Third Quarterly Report

Ending February 29, 2008

MANAGEMENT ANALYSIS ON THE FINANCIAL SITUATION AND RESULTS OF OPERATIONS / MANAGEMENT COMMENTS AND ANALYSIS

This analysis is presented in order to provide the reader with an overview of the changes to the financial situation of Neptune Technologies & Bioressources Inc. ("Neptune" or "the Company") between May 31, 2007 and February 29, 2008. It also includes a comparison between the results of operations, cash flows and financial position for the 3-month period ending February 29, 2008 and those from the 3-month period ending February 29, 2007.

This analysis, completed on April 4, 2008, must be read in conjunction with the Company's consolidated financial statements as at May 31, 2007, presented in the last annual report. Neptune financial statements were produced in accordance with Canadian 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 third quarter ending February 29, 2008, Neptune concentrated its efforts on the commercialization of the American, European, Asian and Australian markets. This was accomplished through Company participation in various international tradeshows specifically Supplyside West in Las Vegas and Natural Ingredients in London 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 third quarter of the May 31, 2008 fiscal year-end, the Company increased its sales quantity volume by 22% compared to the quarter ending February 28, 2007. This increase is not reflected in dollars of sales because the Company suffered from the decrease of the American dollar on 85% of its sales realised in this currency during present quarter. The Company consequently generated sales of $2.88M, as compared to $2.89M for the quarter ending February 29, 2007. The Company successfully managed to maintain its sales level despite this uncontrollable economic element with a variation of less than half of 1% of its sales. This performance is 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	7,129	2,085	2,169	2,875	
EBITDA [1]	750	332	70	348	
Net Loss	(3,500)	(1,051)	(1,563)	(886)	
Loss per Share basic and diluted	(0.095)	(0.029)	(0.042)	(0.024)	

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 [1]	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 [1]	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)

[1] 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 third quarter ending February 29, 2008, the Company realized an EBITDA of $0.348M compared to $0.719M from the quarter ending February 28, 2007, a decrease of $0.371M from the corresponding quarter of the previous fiscal year. This EBITDA decrease is mainly due to the decrease of the American dollar.. The estimated impact on the EBITDA is approximately $0.350M. The Company also successfully proceeded to certain development expenditures on its extraction process for an estimated amount of $0.125M in order to comply with new international standards. The Company has always had the policy to comply with the highest international requirements for its manufacturing and quality control standards, these development expenditures were recorded as research & development expenses. The Company would have realized in this quarter a greater EBITDA than the one from the corresponding quarter of the previous fiscal year if it had not been for this uncontrollable element that is the decrease of the American dollar and also the development expenditures on its process.

During the quarter ending February 29, 2008, the Company recorded a net loss of $0.886M compared to a net loss of $0.454M for the corresponding quarter of the previous fiscal year. The increase in net loss of $0.432M is attributable to the decrease of the American dollar and the development expenditures on its extraction process for an estimated amount of $0.475M.

The Company also recorded non-cash stock-based compensation of $0.913M for employees and non-employees. These significant expenses are mainly due to the evaluation model and the volatility of the stock of the Company. Excluding these non-cash expenses, the Company would have realized a profit for this quarter.

Cash flows and financial position

Operating Activities
During the third quarter ending February 29, 2008, the Company's operating activities generated an increase in liquidities of $0.029M, compared to a decrease of $0.377M for the quarter ending February 28, 2007. The increase in liquidities is mainly attributable to the variations in working capital items from one quarter to the next for an amount of $0.153M due to a better use of the Company's resources by the management. The changes to the working capital items for the third quarter ending February 29, 2008 are mainly due to an increase in accounts receivable of $0.982M and a decrease in inventories of $0.856M since November 30, 2007.

Investing Activities
During the third quarter ending February 29, 2008, the Company's investing activities generated a decrease in liquidities of $0.195M. This decrease is mainly due to the acquisition of property, plant and equipment and intangible assets totalling $0.179M.

Financing Activities
During the third quarter ending February 29, 2008, the Company's financing activities generated a decrease in liquidities of $0.176M. This decrease is mainly attributable to the decrease in the bank loan of $0.180M and the reimbursement of the long term debt for an amount of 0.149. In counterpart, the Company issued shares from the exercise of stock options for an amount of $0.153M.

As a result, the Company decreased its cash by $0.342M since November 30, 2007.

Financial Situation
The following table details the significant changes to the balance sheets as at February 29, 2008 and May 31, 2007:

Accounts	Increase (Reduction) (In thousands of dollars)	Comments
Cash	25	See cash flow statement
Short term deposits	(120)	Cash in of some of the term deposit
Receivables	718	Variation related to the significant increase in sales during this quarter
Inventories	(174)	Variation related to the increase in sales
Fixed assets	(233)	Depreciation of fixed assets
Intangible assets	190	Patent and regulation expenses
Advance payment	818	Payment received from the conclusion of strategic alliances
Long term debt	(597)	Reimbursement of the long term debt

Primary financial ratios

	Feb. 29, 2008	May 31, 2007	May 31, 2006
Working Capital Ratio (current assets / current liabilities) [1]	**3.63**	**3.32**	**1.80**
Solvency Ratio (Debt Capital/Shareholder Equity) [2]	0.55	0.55	1.26

Most of the Company's financial ratios slightly improved for the quarter ending February 29, 2008, as compared to the year ended May 31, 2007 because of a good use of cash flow.

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	3,553	231	1,799	866	657
Loans guaranteed by investments in rental contracts *	145	36	83	26	-
Other rental contracts	506	22	171	175	138
Total liabilities	4,204	289	2,053	1,067	795

* 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 3 "*Related Party Transactions"* of the Company's financial statements as at February 29, 2008.

Change in Accounting Policies
No changes in accounting policies since May 31, 2007 except for of new accounting standards explained in note 2 of the Company's financial statements "*Changes in Accounting Policies"* .

Subsequent Events
There were no significant subsequent events after February 29, 2008.

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 February 29, 2008, 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.

[1] 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.

[2] 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 April 3, 2008, the total number of common shares issued by the Company and in circulation was 37,423,796, 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 & Bioressources inc.
Consolidated Balance Sheet

February 29, 2008 and May 31, 2007

	Unaudited February 29, 2008	Audited May 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	**$ 684,786**	$ 659,354
Short term deposits (3.55%)	**2,630,778**	2,750,323
Accounts receivable	**3,785,363**	3,067,381
Tax credits receivable	**121,746**	100,858
Inventories	**1,941,314**	2,115,652
Prepaid expenses	**108,590**	53,039
	9,272,577	8,746,607
Property, plant and equipment	**4,077,193**	4,310,360
Intangible assets	**750,421**	560,620
Other assets	**5,917**	18,385
	$ 14,106,108	$ 13,635,972
LIABILITIES		
Current liabilities		
Bank loan	**$ 220,000**	$ 210,000
Accounts payable and accrued liabilities		
Company controlled by an officer and director	**28,285**	46,134
Other	**1,341,968**	1,432,785
Current portion of long-term debt	**963,994**	942,969
	2,554,247	2,631,888
Advance Payments (note 4)	**818,210**	-
Long-term debt (note 6)	**2,676,940**	3,295,312
	6,049,397	5,927,200
SHAREHOLDERS EQUITY		
Capital stock and warrants (Note 7)	**24,871,152**	23,182,472
Contributed surplus	**5,134,613**	2,974,533
Deficit	**(21,949,054)**	(18,448,233)
	8,056,711	7,708,772
	$ 14,106,108	$ 13,635,972

See acompanying notes to unaudited consolidated financial statements

Neptune Technologies & Bioressources Inc.

(unaudited)

Consolidated Statements of Deficit

Periods ended February 29, 2008 and 2007

	2008	2007	**2008**	2007
	(3 months)	(3 months)	**(9 months)**	(9 months)
Balance, beginning of period	**$ (21,062,897)**	$ (16,315,663)	**$ (18,448,233)**	$ (15,237,262)
Net loss	**(886,157)**	(454,512)	**(3,500,821)**	(1,189,225)
Share issue expenses	**-**	(16,981)	**-**	(360,669)
Warrants issue expenses	-	(172,869)	-	(172,869)
Balance, end of period	**$ (21,949,054)**	$ (16,960,025)	**$ (21,949,054)**	$ (16,960,025)

Consolidated Statements of Contributed Surplus

Periods ended February 29, 2008 and 2007

	2008	2007	**2008**	2007
	(3 months)	(3 months)	**(9 months)**	(9 months)
Balance, beginning of period	**$ 4,339,145**	$ 2,235,836	**$ 2,974,533**	$ 1,172,116
Exercised options	**(117,492)**	(608,570)	**(1,023,847)**	(608,570)
Stock-based compensation	**912,960**	886,996	**3,183,927**	1,950,716
Balance, end of period	**$ 5,134,613**	$ 2,514,262	**$ 5,134,613**	$ 2,514,262

See acompanying notes to unaudited consolidated financial statements

Neptune Technologies & Bioressources Inc.

Consolidated Statements of Earnings

(unaudited)

Periods ended February 29, 2008 and 2007

		2008		2007		**2008**		2007
		(3 months)		(3 months)		**(9 months)**		(9 months)
Sales	**$**	**2,875,411**	**$**	2,889,226	$	**7,129,556**	**$**	6,388,310
Cost of sales and operating expenses (excluding amortization and stock based compensation)		**2,385,123**		2,108,677		**6,078,875**		4,614,078
Stock options based compensation		**912,960**		886,996		**3,183,927**		1,950,716
Research and development expenses		**172,531**		86,241		**373,964**		236,251
Financial expenses		**123,473**		146,299		**391,291**		429,440
Amortization		**150,548**		166,362		**441,316**		477,964
		3,744,635		3,394,575		**10,469,373**		7,708,449
Loss before the undernoted		**(869,224)**		(505,349)		**(3,339,817)**		(1,320,139)
Interest income		**30,743**		24,346		**73,526**		29,215
Foreign exchange gain (loss)		**(47,676)**		26,491		**(234,530)**		101,699
Net loss	**$**	**(866,157)**	**$**	(454,512)	$	**(3,500,821)**	**$**	(1,189,225)
Basic and diluted loss per share	**$**	**(0,024)**	**$**	(0,013)	$	**(0,095)**	**$**	(0,034)
Weighted average number of shares outstanding		**37 376 985**		36,210,089		**37,076,672**		35,096,076

See acompanying notes to unaudited consolidated financial statements

Neptune Technologies & Bioressources Inc.
Consolidated Statements of Cash Flows
(unaudited)

Periods ended February 29, 2008 and 2007

	2008	2007	**2008**	2007
	(3 months)	(3 months)	**(9 months)**	(9 months)
OPERATING ACTIVITIES				
Net loss	**$ (886,157)**	$ (454,512)	**$ (3,500,821)**	$ (1,189,225)
Non-cash items				
Property, plant and equipment amortization	**144,868**	164,119	**429,780**	468,887
Intangible assets amortization	**5,680**	2,243	**11,536**	6,728
Deferred financing cost amortization	**4,156**	4,156	**12,468**	12,468
Stock-based compensation - employees	**912,960**	886,996	**3,183,927**	1,950,716
Changes in working capital items (Note 5)	**(152,867)**	(980,319)	**(728,749)**	(2,930,120)
Cash flow from operating activities	**28,640**	(377,317)	**(591,859)**	(1,680,546)
INVESTING ACTIVITIES				
Addition to property, plant and equipment	**(121,046)**	(71,624)	**(196,613)**	(982,484)
Addition to intangible assets	**(57,661)**	(20,642)	**(201,337)**	(44,561)
Decrease (increase) in short term deposits	**(15,881)**	976,435	**119,545**	(2,473,565)
Cash flows from investing activities	**(194,588)**	884,169	**(278,405)**	(3,500,610)
FINANCING ACTIVITIES				
Increase (decrease) in bank loan	**(180,000)**	**-**	**10,000**	(40,000)
Increase in long-term debt	**-**	**-**	**-**	855,000
Repayment of long-term debt	**(148,800)**	(240 555)	**(597,347)**	(452,690)
Issue of share capital	**-**	**-**	**-**	4,500,000
Advanced payments	**-**	**-**	**818,210**	-
Issue of share capital on exercice of options and warrants	**152,839**	72 406	**664,833**	170,664
Share issue expenses	**-**	(16 981)	**-**	(360,669)
Cash flows from financing activities	**(175,961)**	(185 130)	**895,696**	4,672,305
Net increase (decrease) in cash and cash equivalents	**(341,909)**	321 722	**25,432**	(508,851)
Cash and cash equivalents, at the beginning	**1,026,695**	45 328	**659,354**	875,901
Cash and cash equivalents, at the end	**$ 684,786**	$ 367 050	**$ 684,786**	$ 367,050

Neptune Technologies & Bioressources Inc.

Notes to Consolidated Financial Statements
(unaudited)

Periods ended February 29, 2008 and 2007

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 & Bioressources 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 nine-month period ended Februaru 29, 2008.

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 sould 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 nine-month period ended February 29, 2008.

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 period ended February 29, 2008, total royalties amount to $71,291 ($81,206 in 2007). As of February 29, 2008, the balance due to this shareholder under this agreement amounts to $28,285 ($46,134 as of May 31, 2007). This amount is presented in 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 - PARTNERSHIPS AND COLLABORATIONS AGREEMENTS

During the first quarter, the company received a first payment of $718,350 out of many amounts scheduled under the terms of a partnership agreement entered in June 2007. This amount is recorded under advanced payment. The agreement foresees the Company's commitment of developing a clinical research program and the development of products incorporating Neptune krill oil ("NKO™") in a dietary matrix. The initial payment is reimbursable only if the parties fails to meet certain common research objectives and milestones within the development process prior to the release of the products on the market.

During the 2nd quarter, the company reiceived a payment of $99,860 under the terms of a collaboration agreement for a clinical study concluded in May 2007. This amount is recorded under advanced payments. The agreement foresees the Company's commitment to implement a research project on the effects of Neptune krill oil and Neptune phospholipid concentrates on certain neuro-degenerative health conditions. This amount is uniquely reimbursable if a license or a license option is signed by Neptune concerning the use of the clinical study's results with a third party other than the one currently involved in the agreement.

For the nine-month period ended February 29, 2008, no revenues were recognized relatively to these two agreements.

5 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

Net changes in working capital items are detailed as follows:

	Three months ended February 29		**Nine months ended February 29**	
	2008	2007	**2008**	2007
Accounts receivable	**$ (982,348)**	$ (1,414,980)	**$ (717,982)**	$ (2,211,924)
Tax credits receivable	**40,118**	89,691	**(20,888)**	52,811
Inventories	**856,047**	610,894	**174,338**	(626,418)
Prepaid expenses	**(56,070)**	82,952	**(55,551)**	76,099
Accounts payable and accrued liabilities	**(10,614)**	(348,876)	**(108,666)**	(220,688)
	$ (152,867)	$ (980,319)	**$ (728,749)**	$ (2,930,120)

6 - LONG-TERM DEBT

	February 29 2008	May 31 2007
Mortgage loan, $1,200,000 par value, secured by processing and laboratory equipment having an amortized cost of $2,065,533 as of February 29, 2008, prime rate plus 6.75% (14,50% as of February 29, 14.75% as of May 31, 2007), payable in monthly principal instalments of $26,650, maturing in February 2010	**$ 640,300**	$ 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 12.46% as of February 29, 2008, and 13.55% as of May 31, 2007), payable in 60 monthly principal instalments of $16,333, maturing in September 2011	**675,988**	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 12.25% as of February 29, 2008 and 11.92% as of May 31, 2007), payable in 60 monthly principal instalments of $25,000, maturing in September 2011	**1,024,807**	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 until 2017 in monthly principal of $8,058. Balance to be renegociated in 10 yrs capital instalments of $25,000, maturing in September 2011	**812,806**	836,813
Second rank mortgage loan, following plant acquisition, $399,750 par value, representing the balance of sale, secured by the plant, fixed interest rate of 10.25%, payable in 5 years, monthly principal instalments of $8,501.	**311,853**	357,265
Obligations under capital leases, interest rates varying from 0.00% to 15.46%, payable in average monthly instalments of $2,108 ($2,261 in 2007), maturing at different dates until November 2010	**122,680**	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
	3,640,934	4,238,281
Current portion of long-term debt	**963,994**	942,969
	$ 2,676,940	$ 3,295,312

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

7 - CAPITAL STOCK AND WARRANTS

	February 29 2008	May 31 2007
Issued and fully paid		
37,423,797 common shares (36,729,547 as of May 31, 2007)	**24,808,327 $**	23,119,647
31,618 warrants	**62,825**	62,825
	24,871,152 $	23,182,472

	Number of shares	Consideration
Common Shares		
Balance as of 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 of 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 of May 31, 2007	36,729,547	23,119,647
Issued following the exercise of stock options	694,250	1,688,680
Balance as of February 29, 2008	37,423,797 $	24,808,327

8 - STOCK-BASED COMPENSATION PLAN

The Company has initiated a stock-based compensation plan for administrators, officers, employees and consultants.

On October 3rd 2007, the Company revised the exercise price of stock options outstanding granted to employees (non-officers) between May 1st, 2007 and June 6, 2007 at a price of $5.50 per share. In accordance with CICA Handbook Section 3870, *Stock-Based Compensation and Other Stock-Based Payment* . The modification of the exercice price of the options has been treated as if it were an exchange of the original award for a new award. This modification resulted in an additional expense of $44,303. From this amount, $36,809 has been recorded as an expense in the earnings of nine months period ended February 29, 2008. The remaining $7,494 will be amortized over the remaining periods when the rights will be acquired by non-officers employees.

Activities within the plan are detailed as follows:

	February 29. 2008		May 31, 2007	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Options outstanding, beginning of year (a)	**4,970,000**	**2,40**	3,703,875	0,45
Granted	**460,000**	**6,92**	2,597,500	4,89
Exercised	**(694,250)**	**0,96**	(881,875)	0,32
Cancelled	**(231,063)**	**6,25**	(449,500)	2,84
Options oustanding, 9 months period ended February 29, 2008	**4,504,687**	**2,89**	4,970,000	2,58
Exercisable options, 9 months period ended February 29, 2008	**2,925,300**	**2,20**	1,618,375	0,84

(a): The 4,970,000 options outstanding at the beginning of the year includes 485,000 stock options that underwent a revision in their exercise price from $7.25 on May 31st 2007 to $5.50 on October 3rd 2007.

					February 29, 2008
	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	1,87	1,578,875	1,198,375	0,25
1.00	1,00	2,84	458,000	458,000	0,99
2.60 to 3.00	2,63	3,28	838,625	584,500	2,62
3.50	3,50	3,63	40,000	40,000	3,50
4.25	4,25	3,87	20,000	6,000	4,25
5.50 to 5.75	5,59	1,49	1,005,000	389,750	5,61
7.25 à 7.50	7,30	4,01	564,187	248,675	7,29
	2,89	**2,71**	**4,504,687**	**2,925,300**	**2,20**

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		**Nine month ended**	
		February 29		**February 29**
	2008	2007	**2008**	2007
Canada	**$ 660,068**	$ 608,813	**$ 904,151**	$ 833,452
United States	**1,615,524**	2,023,032	**3,892,188**	4,145,583
Europe	**509,005**	200,989	**1,301,005**	1,195,586
Asia / Oceania	**90,814**	56,392	**1,032,212**	213,689
	$ 2,875,411	$ 2,889,226	**$ 7,129,556**	$ 6,388,310

Information about major customers

During the nine-month period ended February 29, 2008, the Company realized sales amounting to $2,660,724 from three costumers ($2,163,374 from two costumers in 2007).

10 - CORRESPONDING CONSOLIDATED FINANCIAL STATEMENTS

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