MANAGEMENT DISCUSSION & ANALYSIS

Quarterly report for shareholders
Period ended May 31, 2009

The following comments are intended to provide a review and analysis of the operating results and financial position of Opsens Inc. as of May 31, 2009, and for the three- and nine-month period ended this date in comparison with the corresponding period ended May 31, 2008. They should be read and interpreted in conjunction with the audited financial statements as well as the accompanying notes as of August 31, 2008.

Unless stated otherwise, the interim Management Discussion and Analysis has been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) on a consolidated basis. This document was prepared on June 26, 2009. All amounts are in Canadian dollars.

This report contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not guarantees of our future results, and actual results could differ significantly from those foreseen by such statements due to several factors, including economic conditions, capital expenditures in the measuring instrument sector, currency exchange rate variation, and our ability to manage Opsens successfully under these uncertain conditions. Consequently, the reader should not place undue reliance on these forward-looking statements. These forward-looking statements are only valid as at the date of this document. The Company is under no obligation to revise or update these forward-looking statements in order to reflect the events or circumstances that occur after the date of this analysis, except when it is required by law.

CORPORATE OVERVIEW

Opsens Inc. (the “Company”) is a leading developer, manufacturer, and supplier of a wide range of fiber optic sensors and associated signal conditioners based on proprietary patented and patent-pending technologies. Opsens sensors provide long-term accuracy and reliability in the harshest environments. Opsens provides sensors to measure pressure, temperature, strain, and displacement to original equipment manufacturers (OEM) and end-users in the oil and gas, medical, transformers, and laboratory fields. Opsens provides complete technical support, including installation, training, and after-sales service in conformity with ISO 9001:2000.

Opsens holds three (3) patents and has four (4) patents pending covering its products and technology provided to its markets, giving the Company freedom to operate. With its patented technologies and highly recognized expertise, Opsens meets consumer needs in the medical, oil and gas, high-power transformers, and laboratory markets. Since December 11, 2007, activities in the oil and gas market have been performed by the wholly-owned subsidiary Opsens Solutions Inc. (“Opsens Solutions”), formerly Inflo Solutions Inc.

VISION, STRATEGY, AND OUTLOOK

The worldwide market for fiber optic and conventional sensors is a multi-billion dollar market. The Opsens sales and marketing strategy aims to provide solutions for the various current niche markets and develop specific new markets. The Company's expertise, know-how, and patented technology are the keys to new production techniques improving the reliability of measuring equipment. Also, the Opsens production technique called MEMS (Micro-Electro-Mechanical-System) encourages penetration into markets traditionally occupied by conventional sensors through higher production volumes and reduced manufacturing costs.

In 2009, Opsens expects revenue from product sales to be higher than a year earlier, despite the challenging economic environment. The testing of the OPP-W sensor in the oil and gas market in fiscal 2008, and greater maturity of our products, particularly in the medical market, will contribute significantly to increased revenues.

Disclosures in volatile and uncertain times in the financial markets

Even in the current economic environment, Opsens continues to execute its business plan, targeting revenue growth in all of its markets. The company continues to hire in human resources to provide its clients with top-quality products and services. Given the controls in place in each of Opsens' units, the company isn't at this point taking any unusual measures.

Regarding cash management, the private placements that Opsens completed in 2008 and 2009 give the company the financial resources necessary to operate in 2009. The company has not changed its cash management strategy, which aims to protect its financial assets and defer spending that isn't essential to enacting Opsens' business plan in the near to medium term. If Opsens did need to raise money in the future, success would depend on revenue growth.

The accounting estimates used in the financial statements for the period ended May 31, 2009, were not modified for the current uncertain economic environment. These items are receivable tax credits, provisions for contractual guarantees and assumptions tied to the fair value of share options and warrants. Management doesn't anticipate an impact on the company's accounting estimates for fiscal 2009.

Majors drivers that have changed as a result of the financial crisis

Credit availability and cost

The availability of credit has decreased as a result of the global financial crisis. Opsens' current assets are enough to execute its current short-term business plan. If additional equity financing is required, current fiscal incentives may help. It is uncertain what the impact of an equity financing on current shareholders would be compared with doing such a financing under more normal market conditions.

Customers

The current period of uncertainty and volatility has not required the company to change its method of dealing with credit, since Opsens' clients are primarily businesses with strong capitalization, distributors and government-related agencies.

Currency fluctuations

As for recent currency fluctuations, an appreciating American dollar against the Canadian dollar generally favors sales figures and gross margins, since most of Opsens' sales are made in U.S. dollars. Additional information is available at "Distribution, sales and long-term recurring revenues" and "Capital management".

Commodity prices

The Oil and gas market is strategic for Opsens. Although, the oil price has recently recovered some of its loss, it is still trading at lower levels compared to last year. However, even if this may reduce short-term investment in the oil and gas industry, we believe that lower prices will cause producers to seek out our technology to optimize their production, boosting commercialization of the OPP-W sensor in the mid-term.

Counterparties

Because Opsens' revenues and purchases are diversified, the company doesn't anticipate any significant impact from decreased solvency of certain clients, suppliers and bankers.

SELECTED CONSOLIDATED FINANCIAL DATA

(In thousands of Canadian dollars, except for information per share)	Three-month period ended May 31, 2009	Three-month period ended May 31, 2008	Nine-month period ended May 31, 2009	Nine-month period ended May 31, 2008
	$	$	$	$
Revenues	1,279	890	2,498	2,096
Cost of revenues	611	495	1,497	1,158
Gross margin	668	395	1,001	938
Administrative expenses	262	262	893	709
Marketing expenses	232	179	669	508
R&D expenses	216	185	626	534
Stock option-based compensation	50	94	177	188
Amortization of property, plant and equipment	43	26	118	65
Amortization of intangible assets	5	6	17	25
Financial expenses (income)	75	2	(47)	18
	883	754	2,453	2,047
Loss before income taxes	(215)	(359)	(1,452)	(1,109)
Income taxes	-	-	-	-
Net loss	(215)	(359)	(1,452)	(1,109)
Net loss per share – Basic	(0.01)	(0.01)	(0.04)	(0.03)
Net loss per share - Diluted	(0.01)	(0.01)	(0.04)	(0.03)

(In thousands of Canadian dollars)	As at May 31, 2009	As at February 28, 2009	As at November 30, 2008	As at August 31, 2008
	$	$	$	$
Current assets	4,067	4,164	5,104	5,462
Total assets	5,627	5,687	6,618	6,852
Current liabilities	773	672	968	770
Long-term debt	279	276	289	253
Shareholders' equity	4,575	4,739	5,361	5,829

No dividend was declared per share for each share class.

On October 3, 2006, Opsens completed a qualifying transaction under the rules of the TSX Venture Exchange Corporate Finance Manual. On April 8, 2008, the Company completed a private placement of 4,711,126 units at a price of $0.80 per unit for gross proceeds of $3,768,901.

SUMMARY OF CONSOLIDATED QUARTERLY RESULTS

The summary below presents the periods in which Opsens published unaudited interim financial statements.

(In thousands of Canadian dollars)	Three-month period ended May 31, 2009	Three-month period ended February 28, 2009	Three-month period ended November 30, 2008	Three-month period ended August 31, 2008
	$	$	$	$
Revenues	1,279	606	612	748
Net loss for the period	215	682	555	228
Net loss per share - Basic	(0.01)	(0.02)	(0.01)	(0.01)
Net loss per share - Diluted	(0.01)	(0.02)	(0.01)	(0.01)

(In thousands of Canadian dollars)	Three-month period ended May 31, 2008	Three-month period ended February 29, 2008	Three-month period ended November 30, 2007	Three-month period ended August 31, 2007
	$	$	$	$
Revenues	890	637	569	187
Net loss for the period	359	403	347	531
Net loss per share - Basic	(0.01)	(0.01)	(0.01)	(0.02)
Net loss per share - Diluted	(0.01)	(0.01)	(0.01)	(0.02)

The acquisition of Inflo Solutions on December 11, 2007, stimulated sales in the oil and gas sector beginning in the second quarter of fiscal 2008.

In the first quarter of 2009, the Company performed leasehold improvements to its Quebec facilities, which temporarily affected production and hence revenues, and increased the Company's loss.

In the latest second quarter, Opsens incurred expenses to prepare two OPP-W sensors. The client then requested to delay the installation, planned for the second quarter, into the third.

During the third quarter of 2009, the Company proceeded to install equipment initially planned for installation in the second quarter of 2009.

The company expects fourth-quarter revenues to be higher than in comparative quarter of 2008.

Historically, the Company's revenues have been little affected by seasons. Seasonal fluctuations will become more significant as the weighting of sales to the oil and gas field increases, since business activity is generally greater in the winter quarter for this sector.

PERFORMANCE INDICATORS

In order to evaluate the Company's performance and generate long-term value for its shareholders, the Company has identified the following financial and non-financial performance indicators:

1) Distribution, sales, and long-term recurring revenues;
2) Products and innovation;

3) Short-term financial performance and cash flows;
4) Strategic acquisitions and development of new projects.

THREE- AND NINE-MONTH PERIODS ENDED MAY 31, 2009, AND MAY 31, 2008

DISTRIBUTION, SALES, AND LONG-TERM RECURRING REVENUES

(In thousands of dollars except for percentage data figures)	Three-month period ended May 31, 2009	Three-month period ended May 31, 2008	Nine-month period ended May 31, 2009	Nine-month period ended May 31, 2008
	$	$	$	$
Revenues	1,279	890	2,498	2,096
Growth rate (%)	43		19	
Gross margin	668	395	1,001	938
Growth rate (%)	69		7	

For the three- and nine-month periods ended May 31, 2009, sales to the high power transformers and scientific laboratories were the biggest contributors to total revenue, with respective sales for $472,000 and $93,000, compared with $1,088,000 and $856,000 a year earlier.

During the first quarter of 2009, Opsens provided various services and installed an OPP-W sensor for continuous pressure and temperature measurement at high temperature for Nexen Inc. In the second quarter, the Company sold conventional sensors. During the third quarter Opsens installed the two OPP-W sensors that had been delayed from the second quarter, upon the client's request. In the fourth quarter, we anticipate in particular to complete the remaining portion of the order received from Nexen inc.

The gross margin rate and the gross margin on product sales increased for the three-month period ended May 31, 2009, compared with a year earlier, as the company's sales increased and brought forth economy of scale.

(In thousands of Canadian dollars except for percentage data figures)	Three-month period ended May 31, 2009	Three-month period ended May 31, 2009	Three-month period ended May 31, 2009	Three-month period ended May 31, 2009
	Opsens Inc.'s reportable segment $	Opsens Solutions Inc.'s reportable segment $	Eliminations $	Consolidated financial statements $
Revenues	1,160	150	(31)	1,279
Cost of revenues	440	202	(31)	611
Gross margin	720	(52)	-	668
Gross margin rate (%)	62	(35)	-	52

The gross margin rate on product sales decreased for the nine-month period ended May 31, 2009, compared with a year earlier, as the company's sales increased overhead costs and manufacturing employees for the Opsens Solutions Inc. unit to prepare for expected growth in coming quarters.

(In thousands of Canadian dollars except for percentage data figures)	**Nine-month period ended May 31, 2009**	**Nine-month period ended May 31, 2009**	**Nine-month period ended May 31, 2009**	**Nine-month period ended May 31, 2009**
	Opsens Inc.'s reportable segment $	**Opsens Solutions Inc.'s reportable segment $**	**Eliminations $**	**Consolidated financial statements $**
Revenues	2,221	358	(81)	2,498
Cost of revenues	1,051	527	(81)	1,497
Gross margin	1,170	(169)	-	1,001
Gross margin rate (%)	53	(47)	-	40

The Company expects its Opsens Solutions Inc. gross margin rate will return to its 40% minimum target with higher revenues from Opsens Solutions unit.

As at May 31, 2009, the backlog amounted to $622,000.

Given that a large proportion of the Company's revenue is generated in U.S. dollars, while most costs are priced in Canadian dollars, fluctuation in the exchange rate affects revenue. For the three- and nine-month periods ended May 31, 2009, the average exchange rate was higher than the previous year, increasing respective sales by $189,000 and $356,000.

Market acceptance of fiber optic sensors is increasing in various sectors. Growing market acceptance contributed to maintain stability for the nine-month period ended May 31, 2009 in the economic context. Consequently, some sectors, such as high-power transformers, are seeing additional competition. To face this competition, Opsens is working to highlight the performance characteristics of its products compared with those of its competitors. For the three- and nine-month periods ended May 31, 2009, pricing modifications and new product launches didn't have a significant impact on revenues.

PRODUCTS AND INNOVATION

The Company is constantly working to improve its position in terms of intellectual property and what it can offer to its customers. In fiscal year 2009, the Company will focus on improvements to its technology in markets with the highest perceived potential payoff, particularly oil and gas and medical devices. During quarter ended May 31, 2009, Opsens filed a provisionary patent to the USPTO for a strong potential medical application.

R&D expenses increased to $216,000 in the third quarter of 2009 from $185,000 in the comparable period. The change in R&D expenses during the period was generated mainly by an increase in R&D supplies.

R&D expenses increased to $626,000 for the first nine months of 2009 from $534,000 in the comparable period. The change in R&D expenses during the period was generated mainly by an increase the R&D supplies.

SHORT-TERM FINANCIAL PERFORMANCE AND CASH FLOWS

Net loss

For the three-month period ended May 31, 2009, net loss totalled $215,000, compared to $359,000 for the period ended May 31, 2008. This decrease in net loss as well as the EBITDAO before stock-based compensation costs for the third quarter 2009 compared with a year earlier mainly reflects the increase in revenues, increase in gross margin and in financial expenses

For the nine-month period ended May 31, 2009, net loss totalled $1,452,000, compared to a loss of $1,109,000 a year earlier. The increased net loss, as well as the EBITDAO for the third quarter of 2009 mainly reflects the increase in administrative and marketing expenses in the R&D department offset by an increase in the gross margin.

Non-GAAP financial measure - EBITDAO

EBITDAO does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDAO provided investors and management burn rate related to operating activities of the Company.

Reconciliation of EBITDAO to the quarterly Results

(In thousands of Canadian dollars)	**Three-month period ended May 31, 2009**	**Three-month period ended May 31, 2008**	**Nine-month period ended May 31, 2009**	**Nine-month period ended May 31, 2008**
	$	**$**	**$**	**$**
Net loss for the period	(215)	(359)	(1,452)	(1,109)
Financial expenses (income)	75	2	(47)	18
Amortization of property, plant, and equipment	43	26	118	65
Amortization of intangible assets	5	6	17	25
EBITDA	(92)	(325)	(1, 364)	(1,001)
Stock-based compensation costs	50	94	127	188
EBITDAO	(42)	(231)	(1,187)	(813)

Results in coming quarters will be strongly influenced by product sales volume. Backlog and the expansion of marketing activities within the oil and gas market following the OPP-W installations in 2008 and 2009 should contribute to an increase in EBITDAO.

Capital management

The Company uses its capital to finance marketing expenses, research and development activities, administrative and working capital and capital assets. Historically, the Company has financed activities through rounds of public and private financing, debt financing as well as government grants.

The company reviews net loss and EBITDAO quarterly.

The Company targets to improve these ratios which positively vary for the quarter ended May 31, 2009 compare to same period in 2008 but vary negatively for the nine month period ended on the same date. The Company believes that its current liquid assets are sufficient to finance its activities on the short term.

The Company has an authorized line of credit for a maximum amount of $200,000, $50,000 of which is available at all times and which does not take into consideration the margining. When using the line of credit in an amount varying from $50,000 and $100,000, the available credit is limited to an amount that is equal to 75% of Canadian accounts receivable and 65% of foreign accounts receivable plus 50% of inventories of raw materials and finished goods. If the amount used exceeds $100,000, the credit available is limited to an amount equal to 75% of Canadian accounts receivable and 90% of ensured foreign accounts receivable plus 50% of inventories of raw materials and finished goods. Under the terms and conditions of the credit agreement, the Company is subject to certain covenants with respect to maintaining minimum financial ratios related to the maintenance of a maximum ratio of 3 to 1 for total debt to equity, and a ratio of at least than 1.5 to 1 for debt to working capital, with a minimum working capital of $200,000.

These ratios apply equally to long-term debt valued at $61,514. The covenants are met as of May 31, 2009.

The Company reviews quarterly net loss and burn rate. Burn rate is defined by the Company as the cash flows from operating activities without taking in consideration changes in non-cash operating working capital items.

INFORMATION BY REPORTABLE SEGMENTS

Sector's information

The Company's reportable segments are strategic business units managed separately; one is focused on developing, producing, and supplying fiber optic sensors (Opsens Inc.) and the other (Opsens Solutions Inc.) is specialized in the commercialization and installation of optical and conventional sensors for the oil and gas industry.

The same accounting policies are used for both reportable segments. Operations are carried out in the normal course of operations and are measured at the exchange value.

	Three-month period ended May 31, 2009			Three-month period ended May 31, 2008		
	Opsens Inc.	Opsens Solutions Inc.	Total	Opsens Inc.	Opsens Solutions Inc.	Total
	$	$	$	$	$	$
External sales	1,129,669	149,795	1,279,464	683,241	206,949	890,190
Internal sales	31,402	-	31,402	-	87,094	87,094
Amortization of property, plant and equipment	37,962	5,115	43,077	23,360	2,586	25,946
Amortization of intangible assets	5,094	-	5,094	3,883	2,416	6,299
Financial expenses	60,527)	14,799	75,326	(7,240)	9,261	2,021
Net loss	(8,576)	(206,150)	(214,726)	(373,929)	14,861	(359,068)
Acquisition of property, plant and equipment	12,173	62,953	75,126	33,672	13,441	47,113
Acquisition of intangible assets	9,927	-	9,927	3,687	-	3,687
Segment assets	4,686,675	940,113	5,626,788	6,075,658	962,325	7,037,983

	Nine-month period ended May 31, 2009			Nine-month period ended May 31, 2008		
	Opsens Inc.	Opsens Solutions Inc.	Total	Opsens Inc.	Opsens Solutions Inc.	Total
	$	$	$	$	$	$
External sales	2,139,901	357,619	2,497,520	1,702,562	393,610	2,096,172
Internal sales	81,481	-	81,481	-	87,094	87,094
Amortization of property, plant and equipment	107,534	10,062	117,596	62,136	3,141	65,277
Amortization of intangible assets	16,526	-	16,526	14,426	10,846	25,272
Financial expenses	(79,432)	32,972	(46,460)	8,550	9,619	18,169
Net loss	(758,961)	(692,691)	(1,451,652)	(1,121,919)	12,990	(1,108,929)
Acquisition of property, plant and equipment	202,106	74,500	276,606	106,020	48,566	154,586
Acquisition of intangible assets	26,305	-	26,305	31,533	-	31,533
Segment assets	4,686,675	940,113	5,686,847	6,075,658	962,325	7,037,983

These operating units generate revenue in various geographic segments as follows:

	Three-month period ended May 31		Nine-month period ended May 31	
	2009	2008	2009	2008
	$	$	$	$
Revenue per geographic sector				
Canada	207,003	221,404	438,568	424,415
United States	221,100	318,500	595,092	788,439
Germany	68,984	190,067	334,359	352,028
Japan	101,595	22,725	131,915	29,462
United Kingdom	12,837	35,684	97,270	215,614
France	70,115	6,426	71,996	127,879
Italy	146,184	1,265	149,328	1,922
Mexico	86,162	77,522	214,446	82,090
Other	365,484	16,597	464,546	74,323
	1,279,464	890,190	2,497,520	2,096,172

Revenues are attributed to the geographic sector based on the clients’ location.

Capital assets, which include property, plant and equipment and intangible assets, are all located in Canada.

During the three-month period ended May 31, 2009, revenues from four clients represent individually more than 10 % of the total revenues of the company, i.e. approximately 24.06% (Opsens Inc.'s reportable segment), 15.09% (Opsens Inc.'s reportable segment), 11.36% (Opsens Solutions Inc.'s reportable segment) and 10.85% (Opsens Inc.'s reportable segment). In 2008, for the same three-month period, three clients were presented with 22.82% (Opsens Solutions Inc.'s reportable segment), 21.35% (Opsens Inc.'s reportable segment) and 8.71% (Opsens Inc.'s reportable segment).

During the nine-month period ended May 31, 2009, two clients represent individually more than 10 % of the total revenues of the company with 13.95 % (Opsens Inc.'s reportable segment) and 13.23% (Opsens Inc.'s reportable segment). In 2008, for the same nine-month period, three clients were presented with 20.73% (Opsens Inc.'s reportable segment), 13.05% (Opsens Inc.'s reportable segment) and 10.27% (Opsens Inc.'s reportable segment).

Administrative expenses

Administrative expenses were $262,000 and $893,000 respectively for the three- and nine-month periods ended May 31, 2009, compared with $262,000 and $709,000 for the same period last year.

For the nine month period ended on May 31, 2009, the administrative expenses increase is mainly due to employment levels and communications expenses. In the fourth quarters, administrative expenses should remain stable with the third quarter of 2009.

Sales and marketing expenses

Sales and marketing expenses were $232,000 in the second quarter, up from $179,000 a year earlier. Sales and marketing expenses for the first nine months of 2009 were at $669,000 compared to $508,000 a year earlier witch represents an $161,000 increase.

The increase in sales and marketing expenses was generated by wider sales force, conference participation and publicity. Sales and marketing expenses for the next quarters of 2009 will increase in relation to the previous year now that we have a dedicated sales force in both of our locations.

Financial expenses (income)

Financial expense was $75,000 for the three- month period ended May 31, 2009, compared with $2,000 a year earlier. The increase resulted from exchange rate gains due to the appreciation of the American dollar against the Canadian dollar.

The nine- month period ended May 31, 2009 presents a financial income of $47,000 compared with a financial expense of $18,000 a year earlier. The increase resulted from exchange rate gains due to the appreciation of the American dollar against the Canadian dollar. Financial income should decrease during the coming quarters of 2009 due to lower interest income.

Financing activities cash flow

On June 25, 2009, Opsens closed a private placement of 2,916,667 common shares at a price of $0.60 per share for gross proceeds of $1,750,000. Opsens has also issued non transferable warrants to the brokers at the closing. The Broker Warrants entitle the brokers to acquire 204,167 common shares of Opsens at $0.60 a share for a period of 24 months from the closing of the private placement. The net proceeds of the private placement will be used for marketing, general working capital purposes and also, if any, for acquisition. Opsens will expand its sales and marketing activities and finalize main product development partnerships, which should provide long-term recurring revenues.

Warrants exercised

During the nine months ended May 31, 2009, 50,000 warrants entitling their holders to acquire common shares at $0.40 each were exercised, for a total of $20,000. The book value of the exercised warrants transferred to share capital was $8,000.

For the nine-month period ended May 31, 2009, warrants entitling holders to buy 393,000 shares at $0.40 each, 111,111 at $0.55 and 4,865,000 shares at $0.60 each expired.

For the nine months ended May 31, 2009, the Company granted to some employees a total of 538,000 stock options with an average exercise price of $0.42, and cancelled 160,000 stock options with an exercise price of $0.52 per share. After May 31, 2009, 50,000 stock options with an exercise price of $0.64 were granted.

As at the date of this Management Discussion and Analysis, the following components of shareholders' equity are outstanding:

Common shares	43,398,344
Stock options	2,482,500
Warrants	2,889,509
Securities on a fully diluted basis	48,770,353

Investing activities cash flow

Opsens performed leasehold improvements at its Quebec City manufacturing facility in 2009. Leasehold improvements, R&D and production equipment purchases amounted to $276,000 for the period of nine months ended on May 31, 2009. These acquisitions were made primarily to gain access to space and high-tech R&D and production and administrative equipment.

As for intangible assets, Opsens invested $26,000. These investments involved patent protection for the Company's inventions.

Cash and cash equivalents

On May 31, 2009, the Company had cash and cash equivalents of $1,729,000, compared with $3,743,000 as of August 31, 2008. Of the balance at the end of the latest third quarter, $1,401,000 was invested in highly liquid, safe investments. The Company also has an available line of credit in the amount of $200,000. This line of credit incurs interest at prime +2%. The restrictive clauses of the Company’s financial institution are respected.

Financial position

As at May 31, 2009, Opsens had working capital of $3,294,000, compared with working capital of $4,691,000 on August 31, 2008. Based on the private placement completed on April 8, 2008, the exercised warrants, its cash and cash equivalents, its working capital, and its order backlog, Opsens has the financial resources necessary to maintain short-term operations, honour its commitments, and support its anticipated growth and development activities. From a medium-term perspective, Opsens may need to raise additional financing by issuing equity securities and debt. In the long term, there is uncertainty about obtaining additional financing, given the risks and uncertainties identified in the *Risks and uncertainties* section in the Management Discussion and Analysis for the year ended August 31, 2008. During the coming quarters, fluctuation in cash assets will depend particularly on the rate of revenue growth.

For the fourth quarter, widespread sales growth should not require the Company to make an additional investment in the working capital.

Commitments

- Lease

The Company leases offices under an operating lease expiring on January 31, 2014. This agreement is renewable for an additional five-year period. Future rent, without considering the escalation clause, will amount to $553,108.

Opsens Solutions Inc. rents three vehicles under operating lease expiring in November 2010, September 2013, and October 2013. Future rent payments will amount to $87,922.

Future payments for the leases and other commitments, totalizing $795,030, required in each of the next five years are as follows:

	$
2009	231,677
2010	177,966
2011	156,257
2012	138,757
2013	90,373

- Licence

Under an exclusive licence with a third party, the Company is committed to provide exclusive marketing of some of its products for a defined territory.

- Related-party transactions

During the normal course of business, management and professional fees have been incurred from related parties. These transactions have been valued at the exchange amount agreed by the parties. Professional fees were disbursed in exchange for administrative support and management consulting.

	Three-month period ended May 31		Nine-month period ended May 31	
	2009	2008	2009	2008
	$	$	$	$
Company controlled by shareholder and director				
Professional fees	-	-	-	15,000
	-	-	-	15,000

Financial instruments

Cash equivalents and temporary investments

The Company is exposed to various types of risks in the management of its cash and cash equivalents, including those related to the use of financial instruments. To manage these risks, controls were put in place, particularly those related to investment policy. The investment policy is approved by the Board of Directors. The Company's investment policy aims primarily to protect capital, while considering return on investment and income taxes.

Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the parameters underlying their measurement, particularly interest rates and market prices.

Interest Rate Risk

Interest rate risk exists when interest rate fluctuations modify the cash flows of the Company's investments. The Company owns investments with fixed interest rates. As of May 31, 2009, the Company was holding more than 81% of its cash equivalents portfolio in all time redeemable term-deposit.

Financial charges (income)

	Three months ended		Nine months ended	
	May 31, 2009	May 31, 2008	May 31, 2009	May 31, 2008
	$	$	$	$
Interest and bank charges	8,891	5,686)	17,859	7,789
Interest on long-term debt	13,182	3,381	26,694	38,821
Gain on foreign currency translation	72,356	13,405	(23,473)	21,921
Interest income	(19,103)	(20,451)	(67,540)	(50,362)
	(75,326)	2,021	(46,460)	18,169

Credit Risk

The use of financial instruments can create a credit risk that is the risk of financial loss resulting from a counterparty's inability or refusal to fully discharge its contractual obligations. The Company's credit risk management policies include the authorization to carry out investment transactions with recognized financial institutions, with credit ratings of at least A and higher, in either bonds, money market funds or guaranteed investment certificates. Consequently, the Company manages credit risk by complying with established investment policies.

Concentration Risk

Concentration risk exists when investments are made with multiple entities that share similar characteristics or when a large investment is made with a single entity. As of May 31, 2009, the Company was holding more than 81% of its cash equivalents portfolio in all time redeemable term-deposit.

Operational credit risk

The Company provides credit for a conventional period of 30 days to its customers in the normal course of business. Credit evaluations are performed on an ongoing basis of all its accounts receivable and an allowance for doubtful accounts is recorded when those accounts are deemed uncollectible. Two major customers represent 46% of the Company's accounts receivable as at May 31, 2009.

As at May 31, 2009, 6% of accounts receivables were older than 90 days, while more than 43% were less than 30 days old. The maximum exposure to the risk of credit for receivable corresponded to their book value. On May 31, 2009, the bad debt provision was established at $14,000 ($14,031 on August 31, 2008).

Management considers that substantially all receivables are fully collectible, as most of our customers are large corporations with good credit standing and no history of default.

Interest rate and cash flow risk

The Company is exposed to interest rate fluctuations on certain long-term debt that bears interest at variable rates. The Company does not actively manage this risk.

Assuming the cash equivalents and long-term debt as reported on May 31, 2009, had been the same throughout the period, a hypothetical 1% interest rate increase would have had an unfavourable impact of $456 and $1,562 on the net loss respectively for the three- and six-month periods ended May 31, 2009. The net loss would have had an equal but opposite effect for a hypothetical 1% interest rate decrease.

Foreign exchange risk

The Company realizes certain sales and purchases certain supplies and professional services in U.S. dollars. Therefore, it is exposed to foreign currency fluctuations. The Company does not actively manage this risk.

For the three- and nine-month periods ended May 31, 2009, if the Canadian dollar had strengthened 10% against the U.S. dollar with all other variables held constant, after-tax net income and other comprehensive income would have been $48,000 and $111,000 lower, respectively. Conversely, if the Canadian dollar had weakened 10% against the U.S. dollar, with all other variables held constant, after-tax net income and other comprehensive income would have been $48,000 and $111,000 higher for the same periods.

As at May 31, the risk to which the Company was exposed to established as follows:

	$
Cash	168,926
Accounts receivable	713,330
Accounts payable and accrued liabilities	(94,209)
Total	788,047

Fair value

The fair value of cash and cash equivalents, accounts receivable, income tax credits receivable and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturities.

The fair value of long-term debt is based on the discounted value of future cash flows under the current financial arrangements at the interest rate the Company expects to currently negotiate for loans with similar terms and conditions and maturity dates. The fair value of long-term debt approximates its carrying value due to the current market rates.

Liquidity Risk

Liquidity risk represents the possibility of the Company not being able to raise the funds needed to meet financial commitments at the appropriate time and under reasonable conditions. The Company manages this risk by maintaining permanent and sufficient liquidity to meet current and future financial obligations, under both normal and exceptional circumstances. The funding strategies used to manage this risk include turning to capital markets to carry out issues of equity and debt securities.

The following are the contractual maturities of the financial liabilities, principal and interest (assuming current interest rates), as at May 31, 2009:

	Total	0 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
	$	$	$	$	$
Accounts payable and accrued liabilities	644,114	644,114	-	-	-
Long-term debt	439,856	147,640	133,929	158,287	-
Obligation under capital lease	97,189	33,813	27,226	36,150	-
Commitments	795,030	231,677	177,966	185,387	-
Total	1,976,189	1,057,244	339,121	579,824	-

STRATEGIC ACQUISITIONS AND NEW PROJECT DEVELOPMENT

In its business plan, Opsens has identified some acquisition targets for growth. In order to maximize value creation for our shareholders, and based on the opportunities, Opsens may make strategic acquisitions. Opsens remains open to any business opportunities that could occur at any time.

On December 11, 2007, the Company concluded the acquisition of all outstanding shares of Inflo Solutions Inc. (“Inflo”), a company dedicated to the design and installation of reservoir surveillance solutions based on optical and conventional sensors to the oil and gas market. The purchase price comprised 1,199,997 Opsens common shares and $120,000 cash. At the closing, 510,000 shares out of the first 600,000 shares were paid into escrow and will be released over a 48-month period. The balance of the shares and the cash, represented by a series of promissory notes, have also been paid in escrow, to be released or cancelled, as applicable, over a 48-month period ending December 11, 2011, following the achievement or non achievement of certain performance milestones. The Company has also committed to invest up to $350,000 into the working capital of Inflo during the 48-month period following the acquisition. The shares issued at closing are subject to a statutory 4-month hold period ending on April 12, 2008.

On April 8, 2008, a milestone had been achieved which had effect to release a series of promissory notes for a total value of $60,000. This amount had been booked as goodwill.

On August 31, 2008, the Company renegotiated the agreement made on December 11, 2007. The revised agreement eliminated the possibility of cancelling 499,997 shares against an escrow ending on December 11, 2011.

The acquisition has been accounted for using the purchase method, and the results of operations have been included in the consolidated financial statements of the Company from the date of acquisition. The purchase price allocation shown below is based on the fair value estimate made by the Company:

	Amount
	$
Assets	
Cash	6,029
Current assets	42,024
Service contracts	20,000
	68,053
Liabilities	
Current liabilities	44,377
Net identifiable assets acquired	23,676
Goodwill*	676,574
Purchase price	700,250
Less :	
Cash acquired	6,029
Issuance of shares in connection with the acquisition	525,574
Net cash used for the acquisition	168,647

* Goodwill is not deductible for income taxes calculation.

On December 11, 2007, Inflo changed its name for Opsens Solutions Inc. (“Opsens Solutions”).

CHANGE IN ACCOUNTING POLICIES

Impact of adopting the new Financial instruments standards

On September 1, 2008, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding “Capital Disclosures” (Section 1535), “Inventories” (Section 3031), “Instruments – Disclosures” (Section 3862) and “Financial Instruments – Presentation” (section 3863). The new standards were applied without restatement of comparative financial statements.

Inventories

Section 3031 provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

Since this standard came into effect, the Company has been recording its raw materials inventory at the lower of cost and net realizable value. In the past, the Company recorded raw materials inventory at the lower of cost and replacement value.

Capital Disclosures

Section 1535 “Capital Disclosures”, established standards for disclosing information about an entity’s capital and how it is managed. It describes the disclosure requirements of the entity’s objectives, policies and processes for managing capital, the quantitative data relating to what the entity regards as capital, whether the entity has complied with capital requirements, and, if it has not complied, the consequences of such non-compliance. Since the standard came into effect, the Company has been presenting relevant information about capital management in the “Capital Management” note.

Financial Instruments

Sections 3862 and 3863 place heightened importance on disclosure, enabling financial statement users to assess the nature and extent of the risks associated with the financial instruments to which the Company is exposed and the manner in which it manages these risks.

On September 1, 2007, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) regarding Financial instruments- Recognition and measurement (Section 3855), Financial Instruments – Disclosure and presentation (Section 3861), Hedges (Section 3865) and Comprehensive Income (section 1530). Information released prior to September 1, 2007 was not restated.

On September 1, 2007, the Company made the following adjustments in order to conform to the new accounting standards:

	Amount
	$
Decrease	
Balance Sheet	
Assets	
Deferred financing costs	4,336
Liabilities	
Long-term debt	78,023
Statement of deficit	
Change in accounting policies	73,687

FUTURE ACCOUNTING CHANGES

The CICA has issued new accounting standards:

Section 3064, “Goodwill and intangible assets”, replacing Section 3062, “Goodwill and other intangible assets” and Section 3450, “Research and development costs”. The new section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning September 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company does not expect that the adoption of this new Section will have a material impact on its interim and annual consolidated financial statements.

International Financial Reporting Standards

The Accounting Standards Board of Canada has announced that accounting standards in Canada, as used by public companies, will converge to International Financial Reporting Standards ("IFRS") over a transition period that is expected to be complete by 2011. On February 13, 2008, the CICA confirmed 2011 as the official changeover date from current Canadian GAAP to IFRS. The Company will convert to these new standards according to the timetable set with these new rules.

The Company has not begun to assess the future impact of these new standards on its interim and annual consolidated financial statements.

RISK FACTORS AND UNCERTAINTIES

Opsens operates in an industry that is subject to various risks and uncertainties. The Company's business, financial position, and operating results could be impacted negatively by these risks and uncertainties. The most important risks and uncertainties are described in the management discussion and analysis for the year ended August 31, 2008.

OTHER INFORMATION

Updated information on the Company can be found on the SEDAR Web site at http://www.sedar.com.

On behalf of management,
Chief Financial Officer and Secretary

(s) Louis Laflamme

July 7, 2009