



First Quaterly Report  
Ending August 31, 2007

## 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 financial situation for Neptune Technologies & Bioresources Inc. ("Neptune" or "the Company") between May 31, 2007 and August 31, 2007. It also includes a comparison between the results of operations, cash flows and financial position for the 3-month period ending August 31, 2007 and those from the 3-month period ending August 31, 2006.

This analysis, completed on October 12, 2007, must be read in conjunction with the Company's audited consolidated financial statements as at May 31, 2007, 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 otherwise indicated.

### Overview

With regards to market development and product commercialization, during the first quarterly report ending August 31, 2007, Neptune concentrated its efforts on the penetration of the American, European and Asian markets. Neptune also deployed development initiatives within the Australian market. This was accomplished through Company participation in various tradeshows in order to promote its products and increase its presence in new markets to favour its growth. Neptune also maintains its new commercial approach aimed at building strategic alliances with potential partners in the nutraceutical, functional foods and medical markets, as well as the biopharmaceutical market.

The Company capitalized on the results of its clinical research and benefits to this day from scientific results that demonstrate the benefits of Neptune Krill Oil (NKO™) on various human conditions, such as those relating to skin cancer, premenstrual syndrome, high cholesterol, inflammation problems as well as attention deficit disorder and hyperactivity.

During the first quarter of the May 31, 2008 fiscal year-end, the Company generated sales of \$2.09M, as compared to \$1.55M for the quarter ending August 31, 2006 an increase of 34% mainly due to a sustained prospecting effort in its main markets as well as in the newly Australian market.

### Principal quarterly financial data

(In thousands of dollars, except per share data)

#### Fiscal Year Ending May 31, 2008

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales Figures	2,085	2,085			
EBITDA <sup>(1)</sup>	332	332			
Net Loss	(1,051)	(1,051)			
Loss per Share basic and diluted	(0.029)	(0.029)			

#### Fiscal Year Ended May 31, 2007

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales Figures	8,126	1,552	1,947	2,889	1,738
EBITDA <sup>(1)</sup>	1,504	303	546	719	(64)
Net Loss	(2,677)	(286)	(449)	(454)	(1,488)
Loss per Share basic and diluted	(0.075)	(0.008)	(0.013)	(0.013)	(0.041)

#### Fiscal Year Ended May 31, 2006

	Total	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Sales Figures	6,912	1,683	1,354	1,745	2,130
EBITDA <sup>(1)</sup>	1,049	342	245	235	227
Net Earnings (net loss)	(886)	(390)	(453)	665	(708)
Earnings (loss) per Share basic and diluted	(0.029)	(0.015)	(0.018)	0.021	(0.023)

<sup>(1)</sup> The EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by Canadian GAAP requirements, the results may not be compared to similar measurements presented by other public companies. Neptune obtains its EBITDA measurement by adding to net earnings, financial expenses, amortizations, income taxes and losses on exchange incurred during the fiscal year. Neptune also excludes the effects of non-monetary transactions recorded in the contributed surplus, such as share-based compensation, for its EBITDA calculation.

In the first quarter ending August 31, 2007, the Company recorded an EBITDA of \$0.332M compared to \$0.303M from the quarter ending August 31, 2006, an increase of 10% from the corresponding quarter of the previous fiscal year. The Company also reported non-cash stock options related compensation of \$1.074M for employees and non-employees. These costly charges are mainly due to the evaluation model and the share volatility. The exceeding charge from last year corresponding quarter is entirely explained by the options granted on February 2007, May 2007 and July 2007. The expense related to the granting of these options represents approximately \$0.800M for options with exercise prices of \$5.75 and \$7.25 and for the large majority (65%) at an exercise price of \$7.25. The evaluation model provides a higher value to these options. The market price and the exercise price were high at the grant date and do not reflect in any way the recent market decline. Therefore, since the compensation related to the stock options is not re-evaluated based on new market conditions even though the stock price is now 35% lower than such price at the grant date, it obviously makes these options not as appealing for its holder. Excluding these non-cash expenses, the Company would have realized a net earning of \$0.022M for the first three months of the current fiscal year.

## **Cash flows and financial position**

### **Operating Activities**

During the first quarter ending August 31, 2007, the Company's operating activities generated a decrease in liquidities of \$0.790M, compared to a decrease of \$0.793M for the quarter ending August 31, 2006. The decrease in liquidities is mainly attributable to the variations in working capital items from one quarter to the next for an amount of \$0.962M. The changes to the working capital items for the first quarter ending August 31, 2007 are mainly due to an increase in receivables of \$0.707M, an increase in inventories of \$0.833M, and an increase in accounts payable of \$0.627M, since May 31, 2007.

### **Investing Activities**

During the first quarter ending August 31, 2007, the Company's investing activities generated an increase in liquidities of \$0.337M. This increase is mainly due to the disposal of short term deposits for \$0.478M. This increase is slightly reduced by an increase in other assets for an amount of \$0.076M and the acquisition of property, plant and equipment and intangible assets totalling \$0.065M.

### **Financing Activities**

During the first quarter ending August 31, 2007, the Company's financing activities generated an increase in liquidities of \$0.480M. This increase is mainly attributable to an advance payment of \$0.718M received by the Company's under the terms of a strategic alliance. The Company also received \$0.200M following the issuance of shares from the exercise of stock options. In counterpart, the Company reimbursed its line of credit for 0.210M and its long term debt for \$0.228M.

As a result, the Company increased its cash by \$0.027M since May 31, 2007.

### **Financial Situation**

The following table details the significant changes to the balance sheets as at August 31, 2007 and May 31, 2007:

<b>Accounts</b>	<b>Increase (Reduction) (In thousands of dollars)</b>	<b>Comments</b>
Cash	27	See cash flow statement
Short term deposits	(402)	Cash in of some of the term deposit
Receivables	707	Credit terms extension
Inventories	833	Purchase of raw material in order to secure 2007-2008 production
Accounts payable and accrued liabilities	(128)	Amount payable following the large purchase of raw material for the 2007-2008 production
Advance payment	718	Payment received from the conclusion of a strategic alliance

## Primary financial ratios

	Aug. 31, 2007	May 31, 2007	May 31, 2006
<b>Working Capital Ratio (current assets / current liabilities)</b> <sup>1</sup>	<b>3.26</b>	<b>3.32</b>	<b>1.80</b>
<b>Solvency Ratio (Debt Capital/Shareholder Equity)</b> <sup>2</sup>	<b>0.60</b>	<b>0.55</b>	<b>1.26</b>

Most of the Company's financial ratios slightly deteriorated for the quarter ending August 31, 2007, as compared to the year ended May 31, 2007. This was mostly caused by the advance payment and the use of liquidities.

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

Contractual Obligations	Required Payments per Period (In thousands of dollars)				
	Total	Less than one period	2 to 3 periods	4 to 5 periods	More than 5 periods
Long-term Debt *	4,012	689	1,799	867	657
Loans guaranteed by investments in rental contracts *	58	24	33	1	-
Other rental contracts	546	62	172	174	138
<b>Total liabilities</b>	<b>4,616</b>	<b>775</b>	<b>2,004</b>	<b>1,042</b>	<b>795</b>

\* Including interest fees

An option totalling \$275,000 for the acquisition of an intellectual property should be added to the total of the contractual obligations.

### **Related Party Transactions**

The transactions between related parties are described in note 2 "*Related Party Transactions*" of the Company's financial statements as at August 31, 2007.

### **Change in Accounting Policies**

No changes in accounting policies since May 31, 2007.

### **Subsequent Events**

There were no significant subsequent events of importance after August 31, 2007.

## Risk Factors

### **Financial Risks**

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

The Company's policy is to have 90% of its receivables guaranteed by insurers unless exceptional circumstances. U.S. currency is used for the majority of foreign transactions. The exchange rate risk to the Company is mainly limited to the variation of the US dollar. Despite the fact that purchases of raw material are currently concluded in U.S. currency, management also has the ability to use foreign exchange contracts to minimize the exchange risk. As of August 31, 2007, the Company did not have any foreign exchange contract.

### **Product Liability**

The Company has secured a \$5M product liability insurance policy, renewable on an annual basis, to cover civil liability relating to its products. The Company also maintains a quality-assurance process that is QMP certified by the Canadian Food Inspection Agency (CFIA). Additionally, the Company has obtained *Good Manufacturing Practices* accreditation from Health Canada.

### **Prospective Statements**

This Management Analysis contains prospective information. Prospective statements include a certain amount of risk and uncertainty and may result in actual future Company results differing noticeably from those predicted. These risks include, but are not limited to: the growth in demand for Company products, seasonal variations in customer orders, changes to raw material pricing and availability, the time required to complete important strategic transactions, and changes to economic conditions in Canada, the United-States and Europe (including changes to exchange and interest rates).

The Company based its prospective statement on the information available when this analysis was drafted. The inclusion of this information should not be considered a declaration by the Company these estimated results have been achieved.

<sup>1</sup> The Working Capital Ratio is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by Canadian GAAP requirements, the results may not be compared to similar measurements presented by other public companies.

<sup>2</sup> The Solvency Ratio is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by Canadian GAAP requirements, the results may not be compared to similar measurements presented by other public companies.

## **Additional Information**

Updated and additional Company information is available from the SEDAR Website at <http://www.sedar.com> and from EDGAR Website at <http://www.sec.gov>

On October 12, 2007, the total number of common shares issued by the Company and in circulation was 37,228,296, and Company common shares were being traded on the TSX Exchange Venture under the symbol « NTB » and on NASDAQ Capital Market under the symbol « NEPT ».

/s/ Henri Harland  
President and CEO

/s/ André Godin  
Vice-president, Administration & Finance

# Neptune Technologies & Bioresources inc.

## Consolidated Balance Sheet

August 31, 2007 and May 31, 2007	Unaudited August 31, 2007	Audited May 31, 2007
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 686,664	\$ 659,354
Short term deposits (3.55%)	2,348,524	2,750,323
Accounts receivable	3,774,404	3,067,381
Tax credits receivable	138,704	100,858
Inventories	2,948,556	2,115,652
Prepaid expenses	63,712	53,039
	<b>9,960,564</b>	<b>8,746,607</b>
Property, plant and equipment	4,222,747	4,310,360
Intangible assets	581,731	560,620
Other assets	14,229	18,385
	<b>\$ 14,779,271</b>	<b>\$ 13,635,972</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank loan	\$ -	\$ 210,000
Accounts payable and accrued liabilities		
Company controlled by an officer and director	30,225	46,134
Other	2,075,405	1,432,785
Current portion of long-term debt	946,140	942,969
	<b>3,051,770</b>	<b>2,631,888</b>
Advance Payments (note 4)	718,350	-
Long-term debt (note 6)	3,078,296	3,295,312
	<b>6,848,416</b>	<b>5,927,200</b>
<b>SHAREHOLDERS EQUITY</b>		
Capital stock and warrants (Note 7)	23,537,578	23,182,472
Contributed surplus	3,892,877	2,974,533
Deficit	(19,499,600)	(18,448,233)
	<b>7,930,855</b>	<b>7,708,772</b>
	<b>\$ 14,779,271</b>	<b>\$ 13,635,972</b>

See accompanying notes to unaudited consolidated financial statements

# Neptune Technologies & Bioresources inc.

(unaudited)

## Consolidated deficit

Periods ended August 31, 2007 and 2006

	2007	2006
	(3 months)	(3 months)
Balance, beginning of year	\$ (18,448,233)	\$ (15,237,262)
Net loss	(1,051,367)	(286,107)
Balance, end of year	\$ (19,499,600)	\$ (15,523,369)

## Consolidated contributed surplus

Periods ended August 31, 2007 and 2006

	2007	2006
	(3 months)	(3 months)
Balance, beginning of year	\$ 2,974,533	\$ 1,172,116
Exercised options	(155,169)	-
Stock-based compensation – employees	999,801	306,528
Stock-based compensation – non-employees	73,712	27,613
Balance, end of year	\$ 3,892,877	\$ 1,506,257

See accompanying notes to unaudited consolidated financial statements

**Neptune Technologies & Bioresources inc.**  
**Consolidated Earnings**  
(unaudited)

**Periods ended August 31, 2007 and 2006**

	2007	2006
	(3 months)	(3 months)
<b>Sales</b>	\$ <b>2,085,336</b>	\$ 1,551,489
Cost of sales and operating expenses (excluding amortization and stock options related compensation)	<b>1,673,837</b>	1,141,556
Stock options related compensation	<b>1,073,513</b>	334,141
Research and development expenses	<b>104,685</b>	109,569
Financial expenses	<b>133,886</b>	129,752
Amortization	<b>145,685</b>	151,795
	<b>3,131,606</b>	1,866,813
Loss before the undernoted	<b>(1,046,270)</b>	(315,324)
Interest income	<b>25,109</b>	2,227
Foreign exchange gain (loss)	<b>(30,206)</b>	26,990
<b>Net loss</b>	\$ <b>(1,051,367)</b>	\$ (286,107)
Basic and diluted loss per share	\$ <b>(0,029)</b>	\$ (0,008)
Weighted average number of shares outstanding	<b>36,870,922</b>	34,481,903

See accompanying notes to unaudited consolidated financial statements



**Neptune Technologies & Bioresources inc.**  
**Consolidated cash flows**  
(unaudited)

Periods ended August 31, 2007 and 2006

	2007	2006
	(3 months)	(3 months)
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (1,051,367)	\$ (286,107)
Non-cash items		
Property, plant and equipment amortization	142,757	149,740
Intangible assets amortization	2,928	2,055
Deferred financing cost amortization	4,156	4,156
Deferred financing costs write-off	-	(11,552)
Stock-based compensation - employees	999,801	306,528
Stock-based compensation - non-employees	73,712	27,613
Changes in working capital items (Note 5)	(961,735)	(985,537)
Cash flow from operating activities	<b>(789,748)</b>	<b>(793,104)</b>
<b>INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(40,864)	(8,055)
Addition to intangible assets	(24,039)	(2,917)
Decrease in short term deposits	477,680	-
Increase in other assets	(75,881)	-
Cash flows from investing activities	<b>336,896</b>	<b>(10,972)</b>
<b>FINANCING ACTIVITIES</b>		
Increase (decrease) in bank loan	(210,000)	70,000
Repayment of long-term debt	(228,125)	-
Advanced payments	718,350	-
Issue of share capital on exercise of options and warrants	199,937	148,393
Cash flows from financing activities	<b>480,162</b>	<b>218,393</b>
Net increase (decrease) in cash and cash equivalents	<b>27,310</b>	<b>(585,683)</b>
Cash and cash equivalents, at the beginning	<b>659,354</b>	<b>875,901</b>
Cash and cash equivalents, at the end	\$ <b>686,664</b>	\$ <b>290,218</b>

See accompanying notes to unaudited consolidated financial statements

# Neptune Technologies & Bioresources inc.

## Notes to consolidated financial statements

(unaudited)

Periods ended August 31, 2007 and 2006

### 1 - BASIS OF PRESENTATION

The interim consolidated financial statements have not been reviewed by the auditors and reflect normal and recurring adjustments which are, in the opinion of Neptune Technologies & Bioresources Inc. (the "Company"), considered necessary for a fair presentation. These interim unaudited consolidated financial statements have been prepared in conformity with Canadian generally accepted accounting principles. However, they do not include all disclosures required under generally accepted accounting principles and accordingly should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest Annual Report. The interim unaudited consolidated financial statements have been prepared using the same accounting policies as described in the latest Annual Report.

### 2 - CHANGES TO ACCOUNTING POLICIES

Effective June 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, *Comprehensive Income*, Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3865, *Hedges*. The significant changes related to these new accounting standards are as follows:

#### a) Comprehensive income:

CICA Handbook Section 1530, *Comprehensive Income*, introduces a new financial statement which shows the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources. No adjustments were required as a result of the application of this section for the three month period ended August 31, 2007.

#### b) Financial assets and financial liabilities, and Hedges:

CICA Handbook Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Under this standard, financial instruments are now classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities and measurement in subsequent periods depends on their classification. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are capitalized on initial recognition and must be classified against the underlying financial instruments.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in financial expenses. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value or at cost in the case of financial assets that do not have a quoted market price in an active market and changes in fair value are recorded in comprehensive income.

The Company classified its cash and cash equivalents and its short terms deposits as financial assets held-for-trading. Accounts receivable and the subordinated loan to an affiliated company and interest receivable are classified as loans and receivables. Accounts payable and accrued liabilities and tax credits receivable are classified as other financial liabilities.

CICA Handbook Section 3865, *Hedges*, specifies the criteria under which hedge accounting may be applied, how hedges accounting should be performed under permitted hedging strategies and required disclosures.

The adoption of these new sections had no impact on the consolidated financial statements for the three month period ended August 31, 2007.

### 3 - RELATED PARTY TRANSACTION

The Company entered into an agreement with a shareholder, (a company controlled by an officer and director), as of June 1, 2002, calling for royalties to be paid in semi-annual instalments equal to 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 \$20,853 (\$81,206 in 2007). As at August 31, 2007, the balance due to this shareholder under this agreement amounts to \$30,225 (\$46,134 as at May 31, 2007). 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.

#### 4 - PARTNERSHIP AGREEMENT

The Company recorded, under the terms of a partnership agreement entered into in June 2007, an advance payment as a long-term liability of \$718,350. Scheduled likewise in the agreement, the Company is committed to develop a clinical research and products developing programs incorporating Neptune krill oil ("NKO™") in a dietary matrix. The advance payment may potentially be reimbursable in function of the failure to reach certain common research objectives and milestones to develop new products.

#### 5 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

Net changes in working capital items are detailed as follows:

	Three month ended	
	2007	August 31 2006
Trade accounts receivable	\$ (707,023)	\$ (349,975)
Tax credits receivable	(37,846)	(20,587)
Inventories	(832,904)	(509,326)
Prepaid expenses	(10,673)	22,766
Accounts payable and accrued liabilities	626,711	(128,415)
	<b>\$ (961,735)</b>	<b>\$ (985,537)</b>

#### 6 - LONG-TERM DEBT

	August 31 2007	May 31 2007
Mortgage loan, \$1,200,000 par value, secured by processing and laboratory equipment having an amortized cost of \$2,376,802 as at August 31, 2007, prime rate plus 6.75% (14.75% as at August 31, and May 31, 2007), payable in monthly capital instalments of \$26,650, maturing in February 2010	\$ 800,200	\$ 880,150
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 5% (effective rate 13.61% as at August 31, 2007, 13.55% as at May 31, 2007), payable in 60 monthly capital instalments of \$16,333, maturing in September 2011	770,961	818,298
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 3% (effective rate 12.34% as at August 31 and 11.92% as at May 31, 2007), payable in 60 monthly capital instalments of \$25,000, maturing in September 2011	1,167,191	1,238,006
Mortgage loan, \$855,000 par value, secured by the plant, payable in 10 years, fixed interest rate of 7.77% (on 10 yrs), payable in the first 10 years in monthly instalments of \$8,058. Balance to be renegotiated in 10 yrs	828,967	836,813
Secondary mortgage loan, \$399,750 par value, representing the balance of sale, secured by the plant, fixed interest rate of 10.25%, payable in 60 monthly capital instalments of \$8,501.	346,194	357,265
Obligations under capital leases, interest rates varying from 0.00% to 15.46%, payable in monthly instalments of \$1,981 (\$2,261 in 2007), maturing at different dates until November 2010	58,423	55,249
Refundable contribution obtained from a Federal subsidy program available for small and medium enterprises, without pledge or interest, payable in 8 consecutive biannual instalments 2 years after the project ends.	52,500	52,500
	<b>4,024,436</b>	<b>4,238,281</b>
Current portion of long-term debt	<b>946,140</b>	<b>942,969</b>
	<b>\$ 3,078,296</b>	<b>\$ 3,295,312</b>

Under these mortgage loans, the company is required to maintain certain financial ratios.

## 7 - CAPITAL STOCK AND WARRANTS

	August 31 2007	May 31 2007
<b>Issued and fully paid</b>		
37 012 297 common shares (36 729 547 in mai 2007)	\$ 23,474,753	\$ 23,119,647
31 618 warrants	62,825	62,825
	<b>\$ 23,537,578</b>	<b>\$ 23,182,472</b>

	Number of shares	Consideration
<b>Common Shares</b>		
Balance as at May 31, 2005	25,594,805	\$ 10,656,737
Issued following the conversion of debentures	3,800,000	3,881,512
Issued for cash	600,000	600,000
Issued as settlement of expenses	288,188	288,188
Issued following the exercise of stock options	733,375	416,499
Issued following the exercise of warrants	3,275,922	1,159,073
Balance as at May 31, 2006	34,292,290	17,002,009
Issued following private placement	1,500,000	4,500,000
Issued following the exercise of stock options	881,875	1,313,757
Issued following the exercise of warrants	55,382	303,881
Balance as at May 31, 2007	36,729,547	23,119,647
Issued following the exercise of stock options	282,750	355,106
Balance as at August 31, 2007	37,012,297	\$ 23,474,753

## 8 - STOCK-BASED COMPENSATION PLAN

The Company has initiated a stock-based compensation plan for administrators, officers, employees and consultants. Activities within the plan are detailed as follows:

	August 31, 2007		May 31, 2007	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Options outstanding, beginning of year	4,970,000	2,58	3,703,875	0,45
Granted	305,000	7,88	2,597,500	4,89
Exercised	(282,750)	0,71	(881,875)	0,32
Cancelled	(15,000)	7,25	(449,500)	2,84
Options outstanding, 3 months period ended August 31, 2007	4,977,250	3,00	4,970,000	2,58
Exercisable options, 3 months period ended August 31, 2007	2,221,000	1,56	1,618,375	0,84

August 31, 2007

	Options outstanding		Exercisable options		
	Weighted average exercise price	Weighted remaining contractual life outstanding	Number of options outstanding	Number of options exercisable	Weighted average exercise price
	\$				\$
0,25	0,25	2,32	1,698,000	1,003,750	0,25
0,75 à 1,00	0,99	3,38	467,000	343,500	0,99
1,15 à 1,75	1,27	1,86	286,000	216,000	1,15
2,60 à 3,00	2,63	3,78	906,250	402,000	2,61
3,50	3,50	4,13	40,000	40,000	3,50
4,25	4,25	4,37	20,000	3,000	4,25
5,75	5,75	4,47	350,000	87,500	5,75
7,25 à 7,50	7,28	4,69	1,085,000	125,250	7,25
8,50	8,50	4,83	125,000	-	-
	2,96	3,54	4,977,250	2,221,000	2,73

## 9 - SEGMENT DISCLOSURES

### Descriptive information on the Company's reportable segments

The Company has only one reportable operating segment: processing and commercializing products derived from marine biomasses.

### Geographic information

All the Company's assets are located in Canada.

The Company sales are attributed based on the customer's area of residency:

	Three month ended	
	2007	August 31, 2006
Canada	\$ 29,560	\$ 19,367
United States	1,138,055	964,187
Europe	452,113	490,979
Asia / Oceania	465,608	76,956
	\$ 2,085,336	\$ 1,551,489

### Information about major customers

During the three month period ended August 31 2007, the Company realized sales to two costumers amounting \$714,860 (\$806,707 to three costumers in 2007).

## 10 - CORRESPONDING CONSOLIDATED FINANCIAL STATEMENTS

Some comparative figures have been reclassified to conform with the presentation adopted in this period.