

Interim Consolidated Financial Statements

Opsens Inc.

Three-month periods ended November 30, 2008 and 2007

Notice

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

Opsens Inc.

November 30, 2008 and 2007

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Opsens Inc.

Consolidated Statements of Loss and Comprehensive Loss Three-month periods ended November 30, 2008 and 2007

(unaudited)	First quarter	
	2008	2007
	\$	\$
Revenues		
Sales	611,893	568,709
Cost of sales	421,496	267,752
Gross margin	190,397	300,957
Expenses (Revenues)		
Administrative	314,696	202,176
Marketing	194,417	195,086
Research and development	204,868	162,858
Stock option-based compensation (Note 6b)	67,320	50,438
Amortization of property, plant and equipment	35,779	18,572
Amortization of intangible assets	5,021	4,854
Financial income (Note 4)	(76,355)	14,070
	745,746	648,054
Loss before income taxes	(555,349)	(347,097)
Income taxes	-	-
Net loss and comprehensive loss	(555,349)	(347,097)
Net loss per share (Note 7)		
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

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

Opsens Inc.

Consolidated Statements of Deficit

Three-month periods ended November 30, 2008 and 2007

(unaudited)

	First quarter	
	2008	2007
	\$	\$
Balance at beginning	6,382,486	4,587,145
Changes in accounting policies (Note 1)	-	(73,687)
Net loss	555,349	347,097
Balance at end	6,937,835	4,860,555

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

Consolidated Statements of Contributed Surplus

Three-month periods ended November 30, 2008 and 2007

(unaudited)

	First quarter	
	2008	2007
	\$	\$
Balance at beginning	-	-
Warrants expiry (Note 6c)	578,380	-
Balance at end	578,380	-

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

Opsens Inc.

Consolidated Balance Sheets

	November 30, 2008 (unaudited)	August 31, 2008 (audited)
	\$	\$
Assets		
Current		
Cash and cash equivalents (Note 8)	3,426,236	3,742,520
Accounts receivable	729,336	743,951
Income tax credits receivable	233,456	183,950
Work in progress	59,300	237,551
Inventories	595,123	453,271
Prepaid expenses	60,623	100,454
	<u>5,104,074</u>	<u>5,461,697</u>
Property, plant and equipment	676,496	554,180
Intangible assets	160,622	159,768
Goodwill	676,574	676,574
	<u>6,617,766</u>	<u>6,852,219</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	815,095	547,204
Current portion of long-term debt	152,456	223,265
	<u>967,551</u>	<u>770,469</u>
Long-term debt	288,874	252,380
	<u>1,256,425</u>	<u>1,022,849</u>
Shareholders' equity		
Share capital (Note 6a)	10,285,259	10,257,259
Stock-options (Note 6b)	621,848	554,528
Warrants (Note 6c)	813,689	1,400,069
Contributed surplus	578,380	-
Deficit	(6,937,835)	(6,382,486)
	<u>5,361,341</u>	<u>5,829,370</u>
	<u>6,617,766</u>	<u>6,852,219</u>

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

Approved by the Board

Signed [Mario Jacob] Director

Signed [Pierre Carrier] Director

Opsens Inc.

Consolidated Statements of Cash Flows

Three-month periods ended November 30, 2008 and 2007

(unaudited)

	First quarter	
	2008	2007
	\$	\$
Operating activities		
Net loss	(555,349)	(347,097)
Adjustments for:		
Amortization of property, plant and equipment	35,779	18,572
Amortization of intangible assets	5,021	4,854
Premium payable to Canada Economic Development	-	7,569
Premium payable to Investissement Québec	2,130	2,130
Stock option-based compensation	67,320	50,438
Changes in non-cash operating working capital items (Note 8)	309,230	(395,202)
	<u>(135,869)</u>	<u>(658,736)</u>
Investing activities		
Acquisition of property, plant and equipment	(158,095)	(16,595)
Acquisition of intangible assets	(5,875)	(12,278)
	<u>(163,970)</u>	<u>(28,873)</u>
Financing activities		
Increase in long-term debt	6,817	-
Reimbursement of long-term debt	(43,262)	(61,603)
Issuance of equity component	20,000	707,111
	<u>(16,445)</u>	<u>645,508</u>
Decrease in cash and cash equivalents	(316,284)	(42,101)
Cash and cash equivalents at beginning	3,742,520	1,839,379
Cash and cash equivalents at end	<u>3,426,236</u>	<u>1,797,278</u>

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

Additional information is presented in Note 8.

Opsens Inc.

Notes to the Consolidated Financial Statements

November 30, 2008 and 2007

(unaudited)

1. Changes 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 prospectively 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
	\$
<i>Decrease</i>	
Balance Sheet	
Assets	
Deferred financing costs	4,336
Liabilities	
Long-term debt	78,023
Statement of deficit	
Change in accounting policies	73,687

Opsens Inc.

Notes to the Consolidated Financial Statements

November 30, 2008 and 2007

(unaudited)

2. Accounting policies

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

Principles of consolidation

The interim consolidated 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 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 consolidated financial statements. These unaudited consolidated interim financial statements and related notes should be read in conjunction with the most recent Company's annual audited financial statements.

The consolidated financial statements as at November 30, 2008 and for the three-month periods ended November 30, 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 consolidated results of operations for the period presented, have been included. Consolidated results for the interim periods presented are not necessarily indicative of the results that may be expected for the year.

All amounts are disclosed 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 disclosure of contingencies 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 those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments redeemable anytime or with a maturity of three months or less beginning on the acquisition date.

Inventories

Inventories are valued at the lower of cost and replacement cost. Cost is determined using the moving average method.

Goodwill

Goodwill representing the excess of purchase price over fair value of the net identifiable assets of acquired businesses is tested for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired. When the carrying amount exceeds the fair value, an impairment loss is recognized in the statement of earnings in an amount equal to the excess.

Opsens Inc.

Notes to the Consolidated Financial Statements

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2. Accounting policies (continued)

Revenue recognition

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

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 and warrants. Reconciliations of the numerators and the denominators used in the calculation of the basic and diluted loss are disclosed in accordance with the GAAP.

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.

Financial instruments

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.

Accounts receivable are classified as loans and receivables, and are recorded at amortized cost.

Accounts payable, accrued liabilities and long-term debt are classified as "other liabilities" and are recorded at amortized cost.

Transaction fees related to "other liabilities" are capitalized and presented against long-term debt. They are amortized using the effective interest rate and are recorded in the income statement.

Opsens Inc.

Notes to the Consolidated Financial Statements

November 30, 2008 and 2007

(unaudited)

2. Accounting policies (continued)

Future accounting changes

The CICA has issued new accounting standards:

The above standards will be effective for the Company as of September 1, 2008.

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.

3. 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 quarterly reviews net loss and quarterly burn rate. Quarterly 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. For the three-month period ended November 30, 2008, the net loss and the burn-rate were respectively \$555,349 and approximately \$445,099. The Company targets to improve these ratios which negatively vary for the first quarter 2009 compare to first quarter 2008. The Company believes that its current liquid assets are sufficient to finance its activities on the short term.

Opsens Inc.

Notes to the Consolidated Financial Statements

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(unaudited)

3. Capital management (continued)

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 \$72,859. Another loan, valued at \$33,621, is subject to a maximum total debt to equity ratio of 2.5 to 1, and a ratio of at least 1.5 to 1 for working capital. The covenants are met as of November 30, 2008.

4. 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 November 30, 2008, the Company was holding more than 91.8% of its cash equivalents portfolio in all time redeemable term-deposit.

Financial charges (income)

	First quarter	
	2008	2007
	\$	\$
Interest and bank charges	4,758	2,483
Interest on long-term debt	7,557	22,118
Gain on foreign currency translation	(28,761)	(17,792)
Interest income	(59,909)	7,261
	(76,355)	14,070

Opsens Inc.

Notes to the Consolidated Financial Statements

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(unaudited)

4. Financial instruments (continued)

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 November 30, 2008, the Company was holding more than 91.8% 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. Three major customers represent 48% of the Company's accounts receivable as at November 30, 2008.

As at November 30, 2008, a little more than 34% of the credit customers were of more than 90 days whereas more than 53% of those were with less than 30 days. The maximum exposure to the risk of credit for receivable corresponded to their book value. On November 30, 2008, the bad debt provision was established at \$14,031 (\$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 or 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 November 30, 2008 had been the same throughout the period, a hypothetical 1% interest rate increase would have had an unfavourable impact of \$1,000 on the net loss for the three-month periods ended November 30, 2008. The net loss would have had an equal but opposite effect for a hypothetical 1% interest rate decrease.

Opsens Inc.

Notes to the Consolidated Financial Statements

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(unaudited)

4. Financial instruments (continued)

Foreign exchange risk

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

For the three-month period ended November 30, 2008, 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 \$26,000 lower. 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 \$26,000 higher.

As at November 30, 2008, the risk to which the Company was exposed to established as follows:

	\$
Cash	82,680
Accounts receivable	565,609
Accounts payable and accrued liabilities	(63,565)
Total	584,724

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.

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Notes to the Consolidated Financial Statements

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(unaudited)

4. Financial instruments (continued)

The following are the contractual maturities of the financial liabilities, principal and interest (assuming current interest rates), at November 30, 2008:

	Total	0 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	815,095	815,095	-	-	-
Long-term debt	449,263	164,317	113,907	171,039	-
Obligation under capital lease	25,439	7,363	7,363	10,713	-
Commitments	912,443	278,585	221,789	387,495	24,574
Total	2,202,240	1,265,360	343,059	569,247	24,574

5. Business acquisition

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 is comprised of 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 milestones 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.

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Notes to the Consolidated Financial Statements

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5. Business acquisition (continued)

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
	<hr/> 68,053
Liabilities	
Current liabilities	44,377
	<hr/>
Net identifiable assets acquired	23,676
Goodwill*	676,574
	<hr/>
Purchase price	700,250
Less :	
Cash acquired	6,029
Issuance of shares in connection with the acquisition	525,574
	<hr/>
Net cash used for the acquisition	168,647
	<hr/>

* Goodwill is not deductible for income taxes calculation.

On December 11, 2007, the Company Inflo changed its name for Opsens Solutions Inc. ("Opsens Solutions").

Opsens Inc.

Notes to the Consolidated Financial Statements

November 30, 2008 and 2007

(unaudited)

6. Share capital, stock-options and warrants

a) Share capital

Authorized, unlimited number

Common shares, voting and participating without par value

Outstanding shares and the changes occurred during the year are as follows:

Issued and fully paid

	Number	Amount
		\$
Balance at beginning of year	40,431,677	10,257,259
Share issuance – Warrants exercised (Note 5a)i)	50,000	28,000
Balance as at November 30, 2008	40,481,677	10,285,259

i) Warrants exercised

During the period ended November 30, 2008, 50,000 warrants entitling their holders to acquire one common share of the Company at a price of \$0.40 per share were exercised for a total amount of \$20,000. The book value of the exercised warrants was transferred to Share capital for an amount of \$8,000.

b) Stock options

The Company changed the stock option plan on January 22, 2008. 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 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 in regards to the stock option plan included in the administrative expenses for the period ended November 30, 2008 is \$67,320 (\$50,438 for the period ended November 30, 2007).

Opsens Inc.

Notes to the Consolidated Financial Statements

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(unaudited)

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

b) Stock options (continued)

The situation of the outstanding stock option plan and the changes that took place during the period ended November 30, 2008 are as follows:

	Number of options	Weighted average exercise price
		\$
Outstanding at beginning of year	2,242,500	0.65
Options granted	210,000	0.48
Options cancelled	(10,000)	0.87
Outstanding at end of the year	2,442,500	0.64
Options exercisable at end of the year	915,000	0.57

The table below provides information on the outstanding stock options as at November 30, 2008:

Exercise price	Number of outstanding stock options	Number of exercisable stock options	Weighted average residual duration (years)
\$			
0.40	50,000	-	4.87
0.45	50,000	12,500	3.01
0.50	1,210,000	712,500	3.11
0.60	20,000	-	4.74
0.72	500,000	-	4.03
0.80	150,000	100,000	3.66
0.87	262,500	40,000	4.39
0.95	200,000	50,000	3.38
	2,442,500	915,000	3.54

Opsens Inc.

Notes to the Consolidated Financial Statements

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(unaudited)

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

c) Warrants

The situation of the outstanding warrants and the changes that took place during the period ended November 30, 2008 are as follows:

	Number of warrants	Weighted average exercise price \$
Outstanding at beginning of year	8,104,453	0.74
Warrants exercised (Note 5a)i)	(50,000)	0.40
Warrants expired during the period (Note 5c)i)	(5,258,000)	0.59
Outstanding at end of year	2,796,453	1.04
Warrants exercisable at end of year	2,796,453	1.04

i) Warrants expired

For the period ended November 30, 2008, 393,000 and 4,865,000 warrants entitling its holder to acquire one common share of the Company at a price of \$0.40 and \$0.60 per share respectively expired.

The table below provides information on the outstanding warrants as at November 30, 2008:

Exercise price \$	Number of outstanding warrants	Number of exercisable warrants	Weighted average residual duration (years)
0.55	111,111	111,111	0.01
0.80	329,779	329,779	1.35
1.10	2,355,563	2,355,563	1.35
	2,796,453	2,796,453	1.30

Opsens Inc.

Notes to the Consolidated Financial Statements

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(unaudited)

7. Loss per share

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

	First quarter	
	2008	2007
	\$	\$
Numerator		
Net loss	(555,349)	(347,097)
Amount available for calculating the loss per share	(555,349)	(347,097)
Denominator		
Number of shares		
Weighted average number of shares outstanding	40,455,853	33,235,081
Dilutive effect of stock options and warrants	-	-
Weighted average number of shares outstanding on diluted basis	40,455,853	33,235,081
Amount per share		
Net loss per share		
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

The calculation of dilution effects excludes 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 \$0.40 and \$0.45, would have been dilutive and would have resulted in the addition of 4,935 shares to the weighted average number of shares outstanding used in the diluted earnings per share calculation for period ended November 30, 2008 (2,423,684 as at November 30, 2007).

Opsens Inc.

Notes to the Consolidated Financial Statements

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8. Additional information on the Statements of Cash Flows

	First quarter	
	2008	2007
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	14,615	(364,339)
Income tax credits receivable	(49,506)	(49,714)
Work in progress	178,251	(42,829)
Inventories	(141,852)	-
Prepaid expenses	39,831	(28,327)
Accounts payable and accrued liabilities	267,891	90,007
	<u>309,230</u>	<u>(395,202)</u>
<i>Other information</i>		
Interests paid	<u>12,315</u>	<u>24,601</u>
Cash	305,157	147,574
Short-term investments	<u>3,121,079</u>	<u>3,594,946</u>
	<u>3,426,236</u>	<u>3,742,520</u>

Opsens Inc.

Notes to the Consolidated Financial Statements

November 30, 2008 and 2007

(unaudited)

9. 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 \$611,485.

Opsens Solutions Inc. rents an office in Alberta with respect to an operating lease expiring on May 30, 2009. Future lease payments will amount to \$6,000.

Opsens Solutions Inc. rents two vehicles under operating lease expiring in November 2010 and October 2013. Future rent payments will amount to \$52,958.

Future payments for the leases and other commitments, totaling \$912,443, required in each of the next five years are as follows:

	\$
2009	278,585
2010	221,789
2011	130,869
2012	128,369
2013	128,257
Thereafter	24,574

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.

10. 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 period ended November 30, 2008, the Company did not recognize any expense (\$ - for the period ended November 30, 2007) for guarantees. A provision for \$20,000 (\$20,000 as at August 31, 2008) was recorded for guarantees. This provision estimate is based on past experience and is presented in liabilities under "Accounts payable and accrued liabilities". The actual costs that the Company may incur, as well as the moment when the parts should be replaced, can differ from the estimated amount.

Opsens Inc.

Notes to the Consolidated Financial Statements

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11. Related party transactions

In the normal course of its operations, the Company has entered into transactions with related parties. These transactions have been measured at the exchange amount.

	First quarter	
	2008	2007
	\$	\$
Professional fees to a company controlled by a shareholder and director	-	15,000
	-	15,000

12. Segmented information

Sector's information

The Company's reportable segments are strategic business units managed separately as 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 the installation of optical and conventional sensors for the oil and gas industry.

	Period ended November 30, 2008			Period ended November 30, 2007		
	Opsens Opsens inc.	Opsens Solutions Inc.	Total	Opsens Opsens inc.	Opsens Solutions Inc.	Total
	\$	\$	\$	\$	\$	\$
External sales	516,906	94,987	611,893	568,709	-	568,709
Internal sales	20,724	-	20,724	-	-	-
Amortization of property, plant and equipment	33,455	2,324	35,779	18,572	-	18,572
Amortization of intangible assets	5,021	-	5,021	4,854	-	4,854
Financial expenses	(84,399)	8,044	(76,355)	14,070	-	14,070
Net loss	(337,723)	(217,626)	(555,349)	(347,097)	-	(347,097)
Acquisition of property, plant and equipment	151,223	6,872	158,095	16,595	-	16,595
Acquisition of intangible assets	5,875	-	5,875	12,278	-	12,278

Opsens Inc.

Notes to the Consolidated Financial Statements

November 30, 2008 and 2007

(unaudited)

12. Segmented information (continued)

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

	2008	2007
	\$	\$
Revenue per geographic sector		
Canada	115,663	14,112
United States	285,810	333,889
Germany	39,527	53,424
United Kingdom	54,734	148,913
Other	116,159	18,371
	<u>611,893</u>	<u>568,709</u>

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 November 30, 2008, revenues from three clients represent individually more than 10% of the total revenues of the Company, i.e. approximately 19.93% (Opsens Inc.'s reportable segment), 17.46% (Opsens Inc.'s reportable segment) and 10.95% (Opsens Inc.'s reportable segment). For the period ended November 30, 2007, revenues from one client represented 26.18% (Opsens Inc.'s reportable segment) of the Company's total revenues.

13. Subsequent events

After November 30, 2008, 111,111 warrants entitling its holder to acquire one common share of the Company at a price of \$0.55 per share respectively expired.

14. Comparative figures

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