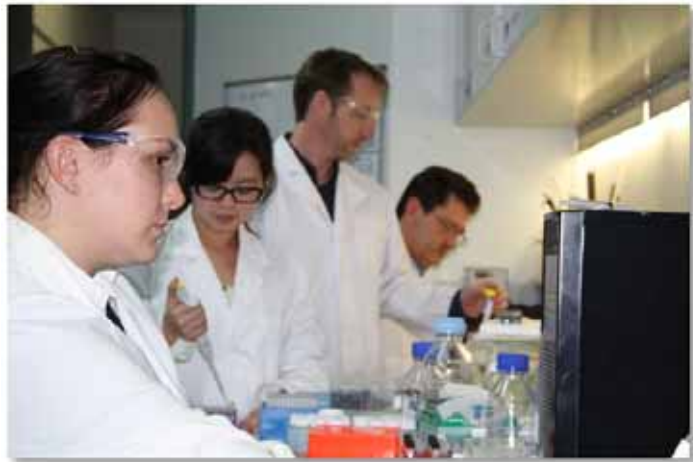


SHAREHOLDER UPDATE

OBJ is pleased to provide shareholders with an update of the activities that the Company is undertaking with partnering companies and independent laboratories around the world.

OBJ is establishing itself as the selected technology partner for enhanced delivery and product performance to an increasing number of major international corporations in both the pharmaceutical and consumer healthcare fields.

The relationships fostered with these partnering companies over many years is leading to a number of potential commercial undertakings as the testing and development process achieves expected levels of performance. Over recent months, OBJ has worked diligently on its internal testing, external evaluations and working with partners to define the parameters that may ultimately lead to commercial production of the Company's partners' products incorporating OBJ's technologies.



OBJ has established an internal transdermal delivery laboratory.

The following outlines key testing and development programs that are at various stages in their lifecycle. All of these programs are progressing satisfactorily.

PROCTER AND GAMBLE

OBJ's Joint Development Agreement (JDA) with the world's largest consumer products company announced in May 2012 moved another step forward this month with the Company's technical team presenting the initial results of an internal development program to the Cincinnati-based product groups. This first program progresses to the next development stage in the USA while a second program involving a new P&G nominated molecule enters development by our R&D team.

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ORAL HEALTH

An ongoing relationship with GSK (UK) and OBJ's own internal development programs in the Oral Health sector advanced with the completion of successful OBJ sponsored ex-vivo studies showing enhanced delivery of key oral health ingredients used in the treatment of teeth hypersensitivity (sensitive teeth) and tooth demineralization (re-hardening). The studies undertaken by the independent Modus Laboratories of the UK demonstrated statistically significant increases in the delivery of key compounds into the tooth enamel in as little as two minutes using a toothbrush-styled applicator incorporating OBJ's FIM technology.

This is a very exciting and technically challenging area with opportunities for the Company's technologies.

COSMETIC AND SKIN CARE

The Company's eM-patch, FIM and eSkin systems are currently attracting interest from a number of US and European cosmetic and skin care companies. Current US-based programs with a number of prestige cosmetic brands were expanded this month with the completion of pre-clinical studies showing commercially important levels of enhanced delivery of a multi-million dollar peptide-based cosmetic agent in partner-funded programs. OBJ is now in discussions with a large European-based international partner involved in prestige skin care. OBJ is working through the various options in the establishment of exclusive development relationships within the industry.

Cosmetic and Skin Care remain key areas of activity for the Company.



eSkin used OBJ's powered technology to provide personalized skin care.

PHARMACEUTICAL

The Company's work with one of the world's largest pharmaceutical companies also advanced with the presentation of the results of a recently fully-funded development in the area of analgesics. The levels of increased transdermal delivery demonstrated by OBJ's R&D team were in accordance

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with our partners' expectations and OBJ's commercial team is now engaged in discussions which may result in a product development program.

NEW OBJ DELIVERY DEVICES

There is a growing need across all industry sectors for innovative and cost-effective measured and controlled dose applicators for various compounds and drugs. The ability to deliver precise volumes of formulations using a single action measured patch opens significant opportunities for utilizing OBJ's technologies.



Packaging formats being trialled in consumer research

OBJ responded to these commercial opportunities last year by developing and filing patents covering a unique platform of new products based on micro-chambers combined with the Company's existing drug delivery technologies.

During the period OBJ partnered with the Centre for Pharmaceutical Engineering Science at Bradford University, UK in engineering, stability and compliance requirements for these new products and with an Asian-based multi-national manufacturer for low-cost, high-volume manufacturing.

Commercial interest from OBJ's current partners in these new delivery devices has been encouraging.

SURFACE HYGIENE

The ability of OBJ's technologies to force anti-microbial and disinfectant agents deep into the micro-cracks and fissures in hard and non-porous surfaces creates a potentially valuable market in the hospital, industrial and home markets for a new generation of hygiene products containing OBJ's technologies.

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A testing program is underway and took a step forward with a successful follow-up study by a major UK University showing significantly greater antiseptic penetration into these key micro-chambers by OBJ's FIM technology compared with traditional disinfection methods. The ability to increase the efficacy of disinfectant agents without additional chemical or toxicity effects opens a potentially important non-medical area for OBJ.

The Company is encouraged by the first potential non-biological applications for its technologies and believes this could be a potentially attractive application. Work continues in this key commercial sector.

MICRO-NEEDLES

The Company's work with the University of Queensland in enhancing the passage of drug from the skin into the viable epidermis following micro-needle application continues. The previous encouraging results by the University are now being developed into more potentially commercially focused opportunities. This forms part of the Company's technology diversification program.



OBJ's enhanced penetration technology shows greater antiseptic penetration.



OBJ's Body Guard musculoskeletal project moves another step forward.

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OBJ'S OWN PATCH PRODUCTS

International market research efforts are continuing to yield positive support for the Company's own Sporting and Anti-pain patch initiatives. A number of consumer studies have been completed in the UK to further define the application. Product functionality is being refined in response to consumer sentiment and market strategies are emerging as the Company works through this critical phase. The Company is now seeking to resource these programs and move forward with greater momentum.

SUMMARY

OBJ is using the partner-funded programs to prove-up products and innovations and utilize its resources to broaden its commercial base and reduce sole reliance on the time-frames of its partners.

The Company's momentum with a number of development programs consolidates the focus to move steadily forward to potential product realization.

- Ends -

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About OBJ:

OBJ develops proprietary magnetic micro-array drug delivery and product enhancement technologies for the pharmaceutical, healthcare and consumer goods sectors.

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

OBJ provides partnering and design expertise in:

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

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

About OBJ's Technologies

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

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

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