Interim Financial Statements

Opsens Inc.

Three-month periods ended November 30, 2007 and 2006

Notice

These interim financial statements have not been reviewed by the Company’s external auditors.

Opsens Inc.
November 30, 2007

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Opsens Inc.

Statements of Loss and Comprehensive Income
Three-month periods ended November 30, 2007 and 2006

(unaudited)	First quarter	
	2007	2006
	$	$
Sales	568,709	173,788
Cost of sales	267,752	117,402
Gross margin	300,957	56,386
Expenses		
Administrative	252,614	245,037
Marketing	195,086	229,990
Research and development	162,858	115,085
Depreciation of property, plant and equipment	18,572	14,663
Amortization of intangible assets	4,854	1,928
Amortization of deferred financing costs	-	8,568
Financial	14,070	3,271
	648,054	618,542
Loss before income taxes	(347,097)	(562,156)
Income taxes	-	-
Net loss and comprehensive income	(347,097)	(562,156)
Net loss per share (Note 4)		
Basic	(0.01)	(0.02)
Diluted	(0.01)	(0.02)

The accompanying notes are an integral part of the interim financial statements.

Reference:
Stock-based compensation expense (Note 3b)

Opsens Inc.

Statements of Deficit
Three-month periods ended November 30, 2007 and 2006

(unaudited)	First quarter	
	2007	2006
	$	$
Balance at beginning	4,587,145	1,757,494
Net loss	347,097	562,156
	4,934,242	2,319,650
Change in accounting policies (Note 2)	(73,687)	-
Issuance expenses on equity component	-	436,320
Balance at end	4,860,555	2,755,970

The accompanying notes are an integral part of the interim financial statements.

Opsens Inc.
Balance Sheets

	November 30, 2007 (unaudited)	August 31, 2007 (audited)
	$	$
Assets		
Current		
Cash and cash equivalents	1,797,278	1,839,379
Accounts receivable	485,036	120,697
Income tax credits receivable	227,069	177,355
Inventories	415,479	372,650
Prepaid expenses	60,920	32,593
	2,985,782	2,542,674
Property, plant and equipment	337,316	339,293
Intangible assets	149,868	142,444
Deferred financing costs	-	4,336
	3,472,966	3,028,747
Liabilities		
Current		
Accounts payable and accrued liabilities	410,967	320,960
Deferred revenue	20,000	20,000
Current portion of long-term debt	182,400	200,315
	613,367	541,275
Long-term debt	386,915	498,927
	1,000,282	1,040,202
Shareholders' equity		
Share capital (Note 3a)	6,223,861	5,332,483
Stock-options (Note 3b)	459,139	408,701
Warrants (Note 3c)	650,239	834,506
Deficit	(4,860,555)	(4,587,145)
	2,472,684	1,988,545
	3,472,966	3,028,747

The accompanying notes are an integral part of the interim financial statements.

References:
Commitments (Note 5)
Contractual guarantees (Note 6)
Subsequent events (Note 9)

Approved by the Board

Signed [Pierre Carrier] Director *Signed [Mario Jacob]* Director

Opsens Inc.

Statements of Cash Flows

Three-month periods ended November 30, 2007 and 2006

(unaudited)	First quarter	
	2007	2006
	$	$
Operating activities		
Net loss	(347,097)	(562,156)
Adjustments for:		
Depreciation of property, plant and equipment	18,572	14,663
Amortization of intangible assets	4,854	1,928
Amortization of deferred financing costs	-	8,568
Premium payable to *Canada Economic Development*	7,569	2,317
Premium payable to *Investissement Québec*	2,130	2,130
Stock-based compensation	50,438	111,100
Changes in non-cash operating working capital items	(395,202)	(27,208)
	(658,736)	(448,658)
Investing activities		
Acquisition of property, plant and equipment	(16,595)	(16,050)
Acquisition of intangible assets	(12,278)	(6,038)
	(28,873)	(22,088)
Financing activities		
Increase in deferred financing costs	-	(51,286)
Increase in long-term debt	-	35,928
Reimbursement of demand loan	-	(204,824)
Reimbursement of long-term debt	(61,603)	(103,950)
Issuance of equity component	707,111	2,215,000
Issuance expenses of equity component	-	(261,767)
Cash and cash equivalents acquired in the qualifying transaction	-	558,716
	645,508	2,187,817
Increase (decrease) in cash and cash equivalents	(42,101)	1,717,071
Cash and cash equivalents at beginning	1,839,379	323,420
Cash and cash equivalents at end	1,797,278	2,040,491

The accompanying notes are an integral part of the interim financial statements.

1. Accounting policies

The significant accounting policies used to prepare these financial statements are summarized below.

Unaudited interim financial statements

The accompanying unaudited interim financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") for interim financial statements, and they are consistent with the accounting policies and methods used in the preparation of the Company's most recent audited financial statements. However, they do not include all information required for annual financial statements. As such, these unaudited interim financial statements and related notes should be read in conjunction with the Company's most recent annual audited financial statements.

The financial statements as at November 30, 2007 and for the three-month periods ended November 30, 2007 and 2006 are unaudited. However, in the opinion of management, all adjustments, consisting solely of normal recurring adjustments considered necessary for a fair presentation of the results of operations for the period presented, have been included. Operating results for the interim periods are not necessarily indicative of the operating results that may be expected for the full year.

All amounts are disclosed in Canadian dollars.

Use of estimates

The presentation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The main accounting estimates relate to the income tax credit receivable, the provision for warranty and the assumptions used in the determination of the fair value of the stock options and warrants. Actual results could differ from these estimates.

Revenue recognition

Revenues related to product sales are recognized when persuasive evidence of an arrangement exists, a delivery has occurred, the price is fixed or determinable, and collection is reasonably assured.

Partnership revenues are recorded using the percentage of completion method. Therefore, these revenues are recognized proportionately with the degree of completion of work. The Company uses the efforts-expended method to calculate the degree of completion of work based on the number of hours incurred as at the balance sheet date compared to the estimated total number of hours. Work in progress is valued by taking into consideration the number worked but yet uninvoiced hours and received receipts. Losses are recorded as soon as they become apparent.

Loss per share

Loss per share is determined using the weighted average number of outstanding shares during the period. The Company uses the treasury stock method to calculate the diluting effect of share purchase options, warrants and convertible debentures. Reconciliations of the numerators and the denominators used in the calculation of the basic and diluted loss are disclosed in accordance with the standard.

1. Accounting policies (continued)

Stock-based compensation and other stock-based payments

The Company uses the fair value method to assess the fair value of stock options or warrants as at their date of allocation. The fair value is determined using the Black-Scholes option pricing model and is amortized to earnings over the vesting period with an offset to contributed surplus. When stock options or warrants are exercised, the corresponding contributed surplus and the proceeds received by the Company are credited to share capital.

2. Changes in accounting policies

Impact of adopting Financial instruments

On September 1, 2007, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants regarding Financial instruments (Section 3855) 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
Statements of deficit	
Change in accounting policies	73,687

Other comprehensive income

According to the new accounting standards, the Company must present a comprehensive income statement. Since the Company has classified all of its financial instruments as financial instruments “held for trading”, except for the long-term debt which is classified as “other liabilities”, there is no element to be disclosed distinctively in other comprehensive income. Consequently, the net earnings (net loss) also represents the results of the comprehensive income.

2. Changes in accounting policies (continued)

Financial Instruments – Evaluation and Recognition

Short-term investments

Short-term investments are classified as financial instruments "held for trading". As such, these financial instruments are recorded at their fair values. Changes in the fair value of held for trading instruments are recorded as investment income and disclosed as financial expenses in the income statement.

The fair value of financial instruments represents the amount at which the financial instruments could be traded knowingly and voluntarily between the parties involved. The fair value is based on market prices (buyer-seller prices) in an active market. If this is not the case, the fair value is based on market prices prevailing for instruments with similar risk profiles or characteristics or on internal or external valuation models that use observable market data.

Derivative financial instruments

Derivative financial instruments must be recorded at fair value unless they are specifically designated in an effective hedging relationship, and the change in fair value will be recorded directly in net earnings.

Long-term debt

The long-term debt is classified as "other liabilities" and is recorded at cost. Transaction fees related to "other liabilities" are capitalized and amortized using the effective interest rate and are recorded in the income statement.

3. Share capital, stock-options and warrants

a) Common share capital

Authorized, unlimited number, voting and participating without par value

Issued and fully paid

	Number	Amount
		$
Balance at beginning	32,628,610	5,332,483
Share issuance – warrants exercised *i)*	1,276,111	891,378
Balance as at November 30, 2007	33,904,721	6,223,861

i. Warrants exercised

During the three-month period ended November 30, 2007, 1,276,111 warrants entitling their holders to acquire one common share of the Company at an average price of $0.56 per share were exercised for a total amount of $707,111. The book value of the exercised warrants was transferred to Share capital for an amount of $184,267.

3. Share capital, stock-options and warrants (continued)

b) Stock options

The Company is maintaining the stock option plan approved by the Board of Directors of the Company on July, 19, 2006. The number of common shares reserved by the Board of Directors for options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. The plan is available to the Company's directors, consultants, officers and employees. The options granted to directors and consultants are vested immediately and options granted to officers and employees will be acquired over a period of four years at rate of 25% per year, the first portion being acquired at the end of the first year following the granting of the options.

The stock option plan stipulates that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by TSX Venture Exchange. The exercise period cannot exceed five years, beginning on the grant date.

The compensation expense for the three-month period ended November 30, 2007 for the stock option plan includes in the administrative expenses was $50,438 ($111,100 for the three-month period ended November 30, 2006).

The situation of the outstanding stock option plan and the changes that took place during the period are as follows:

	Number of options	Weighted average exercise price
		$
Outstanding at beginning of period	2,033,333	0.53
Options granted	-	-
Outstanding at end of period	2,033,333	0.53
Options exercisable at end of period	1,083,333	0.47

The table below provides information on the outstanding stock options as at November 30, 2007:

Exercise price	Number of outstanding stock options	Number of exercisable stock options	Weighted average residual duration (years)
$			
0.30	333,333	333,333	0.50
0.45	50,000	12,500	4.01
0.50	1,350,000	637,500	3.86
0.80	100,000	100,000	4.40
0.95	200,000	-	4.38
	2,033,333	1,083,333	3.39

3. Share capital, stock-options and warrants (continued)

c) *Warrants*

The situation of the outstanding warrants and the changes that took place during the period are as follows:

	Number of warrants	Weighted average exercise price
		$
Outstanding at beginning of period	6,902,722	0,58
Warrants exercised during the period (Note 3a)i)	(1,276,111)	0.56
Outstanding at end of period	5,626,611	0.58
Warrants exercisable at end of period	5,626,611	0.58

The table below provides information on the outstanding warrants as at November 30, 2007:

Exercise price	Number of outstanding warrants	Number of exercisable warrants	Weighted average residual duration (years)
$			
0.40	443,000	443,000	0.86
0.55	111,111	111,111	1.02
0.60	5,072,500	5,072,500	0.86
	5,626,611	5,626,611	0.86

4. Loss per share

The table below presents a reconciliation between the basic net loss and the diluted net loss per share:

	Three-month periods ended November 30	
	2007	2006
	$	$
Numerator		
Net loss	(347,097)	(562,156)
Amount available for calculating the loss per share	(347,097)	(562,156)
Denominator		
Number of shares		
Weighted average number of shares outstanding	33,235,081	26,041,556
Dilutive effect of stock options and warrants	-	-
Weighted average number of shares outstanding on diluted basis	33,235,081	26,041,556
Amount per share		
Net loss per share		
Basic	(0.01)	(0.02)
Diluted	(0.01)	(0.02)

The calculation of dilution effects excluded options and warrants that have an anti-diluting effect.

However, should the Company's basic earnings per share have been positive, some options and warrants, at an exercise price of $0.30, $0.40, $0.45, $0.50, $0.55, $0.60 and $0.80, would have been dilutive and would have resulted in the addition of 2,423,684 shares to the weighted average number of shares outstanding used in the diluted earnings per share calculation for the three-month period ended November 30, 2007 (764,168 shares for the three-month period ended November 30, 2006).

5. Commitments

Lease

The Company leases offices under an operating lease expiring on December 31, 2008. This agreement is renewable for an additional five-year period. Future rent, without considering the escalation clause, will amount to $87,477 and include the following payments over the next twelve-month periods:

	$
2008	80,748
2009	6,729

License

According to an exclusive license agreement with a third party, the Company has committed to providing exclusivity for the marketing of some of its products for a defined territory.

6. Contractual guarantees

During the normal course of business, the Company replaces defective parts under warranties offered at the sale of the products. The term of the warranties is 12 months. During the three-month periods ended November 30, 2007 and 2006, the Company recognized respectively no additional expenses for guarantees. A provision for $16,312 ($16,312 as at August 31, 2007) had been recorded for guarantees. This expense is estimated based on past experience and is presented in liabilities under "Accounts payable and accrued liabilities". The actual amount of costs that the Company may incur, as well as the moment when the parts should be replaced can differ from the estimated amount.

7. Related party transactions

In the normal course of its operations, the Company has entered into transactions with a company controlled by a shareholder and director. These transactions have been measured at the exchange amount.

	Three-month periods ended November 30	
	2007	2006
	$	$
Management fees paid to a shareholder	-	833
Professional fees to a company controlled by a shareholder and director	15,000	-
	15,000	833

8. Segmented information

The Company is structured according to a single operating unit, and all of its production and marketing activities are carried out at the same location.

This operating unit generates revenue in various geographic segments as follows:

	Three-month periods ended November 30	
	2007	2006
	$	$
Revenues per geographic sector		
Canada	14,112	9,304
United States	333,889	80,643
Germany	53,424	40,322
United-Kingdom	148,913	34,070
Other	18,371	9,449
	568,709	173,788

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

Property, plant, equipment and intangible assets are all located in Canada.

During the three-month period ended November 30, 2007, revenues from one client represent approximately 26.18% (22.26% for the three-month period ended November 30, 2006) of the Company's total revenues.

9. Subsequent events

i. Acquisition

On December 11, 2007, the Company concludes 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 is 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.

ii. Stock options

On December 11, 2007, with respect to the stock option plan, the Board of Directors authorized the attribution of a total of 500,000 stock options to employees and officers. Each option entitles its holder to acquire one common share of the Company at an exercise price of $0.72 per share on December 10, 2012 at the latest.

10. Comparative figures

Certain comparative figures have been reclassified in order to conform to the presentation adopted for the current year.