641,003	5,326,997

The above statement of cash flows
should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements for OBJ Limited as the parent entity are no longer presented as a consequence of changes to the Corporations Act 2001, however required financial information for OBJ Limited as the parent entity is included in Note 24.

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

The financial report was authorised for issue by the Board on 26 September 2011.

The financial report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

The significant policies, which have been adopted in the preparation of this financial report, are:

(a) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

(b) Adoption of New and Revised Accounting Standards

The Company has adopted all new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current financial year.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities controlled by OBJ Limited (parent entity) as at 30 June 2011 and the results of the controlled entities for the year then ended. The effects of all transactions between OBJ Limited and its controlled entities are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of comprehensive income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for the part of the year for which control exists.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

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 Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of 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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on either a diminishing value method or a straight line method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	2.5-100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Plant and Equipment *(continued)*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date and where adjusted, shall be accounted for as a change in accounting estimate. Where depreciation rates or method are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Controlled Entities
Investments in controlled entities are recognised at cost less provision for impairment.

Impairment
At each reporting date, the directors assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(h) Interests in Joint Ventures

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated statement of comprehensive income and statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Intangibles

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property of the present value of the minimum lease payments, including any guaranteed residual values. 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.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(l) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and service tax (GST).

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

(o) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

(p) Share-Based Payment Transactions

OBJ Limited provides benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions')

There is currently one plan in place to provide these benefits:

(i) the Employee Share Option Plan (ESOP), which provides benefits to full-time or part time employees and consultants of the Company.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Share-Based Payment Transactions *(continued)*

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (`vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made, the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Loss per share

(i) *Basic Loss per share*

Basic loss per share is determined by dividing the operating profit/(loss) after income tax attributable to members of OBJ Limited by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted Loss per share*

Diluted loss per share adjusts the amounts used in the determination of basic loss per share by taking into account unpaid amounts on ordinary shares and any reduction in loss per share that will probably arise from the exercise of options outstanding during the financial year.

(r) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(s) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Company's controlled entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

Controlled entities

The financial results and position of foreign controlled entities whose functional currency is different from the presentation currency are translated as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(s) Foreign Currency Transactions and Balances *(continued)*

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign controlled entities are transferred directly to the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(t) New Accounting Standards issued but not yet effective

At the date of this financial report the following accounting standards, which may impact the Company in the period of initial application, have been issued but are not yet effective:

Reference	**Title**	**Summary**	**Application date (financial years beginning)**	**Expected Impact**
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013	No expected impact on the entity or estimate impact on client
AASB 124	*Related Party Disclosures*	Revised standard. The definition of a related party is simplified to clarify its intended meaning and eliminate inconsistencies from the application of the definition	1 January 2011	Disclosure only

The Company has decided against early adoption of these accounting standards.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the critical judgements and estimates that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 30 June 2011 $	Consolidated 30 June 2010 $
NOTE 2: REVENUE		
Export market development grant	66,859	23,315
Research and development collaboration revenue and tax offsets	534,487	774,408
Interest received	288,428	160,889
Recoveries	--	3,071
Total revenues	889,774	961,683

NOTE 3: EXPENSES

		30 June 2011 $	30 June 2010 $
(a)	**Expenses**		
	Depreciation of plant and equipment	17,793	8,676
	Borrowing costs - Interest expense	19,000	19,921

(b) Significant items

Loss before income tax includes the following expenses whose disclosure is relevant in explaining the financial performance:

	30 June 2011 $	30 June 2010 $
Administration fees and administration benefits expenses	164,267	276,965
Auditor's remuneration	25,000	23,500
Consultants and consultants benefits expenses	523,004	655,684
Directors' and employees' benefits expenses	578,964	504,510
Insurances	20,293	18,854
Legal costs	18,478	3,659
Occupancy expenses	62,573	50,534
Patent fees	81,034	67,634
Travel and accommodation	79,121	115,136
Other expenses	197,776	171,541
	1,750,510	1,888,017

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	30 June 2011 $	30 June 2010 $
NOTE 4: INCOME TAX		
The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Loss before income tax	(897,529)	(954,931)
Income tax calculated at 30%	(269,259)	(286,479)
Non allowable expenditure	1,543	463
Deferred tax assets not recognised	267,716	286,016
Income tax expenses	--	--
The following deferred tax assets have not been brought to account as assets:		
Tax losses available at 30% tax rate	1,389,353	1,278,371
Tax losses available	4,631,175	4,261,237

A deferred tax assets in relation to tax losses are not brought to account unless it is probable that future taxable amounts within the entity will be available against which the unused tax losses can be utilised. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 30 June 2011 $	30 June 2010 $
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	3,086	1,705
Cash at bank	287,917	305,292
Cash on deposit	4,350,000	5,020,000
	4,641,003	5,326,997
NOTE 6: TRADE AND OTHER RECEIVABLES		
Prepayments	18,053	17,878
Accrued income	134,399	128,825
GST refundable	55,030	46,950
	207,482	193,653
NOTE 7: PLANT AND EQUIPMENT		
Plant and equipment at cost	161,768	94,887
Accumulated depreciation	(78,785)	(60,992)
Total plant and equipment	82,983	33,895
Reconciliation of the carrying amount of plant and equipment is set out below:		
Carrying amount at the beginning of year	33,895	31,316
Additions	66,881	13,466
Proceeds from sale of plant and equipment	--	(600)
Loss on disposal of plant and equipment	--	(1,611)
Depreciation expense	(17,793)	(8,676)
Carrying amount at the end of year	82,983	33,895

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	
	30 June 2011 $	**30 June 2010 $**
NOTE 8: TRADE AND OTHER PAYABLES		
Other creditors and accruals	257,949	319,768
NOTE 9: INTEREST BEARING LIABILITIES		
Convertible notes – unsecured	190,000	190,000

Convertible note terms:

Issue Date	Amount $	Interest Rate	Convertible On or Before
4 June 2009	190,000	10% per annum	4 June 2012 (i)

If the convertible notes which are convertible at $0.003 have not been converted in their entirety into shares on the date which is 11 months after the date of issue, the Company may convert the amount of the convertible notes which has not been repaid (together with any accrued interest), into shares, upon giving 5 business days notice to the convertible note holder.

(i) The convertible notes issued on 4 June 2009 were not converted on 4 June 2011, as they were extended for a further 12 months on the same terms and conditions.

NOTE 10: COMMITMENTS

(a) Capital Expenditure commitments

There were no capital expenditure commitments as at 30 June 2011.

(b) Finance lease and hire purchase commitments

There were no finance lease and hire purchase commitments as at 30 June 2011.

(c) Operating lease commitments

There were no operating lease commitments as at 30 June 2011 as the Company pays rent on a month-by-month basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 30 June 2011 $	30 June 2010 $
NOTE 11: CASH FLOW INFORMATION		
Reconciliation of net cash and cash equivalents used in operating activities to loss for the year:		
Loss for the year	(897,529)	(954,931)
Depreciation	17,793	8,676
Equity settled share based payment	--	292,000
Net loss on disposal of plant and equipment	--	1,611
Foreign exchange movements	43,713	12,921
Movements in assets and liabilities:		
Trade and other receivables	(13,829)	(113,827)
Trade and other payables	(61,819)	(395,949)
Net cash used in operating activities	(911,671)	(1,149,499)

NOTE 12: KEY MANAGEMENT PERSONNEL

Names and positions of directors and specified executives in office at any time during the financial year are:

Mr Jeffrey David Edwards	Director – Executive
Mr Glyn Gregory Horne Denison	Director – Non-Executive
Dr Christopher John Quirk	Director – Non-Executive
Dr Kevin Hammond	International Partnering Manager

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid or payable to the Company's key management personnel for the year ended 30 June 2011.

The totals of remuneration paid to key management personnel during the year are as follows:

	30 June 2011 $	30 June 2010 $
Short term employee benefits	502,969	441,272
Post employment benefits	25,000	25,000
Share based payments	--	7,500
Other benefits	18,474	868
	546,443	474,640

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: KEY MANAGEMENT PERSONNEL *(continued)*

Options Holdings

2011	Balance 01/07/10 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/11 (No. Options)	Total Vested 30/06/11 (No. Options)	Total Exercisable (No. Options)
J D Edwards	856,113	--	--	27	856,140	856,140	856,140
G G H Denison	1,986,529	--	--	11	1,986,540	1,986,540	1,986,540
C J Quirk	1,004,445	--	--	--	1,004,445	1,004,445	1,004,445
K Hammond	500,000	--	(500,000)	--	--	--	--
Total	4,347,087	--	(500,000)	38	3,847,125	3,847,125	3,847,125

2010	Balance 01/07/09 (No. Options)	Granted as Remuneration (No. Options)	No. of Options Exercised	Net Change Other (No. Options)	Balance 30/06/10 (No. Options)	Total Vested 30/06/10 (No. Options)	Total Exercisable (No. Options)
J D Edwards	9,408,000	--	(11,579,746)	3,027,859	856,113	856,113	856,113
G G H Denison	5,317,500	--	(4,000,000)	669,029	1,986,529	1,986,529	1,986,529
C J Quirk	6,980,000	--	(6,980,000)	1,004,445	1,004,445	1,004,445	1,004,445
K Hammond	--	500,000	--	--	500,000	500,000	500,000
Total	21,705,500	500,000	(22,559,746)	4,701,333	4,347,087	4,347,087	4,347,087

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: KEY MANAGEMENT PERSONNEL *(continued)*

Share Holdings

2011	Balance 01/07/10 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/11 (No. of Shares)
J D Edwards	42,833,645	--	--	--	42,833,645
G G H Denison	13,380,556	--	--	--	13,380,556
C J Quirk	22,088,890	--	--	--	22,088,890
K Hammond	--	--	500,000	--	500,000
Total	78,303,091	--	500,000	--	78,803,091

2010	Balance 01/07/09 (No. of Shares)	Received Remuneration (No. of Shares)	No. of Options Exercised	Net Other Change (No. of Shares)	Balance 30/06/10 (No. of Shares)
J D Edwards	54,008,500	--	11,579,746	(22,754,601)	42,833,645
G G H Denison	8,042,500	--	4,000,000	1,338,056	13,380,556
C J Quirk	23,980,000	--	6,980,000	(8,871,110)	22,088,890
K Hammond	--	--	--	--	--
Total	86,031,000	--	22,559,746	(30,287,655)	78,303,091

Transactions with Key Management Personnel

There were no transactions with related parties other than directors' fees and consultants' fees which have been disclosed in the Remuneration Report.

NOTE 13: CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of OBJ Limited and the subsidiaries listed in the following table.

	Country of Incorporation	% Equity Interest 2011 $	% Equity Interest 2010 $	Book Value of Shares held by Parent Entity 2011 $	Book Value of Shares held by Parent Entity 2010 $
International Scientific Pty Ltd	AUS	100%	100%	--	--
Field In Motion Pty Ltd	AUS	100%	100%	1,000	1,000
OBJ (UK) Limited	UK	100%	--	2	--
				1,002	1,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Consolidated	
	30 June 2011 $	30 June 2010 $
NOTE 14: AUDITORS' REMUNERATION		
Amounts paid or due and payable to the auditors for:		
Audit and review services – RSM Bird Cameron Partners	25,000	23,500

NOTE 15: ISSUED CAPITAL

(a) Issued Capital

1,154,311,333 fully paid ordinary shares (2010: 1,123,270,688)	20,108,976	19,798,559

(b) Movements in ordinary share capital of the Company during the year were as follows:

Date	Details	Number of Shares	Issue Price	$
01/07/2010	Opening balance	1,123,270,688	--	19,798,559
06/07/2010	Conversion of options	500,000	$0.01	5,000
09/07/2010	Conversion of options	105,556	$0.01	1,056
20/07/2010	Conversion of options	552,948	$0.01	5,529
30/07/2010	Conversion of options	1,166,112	$0.01	11,661
06/08/2010	Conversion of options	1,810,806	$0.01	18,108
20/08/2010	Conversion of options	826,391	$0.01	8,264
05/10/2010	Conversion of options	595,159	$0.01	5,952
22/10/2010	Conversion of options	789,558	$0.01	7,896
05/11/2010	Conversion of options	390,616	$0.01	3,906
07/12/2010	Conversion of options	2,293,062	$0.01	22,931
16/12/2010	Conversion of options	7,060,148	$0.01	70,601
23/12/2010	Conversion of options	7,217,470	$0.01	72,175
06/01/2011	Conversion of options	7,683,286	$0.01	76,833
18/01/2011	Conversion of options	41,667	$0.01	417
28/03/2011	Conversion of options	7,866	$0.01125	88
	Less: transaction costs arising on share issues	--		--
30/06/2011	Closing balance	1,154,311,333		20,108,976

NOTE 15: ISSUED CAPITAL *(continued)*

(c) Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2011 and no dividends are expected to be paid in 2012.

There is no current intention to incur debt funding on behalf of the Company as on-going expenditure will be funded via cash reserves or equity.

The Company is not subject to any externally imposed capital requirements.

NOTE 16: RESERVES

	Consolidated	
	30 June 2011 $	30 June 2010 $
Option reserve	1,277,174	1,251,320

The option reserve records items recognised as expenses on valuation of employee/consultant share options.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 16: RESERVES *(continued)*

Movements in options of the Company during the year were as follows:

Date	Details	Number of Options Listed	Number of Options Unlisted	Fair Value of Options Issued	Exercise Price	Expiry Date
01/07/2010	Opening balance	145,183,843	--	$1,251,320	--	--
06/07/2010	Option conversions	(500,000)	--	--	$0.01	31/12/2010
09/07/2010	Option conversions	(105,556)	--	--	$0.01	31/12/2010
20/07/2010	Option conversions	(552,948)	--	--	$0.01	31/12/2010
30/07/2010	Option conversions	(1,166,112)	--	--	$0.01	31/12/2010
06/08/2010	Option conversions	(1,810,806)	--	--	$0.01	31/12/2010
20/08/2010	Option conversions	(826,391)	--	--	$0.01	31/12/2010
05/10/2010	Option conversions	(595,159)	--	--	$0.01	31/12/2010
22/10/2010	Option conversions	(789,558)	--	--	$0.01	31/12/2010
05/11/2010	Option conversions	(390,616)	--	--	$0.01	31/12/2010
07/12/2010	Option conversions	(2,293,062)	--	--	$0.01	31/12/2010
16/12/2010	Option conversions	(7,060,148)	--	--	$0.01	31/12/2010
23/12/2010	Option conversions	(7,217,470)	--	--	$0.01	31/12/2010
06/01/2011	Option conversions	(7,683,286)	--	--	$0.01	31/12/2010
18/01/2011	Option conversions	(41,667)	--	--	$0.01	31/12/2010
18/01/2011	Listed options expired	(114,151,064)	--	--	$0.01	31/12/2010
08/03/2011	Pursuant to prospectus dated 11/02/2011	111,496,835	--	$55,748	$0.01125	31/12/2011
28/03/2011	Option conversions	(7,866)	--	--	$0.01125	31/12/2011
	Less: transaction costs arising on option issues	--	--	($29,894)		
30/06/2011	Closing balance	111,488,969	--	$1,277,174		

NOTE 17: LOSS PER SHARE

Diluted loss per share is the same as basic loss per share.

The following reflects the income and data used in the calculations of basic and diluted loss per share:

	Consolidated	
	30 June 2011 $	30 June 2010 $
Loss for the year	(897,529)	(954,931)
Loss used in calculating basic and diluted loss per share	(897,529)	(954,931)
Weighted average number of ordinary shares used in calculating basic loss per share:	1,141,550,842	961,187,524
Weighted average number of ordinary shares used in calculating diluted loss per share:	1,141,550,842	961,187,524

Options outstanding are considered non-dilutive and therefore are excluded from the calculation of EPS.

NOTE 18: RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Company's financial instruments is cash flow interest rate risk. Other minor risks are either summarised below or disclosed at Note 15 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

Cash Flow Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Company does not have a formal policy in place to mitigate such risks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 18: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Consolidated

2011	Non-Interest Bearing ($)	Fixed Interest Rate Maturing: 1 Year or Less ($)	Over 1 to 5 Years ($)	More than 5 years ($)	Floating Interest Rate ($)	Total ($)	Weighted average interest rate
Financial assets:							
Cash and cash equivalents	--	4,350,000	--	--	291,003	4,641,003	6.03%
Trade and other receivables	207,482	--	--	--	--	207,482	--
	207,482	4,350,000	--	--	291,003	4,848,485	
Financial liabilities:							
Trade and other payables	257,949	--	--	--	--	257,949	--
Interest bearing liabilities	--	190,000	--	--	--	190,000	10.00%
	257,949	190,000	--	--	--	447,949	
Net financial instruments	(50,467)	4,160,000	--	--	291,003	4,400,536	

Consolidated

2010	Non-Interest Bearing ($)	Fixed Interest Rate Maturing: 1 Year or Less ($)	Over 1 to 5 Years ($)	More than 5 years ($)	Floating Interest Rate ($)	Total ($)	Weighted average interest rate
Financial assets:							
Cash and cash equivalents	--	5,020,000	--	--	306,997	5,326,997	5.92%
Trade and other receivables	193,653	--	--	--	--	193,653	--
	193,653	5,020,000	--	--	306,997	5,520,650	
Financial liabilities:							
Trade and other payables	319,768	--	--	--	--	319,768	--
Interest bearing liabilities	--	190,000	--	--	--	190,000	10.00%
	319,768	190,000	--	--	--	509,768	
Net financial instruments	(126,115)	4,830,000	--	--	306,997	5,010,882	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest Rate Sensitivity

At 30 June 2011, if interest rates had changed by 10% during the entire year with all other variables held constant, profit for the year and equity would have been $28,843 lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% increase sensitivity would move short term interest rates at 30 June 2011 from 6.03% to 6.63% (10% decrease: 5.43%) representing a 60 basis points shift. This would represent two to three increases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move up than down in the coming period.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

Credit Risk Exposure

The maximum credit risk exposure for each class of financial assets is represented by the carrying amounts of the class of asset.

The consolidated entity has no significant concentrations of credit risk with any single counterparty or group of counterparties.

Commodity Price Risk

The Company is not exposed to commodity price risk.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash reserves and marketable securities and through the continuous monitoring of budgeted and actual cash flows.

	Consolidated	
	30 June 2011 $	30 June 2010 $
Contracted maturities of liabilities at 30 June		
Payables		
- less than 6 months	257,949	319,768
Convertible notes		
- less than 6 months	--	--
- less than 12 months	190,000	190,000
	447,949	509,768

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign Exchange Risk

The Company is not exposed to significant foreign exchange risk at balance date. Although foreign exchange transactions in US Dollars and GB Pounds were entered into during the year, resulting in a foreign exchange loss of $43,713, the Company is unlikely to enter into any material transactions foreign exchange transactions in the next reporting period.

Reconciliation of Net Financial Assets to Net Assets

	Consolidated	
	30 June 2011 $	30 June 2010 $
Net financial assets	4,400,536	5,010,882
Plant and equipment	82,983	33,895
Net assets	4,483,519	5,044,777

Net Fair Values

For other assets and liabilities the net fair value approximates their carrying value. The Company has no financial assets or liabilities that are readily traded on organised markets and has no financial assets where the carrying amount exceeds net fair values at the reporting date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

NOTE 20: ECONOMIC DEPENDENCY

The Company is not economically dependent upon any third parties.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 21: SEGMENT INFORMATION

The Company has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment which is development of the dermaportation drug delivery technology within Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located. Operating revenues of approximately Nil (2010 - Nil) are derived from a single external party.

All the assets are located in Australia only. Segment assets are allocated to countries based on where the assets are located.

NOTE 22: CONTINGENT LIABILITIES

OBJ Limited has no known material contingent liabilities at the end of the financial year.

NOTE 23: SHARE BASED PAYMENTS

2011
No options were granted to any directors, consultants or employees during the financial year.

2010
The following options were granted to various consultants, employees and a senior executive of Company for no consideration and vested immediately:

K Hammond (Senior executive)

- 500,000 listed options exercisable at $0.01 on or before 31 December 2010.

Employees and Consultants

- 14,900,000 listed options exercisable at $0.01 on or before 31 December 2010.

Fair value of options granted

Grant Date	Expiry Date	Exercise Price	Options Issued	Value per Listed Option at Grant Date	Share Based Payments Expense
16 December 2009	31 December 2010	$0.01	6,500,000	$0.018	$117,000
1 February 2010	31 December 2010	$0.01	8,300,000	$0.02	$166,000
20 May 2010	31 December 2010	$0.01	600,000	$0.015	$9,000
					$292,000

All the options issued were listed options. Therefore, the fair value of the option was the closing market price of the option on grant date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 24: PARENT ENTITY DISCLOSURES

(a) Financial Position

	2011 $	2010 $
Current Assets		
Cash and cash equivalents	4,593,140	5,315,210
Trade and other receivables	197,765	183,719
Total Current Assets	4,790,905	5,498,929
Non Current Assets		
Plant and equipment	31,799	27,517
Other financial assets	1,002	1,000
Total Non Current Assets	32,801	28,517
Total Assets	4,823,706	5,527,446
Current Liabilities		
Trade and other payables	216,180	274,872
Interest bearing liabilities	190,000	190,000
Total Current Liabilities	406,180	464,872
Total Liabilities	406,180	464,872
Net Assets	4,417,526	5,062,574
Equity		
Issued capital	20,108,976	19,798,559
Reserves	1,277,174	1,251,320
Accumulated losses	(16,968,624)	(15,987,305)
Total Equity	4,417,526	5,062,574

(b) Financial Performance

	2011 $	2010 $
Loss for the year	(981,319)	(942,901)
Other comprehensive income	--	--
Total Comprehensive Loss	(981,319)	(942,901)

(c) Guarantees

OBJ Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

(d) Other Commitments and Contingencies

OBJ Limited has no commitments to acquire property, plant and equipment and has no contingent liabilities.

DIRECTORS' DECLARATION

In the opinion of the directors:

a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

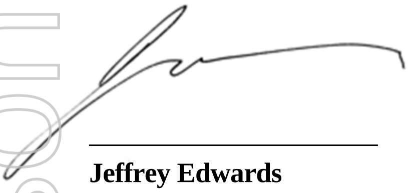
   ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

b) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as disclosed in Note 1(a); and

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.



Jeffrey Edwards
Director
Perth, Western Australia
26th September 2011

RSM Bird Cameron Partners
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
OBJ LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of OBJ Limited, which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of OBJ Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of OBJ Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of OBJ Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

TUTU PHONG
Partner

Perth, WA
Dated: 26 September 2011

ASX ADDITIONAL INFORMATION

1. QUOTED SECURITIES

(a) ORDINARY FULLY PAID SHARES AS AT 5 SEPTEMBER 2011

(i) DISTRIBUTION OF SHAREHOLDERS:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE OF ISSUED CAPITAL %
1 - 1,000	325	113,577	0.01
1,001 - 5,000	193	462,141	0.04
5,001 - 10,000	134	1,109,717	0.10
10,001 - 100,000	1,656	85,436,979	7.40
100,001+	1,491	1,067,188,919	92.45
	3,799	1,154,311,333	100.00

The number of shareholdings held in less than marketable parcels is 1,114.

(ii) TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES:

The names of the twenty largest shareholders of ordinary fully paid shares are listed below:

	NAME	NO. OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARES %
1.	Mirkazemi Pedram	34,000,000	2.95
2.	JEB Holdings Pty Ltd <Edwards Family A/C>	31,178,088	2.70
3.	HSBC Custody Nom Aust Ltd	29,459,797	2.55
4.	National Nom Ltd	25,748,887	2.23
5.	Dolphin Technology Pty Ltd	21,188,031	1.84
6.	Quirk CJ & SE <Quirk S/F A/C>	18,601,112	1.61
7.	Wright Anthony	14,812,223	1.28
8.	Desmond Wayne	13,629,000	1.18
9.	Denison Glyn G H <Glyn Denison Family A/C>	13,380,556	1.16
10.	JP Pty Ltd	13,333,334	1.16
11.	Wright Heather A	12,977,778	1.12
12.	JP Morgan Nom Aust Ltd	12,868,561	1.11
13.	JP Morgan Nom Aust Ltd <Cash Income A/C>	12,229,666	1.06
14.	Monarch Pty Ltd <Monarch A/C>	11,875,765	1.03
15.	Edwards J & B <Edwards S/F A/C>	11,222,223	0.97
16.	Citicorp Nom Pty Ltd	10,592,783	0.92
17.	Seablue Inv Pty Ltd	9,333,334	0.81
18.	Pascoe Helen O <Pascoe Pension Fund>	8,500,000	0.74
19.	Chan Anthony F	8,087,822	0.70
20.	Leong M & D <D & M S/F A/C>	7,495,645	0.65
		320,514,605	27.77

iii) VOTING RIGHTS

No restrictions - on a show of hands every member present in person or by proxy shall have one vote and upon a poll, each fully paid share shall have one vote.

ASX ADDITIONAL INFORMATION *(continued)*

1. QUOTED SECURITIES *(continued)*

(a) ORDINARY FULLY PAID SHARES AS AT 5 SEPTEMBER 2011 *(continued)*

(iv) SUBSTANTIAL SHAREHOLDERS

There were no Substantial Shareholders as recorded in the Register of Members as at 5 September 2011.

(b) OPTIONS

As at 5 September 2011, there existed the following quoted options:

111,488,969 OPTIONS EXERCISABLE AT $0.01125 EACH ON OR BEFORE 31 DECEMBER 2011

(i) DISTRIBUTION OF OPTIONHOLDERS:

SPREAD OF HOLDINGS	NO. OF HOLDERS	NO. OF OPTIONS	PERCENTAGE OF QUOTED OPTIONS %
1 - 1,000	0	0	0.00
1,001 - 5,000	7	21,390	0.02
5,001 - 10,000	9	57,404	0.05
10,001 - 100,000	67	2,954,686	2.65
100,001+	89	108,455,489	97.28
	172	111,488,969	100.00

(ii) TOP 20 HOLDERS OF QUOTED OPTIONS:

The names of the twenty largest optionholders are listed below:

	NAME	NO. OF OPTIONS HELD	PERCENTAGE OF QUOTED OPTIONS %
1.	Seashells Resort Pty Ltd <Polar A/C>	12,666,667	11.36
2.	Jomima Pty Ltd <Internal Equity A/C>	12,276,917	11.01
3.	TELWA Pty Ltd <Altitude A/C>	9,500,000	8.52
4.	Coastpark Pty Ltd <Market A/C>	8,088,889	7.26
5.	Monarch Corp Pty Ltd	6,369,565	5.71
6.	Fedele Peter	5,611,120	5.03
7.	Dolphin Technology Pty Ltd	4,000,000	3.59
8.	Classic Fincl Pty Ltd <Maceri Family A/C>	2,400,000	2.15
9.	Middleton CJ & HM <CJM S/F A/C>	2,225,780	2.00
10.	Hyland-Potts Elka H	2,032,000	1.82

ASX ADDITIONAL INFORMATION *(continued)*

1. QUOTED SECURITIES *(continued)*

(b) OPTIONS *(continued)*

(ii) TOP 20 HOLDERS OF QUOTED OPTIONS *(continued)*:

	NAME	NO. OF OPTIONS HELD	PERCENTAGE OF QUOTED OPTIONS %
11.	Edwards David G	2,000,000	1.79
12.	Denison Glyn GH <Glyn Denison Family A/C>	1,986,540	1.78
13.	Wright Heather Ann	1,948,900	1.75
14.	Cayzer Pty Ltd <Rofe Family A/C>	1,900,000	1.70
15.	Hawkins Judith J	1,543,680	1.38
16.	Pasquini’s Deli Pty Ltd <Pasquini’s S/F A/C>	1,500,000	1.35
17.	Rancewicz Samantha	1,288,340	1.16
18.	Connolly Rhett L	1,250,000	1.12
19.	Cleaver Peter M	1,135,164	1.02
20.	Cooper Jeb P	1,128,000	1.01
		80,851,562	72.51

(iii) VOTING RIGHTS

Holders of options are not entitled to vote at a General Meeting of Members in person, by proxy or upon a poll, in respect of their option shareholding.

CORPORATE GOVERNANCE STATEMENT

OBJ Limited ("the Company") is committed to implementing and maintaining the highest standards of corporate governance. The primary responsibility of the Board of the Company ("the Board") is to represent and advance the Company's shareholders' ("the Shareholders") interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for its employees and monitoring achievement of these goals.

The Company adopts the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* released in 2007 ("the Recommendations") to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

The Company's compliance with the Revised Corporate Governance Principles and Recommendations is summarised in the table below:

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1		✓	Recommendation 4.3		✓
Recommendation 1.2		✓	Recommendation 4.4		✓
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 2.1	✓		Recommendation 5.2	✓	
Recommendation 2.2	✓		Recommendation 6.1		✓
Recommendation 2.3		✓	Recommendation 6.2		✓
Recommendation 2.4		✓	Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3	✓		Recommendation 8.2		✓
Recommendation 4.1		✓	Recommendation 8.3		✓
Recommendation 4.2		✓			

[1] Indicates where the Company has followed the Principles & Recommendations and summarised those practices below.
[2] Indicates where the Company has provided an "if not, why not" disclosure below.

In acknowledging the Key Messages of the first review of the corporate governance reporting under the Revised Corporate Governance Principles and Recommendations by ASX Markets Supervision ("ASXMS"), the Company has provided additional disclosure for each of the 27 recommendations. Where the Company has departed from a recommendation, the Company has provided substantive reasons and refers to material containing additional disclosure, as relevant.

The "if not, why not" disclosure of the Company is summarised in the table below:

CORPORATE GOVERNANCE STATEMENT *(continued)*

Recommendation	Explanation of Departure from Recommendation
1.1, 1.2	The Company has not appointed any senior executives (excluding the Company Secretary). Therefore, full disclosure of the functions delegated to senior executives, and the evaluation of executives' performance under Recommendation 1.1 and 1.2 is not required.
2.3	The Company has not appointed a Chief Executive Officer ("the CEO"). Therefore, disclosure under Recommendation 2.3 is not required.
2.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent nomination committee, or to establish a formal nomination policy.
4.1, 4.2, 4.3, 4.4	Owing to the size and composition of the Board, it is not appropriate to establish an independent audit committee, or to establish a formal audit policy.
5.1, 5.2	Owing to the size and composition of the Board, it is not appropriate to establish formal policies for the oversight and promotion of timely and balanced disclosure in accordance with the Corporations Act and ASX Listing Rules.
6.1, 6.2	Owing to the size and composition of the Board, it is not appropriate to establish a formal policy to promote effective communication with Shareholders and encourage their participation at meetings.
8.1, 8.2, 8.3	Owing to the size and composition of the Board, it is not appropriate to establish an independent remuneration committee. Details of the Company's remuneration policy are set out in the Remuneration Report in the Directors' Report.

It is noted that as the Company's activities develop in size, nature and scope, the Company's corporate governance policies and processes will continue to be reviewed and improved as resources permit.

1. BOARD OF DIRECTORS

1.1. Role of Board

The Board is responsible for setting the strategic direction and establishing and overseeing the policies and financial position of the Company, and monitoring the business and affairs on behalf of its Shareholders, by whom the directors of the Company ("the Directors") are elected and to whom they are accountable.

Further, the Board takes specific responsibility for:

- Protecting and enhancing Shareholder value;
- Formulating, reviewing and approving the objectives and strategic direction of the Company;
- Approving all significant business transactions including acquisitions, divestments and capital expenditure;
- Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;

CORPORATE GOVERNANCE STATEMENT *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.1. Role of Board *(continued)*

- Ensuring that adequate internal control systems and procedures (including financial, risk management, occupational health and safety, environmental management systems and procedures) exist and that compliance with these systems and procedures is maintained;
- Identifying significant business risks and ensuring that such risks are adequately managed;
- Appointing Directors to the Board;
- Monitoring and reviewing the performance and remuneration of Directors;
- Monitoring and evaluating the Company Secretary's performance;
- Establishing and maintaining appropriate ethical standards; and
- Evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The Board is responsible for establishing a culture and framework that supports corporate governance, including creating the strategic direction for the Company, establishing goals for employees and the Company Secretary and monitoring the achievement of these goals.

The Company has a formal Board Charter, which is available from the Company on request. In broad terms, the Board is accountable to the Shareholders and must ensure that the Company is properly managed to protect and enhance Shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

As at the date of this Annual Report, the Company has not employed any senior executives; therefore, disclosure under Recommendations 1.2 and 1.3 is not required.

1.2. Terms of Office of Directors

The constitution of the Company ("the Constitution") specifies that one third of the Directors, excluding the Managing Director, shall rotate on an annual basis. It is noted that, as at the date of this Annual Report, the Company has not appointed a Managing Director.

1.3. Composition of the Board and Independence

The Directors in office at the date of this statement are:

Name	Position	Independent	Expertise
Mr Jeffrey David Edwards	Executive Director	No	Refer to Director's Report
Mr Glyn Gregory Horne Denison	Non-executive Director	Yes	Refer to Director's Report
Dr Christopher John Quick	Non-executive Director	Yes	Refer to Director's Report

CORPORATE GOVERNANCE STATEMENT *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.3. Composition of the Board and Independence *(continued)*

The Board considers the majority of Directors to be independent, commensurate with Recommendation 2.1. Dr Christopher Quick is considered to be independent, notwithstanding his 1.96% shareholding in the Company. Mr Glyn Denison is also considered to be independent, notwithstanding his contractual relationship with the Company to act as a business consultant for the Company one day per week. Mr Jeffrey Edwards is not considered to be independent, owing to the nature of his relationship with the Company.

As at the date of this Annual Report, the Company has not appointed a Chair or CEO. However, in the spirit of Recommendations 2.2 and 2.3, the role of the Chair is elected at each Board meeting, rotating between the two independent non-executive Directors ("the Chairman").

The Company has not established a formal policy for the nomination and appointment of Directors. However, the composition of the Board is determined using the following principles:

- The Board comprises three (3) Directors; however, this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
- The Board should comprise Directors with a broad range of expertise.

The Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board selects a panel of candidates with the appropriate expertise and experience. Potential candidates are identified by the Board with advice from an external consultant, if necessary. The Board then appoints the most suitable candidate who must stand for election at a general meeting of Shareholders.

1.4. Monitoring of Board Performance

In accordance with Recommendation 2.5, the Directors' performance is reviewed by the Chairman of the Board meeting (as elected) on an ongoing basis. In the event that any Director's performance is considered to be unsatisfactory, that Director will be asked to retire from the Board. The Chairman's performance is reviewed by the remaining two Board members on an ongoing basis.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Directors' performance during the course of the year ("the Guidelines"). Those Guidelines include minimum requirements for attendance at all Board and Shareholder meetings, whereby the non-attendance of a Director at more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed.

1.5. Independent Professional Advice

Each Director has the right, in connection with his/her duties and responsibilities as a Director, to seek independent professional advice at the Company's expense. However, prior approval of the Chairman (as elected) is required, which will not be unreasonably withheld.

CORPORATE GOVERNANCE STATEMENT *(continued)*

1. BOARD OF DIRECTORS *(continued)*

1.6. CEO and CFO Attestations

As at the date of this Annual Report, the Company has not appointed a CEO or chief financial officer ("the CFO"). Due to the size and scale of the Company's operations, these roles are currently performed by the Board, specifically Mr Jeffrey David Edwards who is primarily responsible for financial matters in relation to the Company.

In lieu of the CEO and CFO's attestations, Mr Jeffrey David Edwards certifies to the Board that:

- The Company's financial reports are complete and present a true and fair view, in all material aspects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards ("the Executive Director's Statement"); and
- The Executive Director's Statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating effectively and efficiently in all material aspects.

2. BOARD COMMITTEES

2.1. Nomination Committee

Owing to its size and composition, the Company has not established a separate nomination committee in accordance with Recommendation 2.4.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for a nomination committee pursuant to Recommendation 2.4.

The Board does not have a separate charter for its nomination and succession planning functions; however, the responsibilities of the Board ordinarily include the nomination functions described in section 1.3 of this Corporate Governance Statement.

2.2. Audit Committee

Owing to its size and composition, the Company has not established a separate audit committee in accordance with Recommendation 4.1.

The Board considers that the selection and appointment of Directors should be the responsibility of the full Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum number recommended for an audit committee pursuant to Recommendation 4.2.

The majority of the Board is independent and all Directors are financially literate. The Company Secretary holds financial qualifications. The Directors and Company Secretary have, together, accumulated sufficient technical expertise in other directorships to provide valuable insight and technical knowledge, allowing the Board to verify and safeguard the integrity of the Company's financial reports.

Preserving the spirit of Principle 4, the external auditor has full access to the Board throughout the year.

The Board does not have a separate charter for its audit functions; however, the responsibilities of the Board (as set out in section 1.1 of this Corporate Governance Statement) ordinarily include:

CORPORATE GOVERNANCE STATEMENT *(continued)*

2. BOARD COMMITTEES *(continued)*

2.2 Audit Committee *(continued)*

- Reviewing internal controls and recommending enhancements;
- Monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- Improving the quality of the accounting function;
- Reviewing external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by the Company; and
- Liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner.

The Board reviews the performance of the external auditors on an annual basis and nomination of auditors is as the discretion of the Board.

2.3. Remuneration Committee

Owing to its size and composition, the Company has not established a separate remuneration committee in accordance with Recommendation 8.1.

The Board considers that the responsibility for the selection and appointment of Directors can be adequately discharged by the Board and that no benefits or efficiencies are to be gained by delegating this function to a separate committee. In any event, the Board consists of only three members, which is the minimum composition recommended for an audit committee pursuant to Recommendation 8.1.

The Board does not have a separate charter for its remuneration functions; however, the Board is vested with the responsibility to review remuneration packages and policies (including remuneration, incentives, termination policies, and superannuation arrangements) applicable to each of the Directors and the Company Secretary. Remuneration levels are competitively set to attract the most qualified and experienced Directors for the benefit of the Company and Shareholders. The Board obtains independent advice on the appropriateness of remuneration packages.

In making decisions with respect to appropriate remuneration and incentive policies for executive Directors and the Company Secretary, the Board's objectives are to:

- Motivate executive Directors and the Company Secretary to pursue the long term growth and success of the Company within an appropriate control framework;
- Demonstrate a clear correlation between key performance and remuneration; and
- Align the interests of key leadership with the long-term interests of the Company's shareholders.

Shareholder approval is also required to determine the maximum aggregate remuneration for non-executive Directors. The maximum aggregate remuneration approved for non-executive Directors is currently set at $250,000 per annum. Non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements and are not entitled to participate in equity-based remuneration schemes of the Company.

CORPORATE GOVERNANCE STATEMENT *(continued)*

2. BOARD COMMITTEES *(continued)*

2.3 Remuneration Committee *(continued)*

Full disclosure of the Company's remuneration philosophy and framework, and the remuneration received by Directors in the current period, is set out in the Remuneration Report, which is contained within the Directors' Report.

3. ETHICAL STANDARDS

The Company has established a formal Code of Conduct ("the Code") as per Recommendation 3.1, which is available from the Company on request.

The Code outlines the Company's expectations of Directors, the Company Secretary and employees and its related bodies corporate in relation to their behaviour and the way business is conducted in the workplace on a range of issues. Directors, the Company Secretary and employees are committed to acting with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. Directors, the Company Secretary and employees must conduct themselves in a manner consistent with the expectations of its stakeholders, commensurate with prevailing community and corporate standards, and must take responsibility for upholding the Company's legal obligations. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

4. DIRECTORS' DEALINGS IN COMPANY SHARES

The Company has implemented a formal trading policy as required by Recommendation 3.2 entitled *Guidelines for Dealing in Securities*. This policy applies to Directors, the Company Secretary employees and contractors of the Company, and is available from the Company on request.

In addition, Directors must notify the Australian Securities Exchange of any acquisition or disposal of shares by lodgement of a Notice of Director's Interests. Board policy is to prohibit Directors, the Company Secretary and employees from dealing in shares of the Company whilst in possession of price sensitive information.

5. CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION

The Company has implemented a formal Continuous Disclosure and Information Policy as suggested in Recommendation 5.1, which is available from the Company on request. This policy was introduced to ensure the Company achieves compliance with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules.

The Board aims to ensure that the Shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors. Information is communicated to Shareholders through:

- The Annual Report which is distributed to all Shareholders;
- Half-yearly reports, quarterly reports and all ASX announcements which are posted on the Company's website;
- The Annual General Meeting and other meetings so called to obtain Shareholder approval for Board action as appropriate;

CORPORATE GOVERNANCE STATEMENT *(continued)*

5. CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATION *(continued)*

- Compliance with the continuous disclosure requirements of the ASX Listing Rules; and
- The Company's auditor is required to be present, and be available to Shareholders, at the Annual General Meeting.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has a formal privacy policy ("the Privacy Policy"), which is available from the Company on request. The Company is committed to respecting the privacy of Shareholders' personal information. The Privacy Policy sets out the Company's personal information management practices and covers the application of privacy laws, personal information collection, the use and disclosure of personal information, accessing and updating Shareholders' information and the security of that information.

The Board has not adopted any additional codes of conduct or communications policies to promote effective communication with Shareholders and encourage their participation at general meetings in accordance with Recommendation 6. This is because the Board considers, in the context of the size and nature of the Company, that a communications policy would not improve the effective exercise of the Shareholders' rights at general meetings.

Nevertheless, the Company informally adopts several of the suggestions in Recommendation 6, including communicating to Shareholders electronically, and uploading its formal codes and policies to the Company's website.

7. RECOGNISE AND MANAGE RISK

Due to the size and scale of the Company and the Board, a separate committee has not been established to oversee risk management. However, the Board has established a formal risk management policy to recognise and manage risk, as recommended by Recommendation 7.1. This risk management policy is available from the Company on request.

Risk management is a priority for the Board who remains vigilant in creating a culture, processes and structures directed to optimising the Company's opportunities whilst minimising and managing potential material business risks.

Risk oversight, management and internal control are dealt with on a continuous basis by the Company Secretary and the Board, with differing degrees of involvement from various Directors and the Company Secretary, depending upon the nature and materiality of the matter.

The Board continuously reviews material business risks to identify whether the system for identifying and reporting risks is being managed effectively. Determined areas of risk which are regularly considered include:

- Performance and funding of research and development activities;
- Budget control and asset protection;
- Status of intellectual property;
- Compliance with government laws and regulations;
- Safety and the environment;
- Continuous disclosure obligations; and
- Sovereign risk.

CORPORATE GOVERNANCE STATEMENT *(continued)*

7. RECOGNISE AND MANAGE RISK *(continued)*

As the Company has not appointed a CEO (or equivalent) or CFO (or equivalent), an assurance under s295A of the Corporations Act has been made by Mr Jeffrey David Edwards, who performs the function of the CEO for this purpose.

The Annual Report sets out the major categories of risk applicable to the Company, which is set out in the Notes to the Financial Statements in the Annual Report.