MANAGEMENT DISCUSSION & ANALYSIS

Quarterly report for shareholders
Period May 31, 2008

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, 2008, and for the three- and nine-month period ended this date in comparison with the corresponding period ended May 31, 2007. They should be read and interpreted in conjunction with the audited financial statements as well as the accompanying notes as of August 31, 2007.

Unless stated otherwise, the interim Management Discussion and Analysis has been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). This document was prepared on June 23, 2008.

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 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 directly to end-users in the oil and gas, medical instrumentation, energy, and scientific and military laboratory fields. Opsens offers technical services, such as on-site installation, training, and turnkey fiber optic systems.

Opsens holds three (3) patents and four (4) pending patents covering its products and technology provided to its markets, giving the Company freedom to operate on these markets. With its patented technologies and highly recognized expertise, Opsens meets consumer needs in the medical, oil and gas, electric transformer, and scientific laboratory markets. Since December 11, 2007, activities in the field of oil and gas have been performed by the wholly-owned subsidiary Opsens Solutions Inc. ("Opsens Solutions"), formerly Inflo Solutions Inc.

VISION, STRATEGY, AND OUTLOOK

The worldwide sensor market is a multi-billion dollar market. The Opsens sales and marketing strategy aims to provide solutions for the various current niche markets and develop new specific 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.

During the fourth quarter of fiscal year 2008, Opsens expects its product revenues to continue to grow compared to fourth quarter 2007 in the oil and gas, medical devices, energy, and scientific and military laboratory sectors.

SELECTED FINANCIAL DATA

(In thousands of dollars, except for information per share)	Three-month period ended May 31, 2008	Three-month period ended May 31, 2007	Nine-month period ended May 31, 2008	Nine-month period ended May 31, 2007
	$	$	$	$
Sales	890	187	2,096	626
Cost of sales	495	174	1,158	488
Gross margin	395	13	938	138
Administrative expenses	313	285	853	705
Marketing expenses	222	249	552	661
R&D expenses	185	156	534	481
Depreciation of property, plant, and equipment	26	19	65	50
Amortization of intangible assets	6	6	25	24
Amortization of deferred financing fees	-	-	-	9
Financial expenses (income)	2	(2)	18	(10)
	754	713	2,047	1,920
Loss before income taxes	(359)	(700)	(1,109)	(1,782)
Income taxes	-	-	-	-
Net loss for the period	(359)	(700)	(1,109)	(1,782)
Net loss per share - Basic	(0.01)	(0.02)	(0.03)	(0.06)
Net loss per share - Diluted	(0.01)	(0.02)	(0.03)	(0.06)

(In thousands of dollars)	As at May 31, 2008	As at February 29, 2008	As at November 30, 2007	As at August 31, 2007
	$	$	$	$
Current assets	6,001	2,596	2,986	2,543
Total assets	7,038	3,553	3,473	3,029
Current liabilities	884	682	613	541
Long-term debt	344	322	387	499
Shareholders' equity	5,810	2,549	2,473	1,989

No cash dividend declared per share for each share class.

SUMMARY OF QUARTERLY RESULTS

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

(In thousands of 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)

(In thousands of dollars)	Three-month period ended May 31, 2007	Three-month period ended February 28, 2007	Three-month period ended November 30, 2006
	$	$	$
Revenues	187	266	174
Net loss for the period	700	520	562
Net loss per share - Basic	(0.02)	(0.02)	(0.02)
Net loss per share - Diluted	(0.02)	(0.02)	(0.02)

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, 2008 AND 2007

DISTRIBUTION, SALES, AND LONG-TERM RECURRING REVENUES

(In thousands of dollars except for percent data figures)	Three-month period ended May 31, 2008	Three-month period ended May 31, 2007	Nine-month period ended May 31, 2008	Nine-month period ended May 31, 2007
	$	$	$	$
Revenues	890	187	2,096	626
Growth rate (%)	376		235	
Gross margin	395	13	938	138
Growth rate (%)	2,938		580	

The Company generated $890,000 in sales for the three-month period ended May 31, 2008, compared to $187,000 for the three-month period ended May 31, 2007, registering an increase of 376%. The increased sales for the three-month period ended May 31, 2008, were generated by organic growth in the medical instrument, scientific and military laboratory, and high-power electrical generator market for $296,000 in addition to an increase by acquisition of a wholly-owned subsidiary based in Edmonton dedicated to the oil and gas market. Sales within the oil and gas market reached $407,000 ($200,000 accounted in Opsens Inc. reportable segment) for third quarter 2008.

The Company generated $2,096,000 in sales for the nine-month period ended May 31, 2008, compared to $626,000 for the same period of the previous year, registering an increase of 235%. Sales growth for the nine-month period ended May 31, 2008, was generated by strong performance in the scientific and military laboratory market, which contributed more than $856,000, and revenues in the oil and gas market of nearly $600,000 ($200,000 accounted in Opsens Inc. reportable segment).

The gross margin rate and the gross margin on product sales increased for the three- and nine-month periods ended May 31, 2008, in relation to the same periods of the previous year given the more significant realization of economies of scale. The increase was generated by the strong weighting, in relation to total sales, of the scientific and military laboratory market, a market where the generated margin is high. The gross margin rate obtained in the first three quarters of 2008 is within the expected range between 40% and 60%. As at May 31, 2008, the backlog amounted to $527,000.

Given that a large proportion of the Company's revenue is generated in US dollars, fluctuation in the Canadian dollar in relation to the US dollar has an impact on revenue. For the three- and nine-month periods ended May 31, 2008, the average conversion rates were lesser than those in the previous year, which affected the amount of sales by $95,000 and $246,000 respectively for these periods in 2008.

Usually, the Company’s industry and its revenues are affected very little by seasonal fluctuations. However, the oil and gas market in Canada may produce seasonal fluctuations for Opsens in the future, as the spring is traditionally a period in which activities are less intense, given the difficulty in accessing oil producing sites.

Market acceptance of fiber optic sensors is increasing in various sectors for fiber optic sensors. Consequently, some sectors such as electric transformers are seeing additional competition. To face this competition, Opsens is working to highlight the performance characteristics of its products compared to competitors.

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. During the three- and nine-month periods ended May 31, 2008, Opsens emphasized the continuous improvement of its existing product line and concentrated on its products intended for the medical instrumentation market and the oil and gas market. The Company's R&D strategy involves focusing its new product development efforts toward markets with very high potential. The oil and gas market is a concrete example of the application of this strategy.

R&D expenses increased to $185,000 and $156,000, respectively, for the three-month periods ended May 31, 2008 and 2007. The change in R&D expenses during the period was generated mainly by increased payroll.

R&D expenses increased for the nine-month period ended May 31, 2008, compared to the same period in 2007, with costs at $534,000 compared to $481,000. This increase is mainly due to growth in payroll.

SHORT-TERM FINANCIAL PERFORMANCE AND CASH FLOWS

Net loss

Reconciliation of EBITDA with the quarterly results

(In thousands of dollars)	Three-month period ended May 31, 2008	Three-month period ended May 31, 2007	Nine-month period ended May 31, 2008	Nine-month period ended May 31, 2007
	$	$	$	$
Net loss	(359)	(700)	(1,109)	(1,782)
Financial expenses (income)	2	(2)	18	(10)
Depreciation of property, plant, and equipment	26	19	65	50
Amortization of intangible assets	6	6	25	24
Amortization of deferred financing cost	-	-	-	9
EBITDA[1]	(325)	(677)	(1,001)	(1,709)
Stock-based compensation costs	94	116	188	272
EBITDA before stock-based compensation costs	(231)	(561)	(813)	(1,437)

(1) The Company uses only one financial measure that is not consistent with Canadian GAAP, namely earnings before interest, income taxes, depreciation, and amortization (EBITDA). Such a measure is used because management believes that it provides meaningful information about the Company's performance and operating results. Such a non-GAAP measure has no standardized meaning as prescribed by Canadian GAAP and is not necessarily comparable to similarly titled measures presented by other companies. Accordingly, it should not be considered independently of other figures.

The net loss for the three-month period ended May 31, 2008, was $359,000, compared to $700,000 for the three-month period ended May 31, 2007. This decreased quarterly net loss as well as the EBITDA before stock-based compensation costs for third quarter in relation to last year's third quarter mainly reflects the increase in sales and gross margin.

The net loss for the nine-month period ended May 31, 2008, was $1,109,000, compared to $1,782,000 for the nine-month period ended May 31, 2007. The decrease in the net loss as well as the EBITDA before stock-based compensation for the nine-month period in 2008 in relation to the same period in 2007 mainly reflects the increase in sales and gross margin, while overhead expenses increased by $127,000.

Net results for the coming quarters will be strongly influenced by product sales volume. The increase in marketing activities in the oil and gas market planned for the fourth quarter should contribute positively to EBITDA.

Administrative expenses

Administrative expenses were $313,000 and $853,000 respectively for the three- and nine-month periods ended May 31, 2008, compared to $285,000 and $705,000 respectively for same periods ended May 31, 2007.

For the three- and nine-month period ended May 31, 2008, administrative expenses increased mainly due to the administrative expenses generated by the new subsidiary Opsens Solutions and a rise in administrative payroll. In fourth quarter 2008, administrative expenses should be similar to the third quarter 2008.

Sales and marketing expenses

Sales and marketing expenses decreased by $27,000 to $222,000 for the three-month period ended May 31, 2008, compared to $249,000 for the same quarter last year. This change is explained mainly by decreased convention participation expenses. Sales and marketing expenses were $552,000 for the nine-month period ended May 31, 2008, compared to $661,000 for the same period in 2007, a decrease of $109,000.

This decrease is explained mainly by reduced convention participation expenses. Sales and marketing expenses for the final quarter of 2008 should increase compared to third quarter 2008, particularly because of participation in conventions.

Financial expenses

Financial expenses were $2,000 and $18,000 respectively for the three- and nine-month periods ended May 31, 2008, compared to financial income of $2,000 and $10,000 respectively for the same periods in 2007. The increased financial expenses during the three- and nine-month period ended May 31, 2008, were the direct consequence of the exchange rate loss resulting from the appreciation of the Canadian dollar against the American dollar and a decrease in interest income as a result of the lower amount of cash assets. Financial expenses should decrease during fourth quarter 2008 following the increase in cash assets obtained from the private placement completed on April 8, 2008.

Financing activities cash flow

Private investment

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. Each unit is comprised of one common share and one-half common share purchase warrant in the Company. Each whole common share purchase warrant will entitle the holder to purchase one common share in the Company at a price of $1.10 for a 24-month period following the closing of the private placement or, should the 20-day volume weighted average price of Opsens common shares trade on the TSX Venture Exchange at or above $1.50 during this same 24-month period, Opsens may accelerate the expiration date of the share purchase warrants by giving prior written notice to the warrant holders within 10 working days immediately following the date on which the triggering event occurs. The share purchase warrants will then expire 30 calendar days after written notice of such an event is received or deemed received by the warrant holders.

Opsens has paid to the agents a cash commission equal to $263,823 and issued warrants to brokers entitling them to purchase 329,779 common shares in Opsens. The issued broker warrants will have an exercise price per common share equal to the issue price for a period of 24 months from the closing of the private placement. The securities issued as part of the offering will be subject to a mandatory four-month restricted period expiring on August 9, 2008.

The funding obtained will provide Opsens with cash resources to expand its sales and marketing activities and finalize the three main product development partnerships, which should provide long-term recurring revenues to the Company.

Warrants exercised

During the nine-month period ended May 31, 2008, 1,483,611 warrants entitling their holders to acquire one common share in the Company at an average price of $0.56 per share were exercised for a total amount of $834,111. The book value of the exercised warrants was transferred to share capital in the amount of $207,642.

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

Common shares	39,931,680
Stock options	2,272,500
Warrants	8,104,453
Securities on a fully diluted basis	50,308,633

Investing activities cash flow

Opsens acquired various fixed assets for $47,000 and $155,000 respectively during the three- and nine-month periods ended May 31, 2008, compared to $56,000 and $112,000 respectively for the same periods in 2007. These acquisitions were made primarily to gain access to high-tech R&D and production equipment. Also, investments were made in order to optimize the recently acquired installations of Opsens Solutions.

As for intangible assets, Opsens invested $4,000 and $32,000 respectively for the three- and nine-month periods ended May 31, 2008. These investments involve patent protection for the Company's inventions.

Cash and cash equivalents

As at May 31, 2008, the Company had cash and cash equivalents of $4,263,000 compared to $1,839,000 as at August 31, 2007. Of this amount as at May 31, 2008, $3,936,000 is 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 bears interest at prime + 2%. The restrictive clauses of the Company’s financial institution are respected.

Financial position

As at May 31, 2008, Opsens had working capital of $5,117,000, compared to working capital of $2,002,000 as at August 31, 2007. 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 debts. In the long term, there is uncertainty about obtaining additional financing, given the risks and uncertainties identified in the *Risks and uncertainties* section of the annual management report as at August 31, 2007. During the coming quarters, fluctuation in cash assets will depend particularly on the rate of revenue growth.

Commitments

The following table summarizes the Company’s minimum contractual commitments for the future twelve-month periods ending May 31, 2009, 2010, 2011, and 2012.

(In thousands of dollars)	Obligations – Capital leases			Other debts	Debts and principal portion of capital leases
	Total payments	Imputed interest	Principal payments		
2009	$7	$2	$4	$203	$207
2010	$7	$2	$5	$109	$113
2011	$7	$1	$5	$131	$136
2012	$6	$0	$5	$49	$54
2013	$1	$0	$1	$44	$45

To date, the Company has three significant off-balance sheet commitments with expected payments of $73,000, $8,000 and $4,000 for the coming twelve-month periods for a cumulative commitment of $85,000.

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.

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	
	2008	2007	2008	2007
	$	$	$	$
Management fees to a shareholder	-	-	-	1,000
Company controlled by shareholder and director				
Professional fees	-	15,000	30,000	20,000
	15,000	15,000	30,000	21,000

Financial instruments

Credit risk

The Company grants credit to its customers in the normal course of business. Evaluations of all of its accounts receivable are performed on an ongoing basis, and an allowance for bad debt is recorded when certain accounts are deemed uncollectible.

Interest rate and cash flow risk

The Company is exposed to interest rate fluctuations on certain long-term debts with variable interest rates. The Company does not actively manage this risk.

Foreign exchange risk

The Company makes some sales and partnership revenue and some purchases of supplies and professional services in US dollars. Therefore, it is exposed to foreign currency fluctuations. The Company does not actively manage this risk. The Company expects that its weighting of Canadian sales will increase simultaneously with sales in the oil and gas sector, which will ease the fluctuation of foreign exchanges on sales in a weighted manner.

Fair value

The fair value of cash and cash equivalents, accounts receivable, income tax credits receivable, and accounts payable and accrued expenses is approximately their carrying value because of their short time to maturity. 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 at which the Company currently expects to be able to obtain loans with similar terms and conditions and maturity dates. The fair value of long-term debt is close to its carrying value because of current market rates.

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 during the next fiscal year. Opsens remains open to any business opportunities that could occur at any time.

On December 11, 2007, the Company acquired all of the outstanding shares of Inflo Solutions Inc. ("Inflo"), which designs and installs solutions intended for the analysis of reservoirs based on optical and conventional sensors within the oil industry. The purchase price was 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 into 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 investing up to $350,000 into the working capital of Inflo during the 48-month period following the acquisition. As at May 31, 2008, an amount of $361,000 has been advanced.

Since the acquisition, the favourable performance of the oil and gas industry has already led to the accomplishment of a milestone, representing 100,000 common shares in Opsens and a cash amount of $15,000. The private placement completed on April 8, 2008, also allowed for the successful completion of a performance milestone corresponding to $60,000 in compensation. This amount has been recorded as part of goodwill. To date, 499,997 shares are still attached to performance milestones.

This acquisition has been accounted for using the purchase method, and the operating results have been included in the company's consolidated financial statements 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
Order backlog	20,000
	68,053
Liabilities	
Current liabilities	44,377
Net identifiable assets acquired	23,676
Goodwill	449,000
Purchase price	472,676
Less:	
Cash acquired	6,029
Issuance of shares in connection with the acquisition	343,000
Net cash used for the acquisition	123,647

The value attributed to the order backlog as part of the purchase price allocation will be amortized based on the realization of revenues from present contracts in the order backlog at the time of the acquisition. For the three- and nine-month periods ended May 31, 2008, there was $2,000 and $11,000 in intangible asset amortization for order backlog. Goodwill is not deductible for the purposes of income taxes.

The Company now considers the activities of Opsens Solutions as a reportable segments as defined by the CICA Handbook. Opsens Solutions participates in activities related to the oil and gas market. For the three- and nine-month periods ended May 31, 2008, Opsens Solutions made a positive contribution to EBITDA.

ACCOUNTING PRINCIPLES

A summary of the main accounting principles used to prepare the financial statements is presented below.

Principles of consolidation

The consolidated interim financial statements include the accounts of the Company and those of its wholly-owned subsidiary Opsens Solutions Inc.

Unaudited interim financial statements

The accompanying unaudited interim financial statements have been 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. These interim financial statements should therefore be read in conjunction with the Company’s most recent audited annual financial statements.

The consolidated financial statements as at May 31, 2008, and for the three-and nine-month periods ended May 31, 2008 and 2007, are unaudited. However, in the opinion of management, all adjustments, consisting solely of normal recurring adjustments, considered necessary for a fair presentation of the operating results for the period presented, have been included. Operating results for the interim periods presented are not necessarily indicative of the operating results that may be expected for the full fiscal year.

All amounts are provided in Canadian dollars.

Use of estimates

The presentation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies as at the date of the financial statements and the reported amounts of operating income and expenses during the reporting period. The main accounting estimates relate to income tax credits receivable, the provision for warranties, and the assumptions used in determining the fair value of the stock options and warrants. Actual results could differ from those estimates.

Order backlog

The order backlog is an intangible asset with definite accounted for at cost. Amortization is based on the fair value of the orders on the total portfolio of acquired orders.

Goodwill

Goodwill, representing the excess of the purchase price over the fair value of the net identifiable assets of acquired businesses, undergoes an impairment test annually or more frequently when events or circumstances that occur indicate that goodwill might be impaired. When the carrying amount exceeds the fair value, an impairment loss equal to the excess is recorded in earnings.

Revenue recognition

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

Sensor installation services, contract revenues earned over a long period, and partnership revenues are recorded using the percentage of completion method. Therefore, these revenues are recognized proportionately with the degree of completion of the 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 of hours worked but not yet invoiced and the payments received. 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.

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.

CHANGES OF 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.

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 instruments held for trading are recorded as other 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 prevailing market prices for instruments with similar risk profiles 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.

RISK FACTORS AND UNCERTAINTIES

There have been no significant changes in the risk factors and uncertainties facing the Company, as described in Opsens annual Management's Discussion and Analysis of August 31, 2007.

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

June 23, 2008