

Quarterly report for the period ending 30 September 2016

1. Financial

The Company's cash management remains strictly controlled with a balance of approximately \$6.3 million at 30 September 2016. The company is also expecting the R&D tax rebate over the next quarter.

2. Licensing

2.1 Procter & Gamble (P&G)

The relationship with our foremost partner in Procter & Gamble has risen to a new level with a number of key initiatives confirmed.



The confirmation of an additional Licensing Term Sheet under the Master Licensing Agreement executed earlier this year will now move from development to licensing to meet the demands from two of P&G's major brands. The first product (eye wand) is already being distributed throughout China and soon into other Asian countries and has been met with very strong response from customers. The new license is for a different applicator for P&G's products and is expected to be launched over the course of 2017.

The OBJ and P&G teams have established a first class operating team developing and now commercialising a range of highly innovative products where their performance is greatly enhanced by the OBJ micro array technology.

The P&G relationship moves from strength to strength and demonstrates the excellent innovative development being undertaken by both parties and sets OBJ a growing base for multiple income streams.

Directors

Mr Glyn Denison
Mr Jeffrey Edwards
Dr Chris Quirk

Company Secretary

Mr John Palermo

Registered Office:

284 Oxford Street
Leederville

Western Australia 6007

Tel: +61 8 9443 3011

Fax: +61 8 9443 9960

www.obj.com.au

ABN: 72 056 482 636

3. OBJ Product Innovations

3.1 BodyGuard

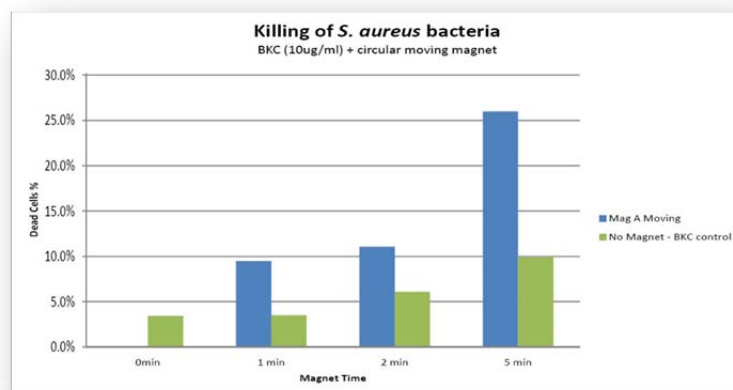
The Bodyguard product development program has progressed well during the period with the use of the hydro gel formulation being retained as the principle receptor for various compounds that allows their release from the device into the skin. Work also continued with alternative kinesiology tape manufacturers such that the first Kneeguard application is reaching manufacturing maturity. This is the first time several of these design and manufacturing initiatives have been used in a commercial product.

Negotiations for distribution have continued with four prospective major pharmaceutical and consumer goods companies. One has now completed its technical assessment and consumer research and is now in negotiations with OBJ for possible distribution.

3.2 Surface Hygiene

OBJ is working with two potential partners for the first possible distribution of the surface hygiene application. Both are presently evaluating OBJ supplied setups of the micro array technology with each partners' formulations.

The Company is keen to broaden the potential of utilising micro array technology in the many potential applications of improved performance of our partners' existing products.



31 October 2016

About OBJ

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

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

For more information:

Media/Investor relations:

Matthew Wright

matt@nwrcommunications.com.au

Phone: +61 451 896 420