NEPTUNE
technologies & bioressources

Third Quarterly Report
Ending February 28, 2005

EXECUTIVE ANALYSIS ON THE FINANCIAL SITUATION AND PRODUCTION RESULTS / EXECUTIVE COMMENTS AND ANALYSIS

This analysis is presented in order to provide the reader with an overview of the changes to the Neptune Technologies & Bioressources Inc. ("Neptune" or "the Company") financial situation between May 31, 2004 and February 28, 2005. It also includes a comparison between the operation results, the treasury flow and the financial situation for the 3-month period ending February 28, 2005 and those from the 3-month period ending February 29, 2004.

This analysis, completed on April 5, 2005, must be read in conjuncture with the Company's audited consolidated financial statements at May 31, 2004 and presented in the last annual report. Neptune financial statements were produced in accordance with Generally Accepted Accounting Principles (GAAP). Company results are published in Canadian dollars. All amounts appearing in this executive analysis are in Canadian dollars, unless indicated otherwise.

OVERVIEW

Neptune's third quarterly report ending February 28, 2005 was dedicated to the marketing of its products in North America and Asia. Neptune also deployed development initiatives in the European market. To accomplish this, the Company participated in various tradeshows in order to promote its products and maintain its level of excellence established and developed since its foundation. The Company launched three new products at the Expo West Show in Anaheim in March 2005 through its distributor Twin Lab.

The Company maintained its clinical research initiatives. As a result, the Company can now take advantage of scientific results demonstrating the benefits of Neptune Krill Oil (NKO™) on various human conditions, such as those relating to skin cancer, premenstrual syndrome, elevated cholesterol levels and inflammation problems. Neptune is also pursuing clinical research aiming to demonstrate the benefits of NKO™ for people suffering from osteoarthritis and arteriosclerosis.

During the first three quarters of the May 31, 2005 year end, the Company has realised sales of $3,6M, surpassing by $1,4M the corresponding sales of last year ending May 31, 2004. The Company should more than double its sales for the current year comparing to last years' total. The Company also realised a positive EBITDA for the third consecutive quarter.

PRINCIPAL QUARTERLY FINANCIAL DATA

(In thousands of dollars, except per share data)

Fiscal Year Ending May 31, 2005

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales Figures	3,606	1,134	1,180	1,292	
EBITDA (before loss on foreign exchange)	387	151	119	117	
Net Loss	1,235	388	503	344	
Loss per Share	0.049	0.015	0.020	0.013	

Fiscal Year Ended May 31, 2004

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales Figures	2,262	643	956	602	61
EBITDA	(1,659)	(353)	(269)	(240)	(797)
Net Loss	3,534	799	744	717	1,274
Loss per Share	0.161	0.037	0.034	0.033	0.057

Fiscal Year Ended May 31, 2003

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
EBITDA	(2,402)	(653)	(982)	(265)	(502)
Net Loss	3,335	760	1,336	525	714
Loss per Share	0.213	0.049	0.085	0.034	0.045

During the third quarter ending February 28, 2005, the Company has decreased its loss by 52% compared to the quarter ending February 29, 2004 despite a loss on foreign exchange of $30,844 for this quarter compared to a loss on foreign exchange of $11,130 for the quarter ending February 29, 2004. This decrease is also due in part by an increase in sales by $690,885 between the two quarters. The Company has also maintained a positive EBITDA for the third quarter in a row for a cumulative EBITDA of $387,000 for the first three quarters.

TREASURY FLOW AND FINANCIAL SITUATION

Operating Activities
During the third quarter ending February 28, 2005, the Company's operations have generated a decrease in liquidities of $175,625 compared to a decrease of $180,365 for the quarter ending February 29, 2004. Regardless of the similar decrease in liquidities between the two quarters, two important opposite variations contributed to counterbalance the effect on liquidities, a decrease in the net loss for an amount of $372,520 and a negative variation in the working capital items for $346,685. The changes in the working capital items for the third quarter ending February 28, 2005 are mainly due to an increase in receivables for $570,950 and an increase in accounts payable for $410,261 compared to the previous quarter.

Financing Activities
During the third quarter, there was no financing activity except for the long term debt reimbursement.

Investing Activities
The main variation in investing activities related to acquisitions of fixed assets and intangible assets for a total of $31,163.

Overall, taking the treasury flow into account, the Company has increased its cash by $137,828 since May 31, 2004.

Financial Situation
The following table details the important changes to the balance sheets as at February 28, 2005 and May 31, 2004:

Accounts	Increase (Reduction) (In thousands of dollars)	Comments
Cash	138	See cash flow statement
Receivables	718	Directly linked to the increase of operation and sales activities
Inventory	(178)	Better production management and increase in sales
Fixed assets	(403)	Depreciation of fixed assets
Other assets	(331)	Amortisation of start-up costs
Accounts payable	121	Change of the credit terms with the krill supplier
Convertible debenture	444	Addition of capitalised interest

PRIMARY ANNUAL FINANCIAL RATIOS

	Feb. 28, 2005	May 31, 2004	May 31, 2003
Working Capital Ratio	**1.29**	**1.05**	**1.76**
Solvency Ratio			
Debt Capital/Shareholder Equity*	1.31	1.31	0.65

* including convertible debentures

Most of the Company's financial ratios improved for the quarter ending February 28, 2005 compared to the year ended May 31, 2004, mostly because of the increase in sales and the private placement.

The Company's contractual obligations, including payments due during the next 5 reporting periods and the following ones, are presented in the following table:

		Required Payments per Period			
Contractual Obligations	**Total**	**Less than one period**	**2 to 3 periods**	**4 to 5 periods**	**More than 5 periods**
Long-term Debt (1)	3,696,749	628,749	1,472,000	1,472,000	124,000
Loans guaranteed by investments in rental contracts (2)	161,416	92,433	61,655	7,328	-
Total liabilities	3,858,165	721,182	1,533,655	1,479,328	124,000

(1) This amount does not consider the value of the warrants and stock issued.
(2) Including interest fees

Related Party Transactions
The transactions between related parties are described in note 2 "*Related Party Transactions"* of the Company's financial statements as at February 28, 2005.

Change in Accounting Policies
No changes in accounting policies since May 31, 2004.

Subsequent Events
There was no subsequent events of importance after February 28, 2005.

RISK FACTORS

Financial Risks
Management intends to continue the careful management of risks relating to exports, foreign exchange, interest rates and sale prices for merchandise.

The majority of the Company's accounts receivable are 90% guaranteed by insurers. All export sales are completed in American funds. The exchange rate risks incurred by the Company are, at present, limited to those relating to the American dollar. During times of a strengthening Canadian dollar, at a constant level of business, our reported U.S. sales and earnings will be reduced because the local currency will translate into fewer Canadian. Due to the fact that Company's raw materials are being purchased in American dollars and that the Company intends to maintain its matching policies, the Executive is not currently using financial instruments.

Product Liability
The Company acquires a $5M-liability insurance policy to cover civil liability relating to its products on a yearly basis. The Company also maintains a quality-assurance process that is PGO certified by the Canadian Food Inspection Agency (CFIA). In addition, the Company has begun implementing the initiatives required to receive *Good Manufacturing Practices* accreditation by Health Canada.

Prospective Statements
This Executive Analysis contains prospective information. Prospective statements include a certain amount of risk and uncertainty, and it is possible that the actual future results of the Company may differ somewhat from those predicted. These risks include: the growth in demand for Company products, seasonal variations in customer orders, changes in price and availability for raw materials and changes to economic conditions in Canada, the United States and Europe, including variations in exchange and interest rates.

The Company based its analysis on the prospective statement information available at the time of drafting. The inclusion of this information should not be considered as a declaration by the Company that the predicted results have been achieved.

Additional Information
Updated and additional Company information is available from the SEDAR Website at: http://www.sedar.com.

On April 5, 2005, the total number of common shares issued by the Company and in circulation was 25,594,805 and Company's common shares were being traded on the TSX stock exchange in Toronto under the listing NTB.

Henri Harland
President and CEO

André Godin
Vice-president, Administration & Finance

Neptune Technologies & Bioressources inc.

Interim Consolidated Statement of Earnings
(unaudited)

	Three months ended February 28,		Nine months ended February 28,	
	2005	2004	2005	2004
	$	$	$	$
Sales	**1,292,461**	601,576	3,606,291	2,201,198
Cost of sales and operating expenses (before amortization)	**1,139,038**	829,422	3,165,002	2,910,258
Research expenses	**37,042**	12,606	115,685	156,899
Financial expenses	**247,963**	246,273	749,938	684,479
Amortization of property and equipment	**244,135**	242,443	730,830	716,618
	1,668,178	1,330,744	4,761,455	4,468,254
Loss before other revenue (expenses)	**375,717**	729,168	1,155,164	2,267,056
Interest income	**260**	905	665	4,304
Foreign exchange gain (loss)	**30,844**	11,130	(80,987)	2,045
Net loss	**344,613**	717,133	1,235,486	2,260,707
Basic and diluted loss per share	**0.013**	0.033	0.049	0.103
Weighted average number of shares outstanding	**25,594,805**	21,924,810	25,418,016	21,864,082

Neptune Technologies & Bioressources inc.

Interim Consolidated Statement of Deficit
Interim Consolidated Contributed Surplus
(unaudited)

Interim Consolidated Statement of Deficit
(unaudited)

	Three months ended		Nine months ended	
	February 28,		February 28,	
	2005	2004	2005	2004
	$	$	$	$
Balance, beginning of year	**13,105,725**	10,203,945	12,194,383	8,660,371
Net loss	**344,613**	717,133	1,235,486	2,260,707
Share issue expenses			20,469	
Balance, end of year	**13,450,338**	10,921,078	13,450,338	10,921,078

Interim Consolidated Contributed Surplus
(unaudited)

	Three months ended		Nine months ended	
	February 28,		February 28,	
	2005	2004	2005	2004
	$	$	$	$
Balance, beginning of year	**309,491**	149,015	187,754	4,005
Expired warrants		1	62,049	27,211
Stock-based compensation - employees		26,605	52,369	42,205
Stock-based compensation - non-employees			7,319	102,200
Balance, end of year	**309,491**	175,621	309,491	175,621

Neptune Technologies & Bioressources inc.

Interim Consolidated Statement of Cash Flows
(unaudited)

	Three months ended February 28, 2005	2004	Nine months ended February 28, 2005	2004
	$	$	$	$
OPERATING ACTIVITIES				
Net loss	**(344,613)**	(717,133)	(1,235,486)	(2,260,707)
Non-cash items				
Amortization of property and equipment	**244,135**	242,443	730,830	716,618
Amortization of deferred financing costs	**6,280**	6,280	18,839	17,026
Financial expenses	**157,145**	153,327	477,669	395,565
Stock-based compensation - employees		26,605	59,688	42,205
Changes in working capital items	**(238,572)**	108,113	(448,918)	(1,433,602)
Cash flows from operating activities	**(175,625)**	(180,365)	(397,378)	(2,522,895)
INVESTING ACTIVITIES				
Property and equipment	**(8,305)**		(10,320)	(13,964)
Intangible assets	**(22,858)**	(61,084)	(52,202)	(157,113)
Cash flows from investing activities	**(31,163)**	(61,084)	(62,522)	(171,077)
FINANCING ACTIVITIES				
Long-term debt		158,886		750,000
Repayment of long-term debt	**(29,844)**	(37,234)	(97,923)	(102,192)
Issue of convertible debentures				1,250,000
Issue of capital stock			370,839	
Issue of warrants			340,092	
Share issue expenses			(15,280)	
Cash flows from financing activities	**(29,844)**	121,652	597,728	1,897,808
Increase (decrease) in cash and cash equivalents	**(236,632)**	(119,797)	137,828	(796,164)
Cash and cash equivalents, beginning of period	**327,820**	258,630	(46,640)	934,997
Cash and cash equivalents, end of period	**91,188**	138,833	91,188	138,833

Neptune Technologies & Bioressources inc.

Interim Consolidated Balance Sheets

	Unaudited February 28, 2005	Audited 31 May 2004
	$	$
ASSETS		
Current assets		
Cash	**91,188**	
Accounts receivable	**1,303,114**	585,558
Research tax credits receivable	**130,124**	87,638
Inventories	**1,069,798**	1,247,782
Prepaid expenses	**84,835**	60,837
	2,679,059	1,981,815
Property and equipment	**4,022,248**	4,425,784
Intangible assets	**535,784**	486,367
Other assets	**696,695**	1,027,622
	7,933,786	7,921,588
LIABILITIES		
Current liabilities		
Bank overdraft		46,640
Accounts payable and accrued liabilities		
Company controlled by an officer and director	**63,077**	29,445
Directors	**43,580**	42,000
Other	**1,248,933**	1,127,007
Instalments on long-term debt	**715,485**	639,121
	2,071,075	1,884,213
LONG-TERM DEBT (Note 3)	**3,017,437**	3,151,258
LIABILITY COMPONENT OF CONVERTIBLE DEBENTURES (Note 4)	**4,989,290**	4,544,797
	10,077,802	9,580,268
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock and warrants (Note 5)	**10,996,831**	10,347,949
Contributed surplus	**309,491**	187,754
Deficit	**(13,450,338)**	(12,194,383)
	(2,144,016)	(1,658,680)
	7,933,786	7,921,588

Neptune Technologies & Bioressources inc.

Notes to Interim Financial Statements
February 28, 2005 (not audited)

1 - INTERIM FINANCIAL INFORMATION

These interim consolidated financial statements as at February 28, 2005 are unaudited. They have been prepared by the Company in accordance with generally accepted accounting principles in Canada for interim information and use the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended May 31, 2004. These interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto in the Company's 2004 annual report.

2 - RELATED PARTY TRANSACTIONS

The Company entered into an agreement with a shareholder (a company controlled by an officer and director), as of June 1, 2002, calling royalties to be paid in semi-annual instalments of 1% of net annual sales, for an unlimited period. The amount paid cannot exceed net earnings before interest, taxes and amortization. For the current period, total royalties amount to $11,844 ($6,016 in 2004). As at February 28, 2005, the balance due to this shareholder amounts to $63,077 ($29,445 as at May 31,2004). This amount is shown on the balance sheet under accounts payable and accrued liabilities.

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration determined and accepted by the parties involved.

Neptune Technologies & Bioressources inc.

Notes to Interim Financial Statements
February 28, 2005 (not audited)

3 - LONG TERM DEBT

	February 28, 2005	31 May 2004
	$	$
Mortgage loan, $1,200,000 par value, secured by processing and laboratory equipment having an amortized cost of $2,971,819 in 2005, prime rate plus 6.25% , payable in monthly capital instalments of $20,000, with a moratorium up until May 2005, maturing in February 2010	**1,140,000**	1,140,000
Mortgage loan, $980,000 par value less the net value of series "E" warrants, secured by the universality of property, weekly variable interest rate determined by the lender plus 1.25%, payable in 60 monthly capital instalments of $16,333, with a moratorium up until May 2005, maturing in May 2010	**950,025**	941,623
Mortgage loan, $1,500,000 par value less the net value of the issued shares, secured by the universality of property, weekly variable interest rate determined by the lender plus 2.25%, payable in 60 monthly capital instalments of $25,000, with a moratorium up until May 2005, maturing in May 2010	**1,414,329**	1,389,555
9% unsecured loan, payable in monthly blended instalments of $993, maturing in September 2005	**6,748**	14,922
Unsecured loan, without interest, issued in June 2004	**70,000**	70,000
Obligations under capital leases, interest rates varying from 0.00% to 12.67%, payable in monthly instalments of $9,883, maturing at different dates up until September 2009	**151,820**	234,279
	3,732,922	3,790,379
Instalments due within one year	**715,485**	639,121
	3,017,437	3,151,258

4 - LIABILITY COMPONENT OF CONVERTIBLE DEBENTURES

	February 28, 2005	31 May 2004
	$	$
Unsecured convertible debenture (a face amount of $1,500,000, bearing interest at 15%)	**2,175,000**	2,006,250
Secured convertible debenture (a face amount of $1,261,780, bearing interest at 15% compounded annually)	**1,614,290**	1,451,047
Unsecured convertible debenture (a face amount of $1,000,000, bearing interest at 15%)	**1,200,000**	1,087,500
	4,989,290	4,544,797

Neptune Technologies & Bioressources inc.

Notes to Interim Financial Statements

February 28, 2005 (not audited)

5 - CAPITAL STOCK AND WARRANTS

		February 28, 2005	31 May 2004
		$	$
Issued and fully paid			
25,594,805 common shares (21,947,244 common shares as at May 31, 2004)		**10,656,738**	10,285,899
-	series "E" warrants (196,000 warrants as at May 31, 2004)		62,049
250,000	series "G" warrants	**1**	1
3,025,922	series "H" warrants	**302,592**	
250,000	series "I" warrants	**37,500**	
		340,093	62,050
		10,996,831	10,347,949

6 - STOCK-BASED COMPENSATION PLAN

Activities within the plan are detailed as follows:

	February 28, 2005		May 31, 2004	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Options outstanding, beginning of period	**2,999,000**	**0.25**	1,260,000	1.00
Attributed	**50,000**	**0.25**	1,260,000	0.75
Cancelled	**(30,000)**	**0.25**	(240,000)	0.88
Outstanding options, end of period	**3,019,000**	**0.25**		
Exercisable options, end of period	**1,320,000**	**0.25**	1,540,000	0.94

Neptune Technologies & Bioressources inc.

Notes to Interim Financial Statements
February 28, 2005 (not audited)

6 - STOCK-BASED COMPENSATION PLAN (continued)

					2005
	Options outstanding			Exercisable options	
	Weighted average exercise price	Weighted remaining contractual life outstanding	Number of options outstanding as at 2005-02-28	Number of options exercisable as at 2005-02-28	Weighted average exercise price
	$				$
	0.25	3.26	2,989,000	1,320,000	0.25

On February 1, 2005, the company granted 50,000 stock options to non-employees at an exercice price of $0.25 per share. The fair value of each granted option has been estimated according to the Black - Scholes model and using the following assumptions:

i) Fair value of the common shares at $0.26
ii) Risk-free interest rate of 3.59%
iii) Estimated life of five years
iv) Expected volatility of 121%

The fair value of the options granted is $0.2190 per option.

7 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period.