NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

(TSX.V : NTB $3.79 NASDAQ : NEPT $3.98)

Recommendation:	**BUY**
Target Price:	**C$7.00**
Prior Target Price:	**C$5.00**
Risk:	**High**

Market Data

Current Price	$3.79
52-Wk Range	$1.16-4.13
Mkt. Cap. (mm)	$185
Dividend	$0
Yield	0%

Financial Data

Fiscal Y/E	February 28
S/O Basic (mm)	48.3
Shares O/S f.d. (mm)	51.8
Long-Term Debt (mm)	$3.8
2011 Sales (mm)	$16.7
2012 Sales Est. (mm)	$22.3
2013 Sales Est. (mm)	$30.0

Estimates (f.d.)

Year	2011A	2012E	2013E
Adj. EBITDA/Shr.(1)	$0.07	$0.10	$0.15
EPS	$0.01	$(0.06)	$(0.03)

Valuations

Year	2011A	2012E	2013E
Adj. P/EBITDA Mult.	55.0x	38.5x	25.7x
EV/Revenue Mult.	11.6x	8.5x	6.3x

(1) Adjusted EBITDA - see Financial Forecast

Neptune Technologies & Bioressources Inc.

Chart Courtesy Big Charts

Robin Cornwell
416-910-7985
rcornwell@catalystresearch.ca

Notes:
All figures in Canadian dollars, unless otherwise specified.

Please see the final pages of this document for important disclosure information.

Significant Progress is Translating Into a Strong Performance
Nestlé & Yoplait Clinical Trials – The Next Blockbuster!
Adjusted EBITDA Outlook is Positive Driven by Sales & Solid Margins

Neptune Technologies & Bioressources Inc. (Neptune) develops and commercializes products for the nutraceutical, medical food, functional food and over-the-counter (OTC) markets. Neptune is developing products for the prescription drug markets through its two subsidiaries, **Acasti Pharma Inc. (Acasti) and NeuroBioPharm Inc. (NeuroBioPharm).** Neptune's products are based on Omega-3 fatty acid phospholipids extracted from Antarctic krill, a tiny crustacean, considered the most abundant biomass on earth. Pre-clinical and initial clinical testing have shown NKO™ (Neptune Krill Oil) to be beneficial in LDL & triglyceride reduction as well as HDL elevation, all of which are essential in treating chronic cardiovascular conditions. In addition, Neptune focuses on inflammatory and neurological disease management. Neptune's commercial partners include Bayer, Nestlé and Yoplait. **Acasti** is developing a product portfolio focused on treatments for chronic cardiovascular conditions within the OTC, medical food and prescription drug markets. Acasti's drug candidate, CaPre®, leverages off NKO™ and recently received approval to enter Phase II clinical trials from Health Canada. **NeuroBioPharm** is pursuing pharmaceutical neurological applications and has initiated a clinical study for a medical food product with a multinational partner. The development of a prescription drug candidate is currently in progress. Advanced clinical development and commercialization is planned to be carried out with multinational partners.

Conclusion – Strong Buy – One-Year Share Price Target Raised to $7.00

Neptune management has made great strides over the last twelve months in increasing shareholder value. Just to name a few accomplishments: (i) Neptune's subsidiary, Acasti, recently received approval from Health Canada to proceed with a Phase II clinical trial for its drug candidate CaPre®, (ii) Neptune secured a new distribution agreement in the U.S. and will shortly be introducing nutraceutical products into major U.S. retailers such as Walmart, Walgreens, CVS and Costco, (iii) Bayer's "Artic Wonder" recently initiated a major U.S. market launch, (iv) Neptune recently completed a common equity raise of over $12 million and added what we believe to be several new institutional shareholders and finally, (v) operationally, Neptune is performing very well, generating positive cash flow with even better results expected over the next two years.

Looking out 12 to 18 months, investors will no doubt be focused on Acasti's Phase II clinical trials, however, we strongly believe the focus should also include potential exciting clinical trial results from Neptune's two commercial partners in Europe, Yoplait (50% owned by General Mills) and Nestlé. Positive clinical trial results would not only further validate Neptune's NKO™, but would herald the introduction of new functional/medical food products. We estimate this would add over $2.00 per Neptune share on a net present value basis, just for starters.

Neptune has evolved into many moving components. The important message for investors to understand is that each of these components has exceptional potential in their own right which adds huge leverage for Neptune as a whole. After reassessing the potential of each component, we have revised our 12-month share price target for Neptune to $7.00 per share, up from $5.00 per share.

Significant Neptune Components	Enterprise Value	% Ownership Assumed	Per Neptune Share
Nutraceutical Operations	$75.0 million	100.0%	$1.50
New Products	$100.0 million	100.0%	$2.25
Acasti Pharma Inc.	$225.0 million	50.0%	$2.25
NeuroBioPharma Inc.	$50.0 million	100.0%	$1.00
	$450.0 million		**$7.00**

VALUATION

Neptune has evolved into many moving components. After reassessing the potential of each component, we have revised our 12-month share price target for Neptune to $7.00 per share, up from $5.00 per share. Our valuation is broken into four principal areas as follows and discussed in more detail below.

1.) Nutraceutical – Implied Value of $1.50 Per Neptune Share

Neptune is currently trading at 36 times the Last Twelve Months (LTM) adjusted EBITDA and 10.5 times LTM revenue. Looking forward, Neptune is trading at 36.0 times and 8.1 times our fiscal 2012 adjusted EBITDA and sales estimates respectively. Our revenue estimate for fiscal 2012 does not include any revenue from sales for functional food or medical food products marketed by Nestlé and Yoplait nor does it include any revenue from a potential Over-the-Counter (OTC) product expected by Bayer.

There are few comparable companies for valuing nutraceutical operations. Martek Biosciences Corp. was acquired by Royal DSM NV late last year for US$1.1 billion which approximated 2.5 times LTM sales and 11.0 times LTM EBITDA. In earlier stages of growth, Martek's valuation approached 25.0x and 4.0x EBITDA and revenue respectively. Aker BioMarine (AKBM), which is Neptune's closest peer, and Pronova (PRON), both based out of Norway, presently support market cap multiples of 33.0 times and 7.5 times current year EBITDA estimates respectively. Additionally, they support market cap multiples to current year estimated sales of 5.7 times and 1.8 times respectively.

We have applied a 15.0 times multiple to our fiscal 2012 adjusted EBITDA estimate of $5.0 million to arrive at a valuation of $75 million. This valuation implies a market cap to 2012 sales multiple of 3.4 times. Looking out to fiscal 2013, this $75 million valuation implies a 9.6 times multiple on our 2013 EBITDA forecast and a 2.5 times multiple on our 2013 revenue forecast. This valuation is a premium to Pronova and the Martek acquisition price but well below Aker BioMarine's valuation.

2.) New Products – Net Present Value of $2.25 Per Neptune Share

Neptune has been very low key regarding two clinical trials that have been completed in Europe with its commercial partners Nestlé and Yoplait. While we appreciate management's conservative stance, given that the results of the clinical trials have not been released as yet and that Neptune's partners are very secretive about new potential products for competitive reasons, we believe that investors have not factored much in the way of share value for these potential results.

To put this into perspective, remember that the European Union introduced new rules two years or so ago that required companies to do clinical trials on products to establish claims. So just think of what could be the result. We are essentially waiting on trial results on what we believe could establish significant claims in two of these three categories, cognitive/neurological, inflammation/osteoarthritis or premenstrual syndrome. Positive results could signal blockbuster products for each of these companies.

We have established a net present value of about $2.25 per Neptune share related to three product groups expected to be introduced early next year. As discussed, two of these products have recently completed clinical trials in Europe with results expected shortly.

- Yoplait dairy product in Europe.
- Nestlé functional food/medical food product in Europe.
- Bayer OTC product in the United States.
- We estimate that each product (whether it is a functional food, medical food or an OTC product) represents a net present value (using a discount rate of 25%) in excess of $35 to $40 million (approximately $0.75 per Neptune share). That alone is $120 million of shareholder value for three such products (or $2.25 per Neptune share).

3.) Acasti Pharma – Imputed Value of $2.25 Per Neptune Share

Acasti's one-year share price target has been set at $2.75 (refer to Catalyst initiating report on Acati Pharma Inc., dated June 3, 2011). This target reflects a minimum value on its drug candidate CaPre® of $200 million or $2.50 per Acasti share. In addition, we place a valuation of $0.25 per share on its other two products; namely, (i) Onemia™ - an FDA approved medical food and (ii) Vectos™ - a combination OTC product.

This valuation imputes a value of slightly in excess of $2.30 per Neptune share based on Neptune's expected 50% ownership of Acasti, assuming the current Acasti rights offering is successfully completed. We have rounded this down to $2.25 per Neptune share.

Acasti is a new entrant to the biotech/biopharma arena with its drug candidate CaPre® now in Phase II Clinical Trials. We have a strong degree of confidence that CaPre® will be very successful in concluding positive results from its clinical trial. Why such high confidence? CaPre® is derived from Neptune Krill Oil™ (NKO™) which has clearly demonstrated efficacy in human trials in 3 key areas of cholesterol management; namely, (i) lowering triglyceride levels, (ii) reducing LDL (bad cholesterol) and (iii) increasing HDL (good cholesterol). Furthermore, NKO™ has no toxicity as it has already achieved GRAS status from the FDA.

Acasti's pre-clinical animal study showed that CaPre® was shown to be effective in beneficially modulating the lipid profile of healthy and diseased mice with high cholesterol, obesity and diabetes. CaPre® significantly reduced triglycerides (60%) and bad cholesterol - LDL (28%) while simultaneously increasing good cholesterol - HDL (25%).

CaPre® has outperformed two serious players in the same arena, namely Lovaza (fish oil derived FDA approved drug with over US$1 billion in sales) and Amarin's ARM101 Phase III drug candidate (also fish oil based). Lovaza lowers triglycerides but negatively affects LDL. Amarin goes one better than Lovaza by lowering triglycerides with little impact on LDL levels.

Acasti has approximately $2.6 million of cash plus the potential of additional $8.0 million through the exercise of the rights outstanding. We believe Acasti has sufficient cash to fund Phase II trials for CaPre® with the additional funds available for funding R&D and the early stages of a Phase III clinical trial. Management's guidance has suggested that a partner for CaPre® will be considered only after completion of Phase II clinical trials. Our valuation excludes any potential milestone payments.

CaPre® has been shown to not only lower triglycerides substantially more than Lovaza but have a positive impact on cholesterol management by lowering LDL & increasing HDL. Amarin's market cap recently hit US$3.0 billion while Acasti's is a little over $100 million.

Cholesterol and triglyceride management applications have received very high valuations, even at pre-clinical and early clinical stages. Single Phase II IND valuations can be very substantial. Some examples: 1) Sirtis Pharma was acquired by GSK for $720 million after a successful Phase I trial. 2) Esperion was acquired for US$1.3 billion in 2003 after successful Phase II trials.

4.) NeuroBioPharm – Minimum Value of $1.00 Per Neptune Share

We have established a net present value of $1.00 to $2.00 per Neptune share related to potential pharmaceutical indications targeting neurological applications.

- NeuroBioPharm Inc. ("NeuroBioPharm" – 100% owned) is developing a prescription drug candidate with neurological applications including Alzheimer's Disease and ADHD.
- NeuroBioPharm registered a clinical study on Alzheimer's with the FDA in April 2011. An IND application by NeuroBioPharm could also be forthcoming for neurological or cognitive applications.

SIGNIFICANT RECENT EVENTS

Neptune has had several major announcements recently that require comment.

1.) New U.S. Distribution Agreement

- Neptune announced new distribution agreements with two large U.S. distributors (no names mentioned for competitive reasons).
- It is estimated that the demand will be 50,000 kg per year.
- Together, these two distributors represent close to 30% of the U.S. mass market nutraceutical business accessing over 100 million Americans with nationwide coverage in over 54,000 retailers. We expect these are major private label brands covering Walmart, Costco, Walgreens and CVS which will place NKO™ in direct competition with Schiff® MegaRed® Omega-3 Krill Oil.

2.) Plant Expansion

- Management indicated that it will commence a plant capacity expansion very soon that is expected to double the current capacity of 130,000 kg per year. This expansion will be done without any interruption of the current production facility.

3.) Private Placement

- On May 13, 2011, Neptune raised $12.6 million trough the issuance of 2.7 million common shares at US$2.25 per share and warrants to purchase an additional 680,556 additional common shares at $2.75 per share for 18 months. Neptune also issued 3.1 million common shares at $2.15 per share and warrants to purchase an additional 765,709 exercisable at $2.65 for 18 months.

4.) New Product Potential

- **Nestlé and Yoplait are expected to announce results of their clinical studies later this year**. We expect positive results from both studies and the launch of associated products from each company within 12 months. We believe that these clinical trials and the potential product launches will be viewed as major endorsements for NKO™.
- **Neptune pre-launched its new product ECO Krill Oil™ (EKO™).** EKO™ is a product similar to NKO™ with slightly lower specifications and a lower selling price. What is important here is that Neptune can not only offer NKO™ (higher spec Krill product) but in addition offer EKO™ (lower spec Krill product) to compete at a lower price-point – say up to 30% cheaper. This will be particularly important for the U.S. market under the recently announced U.S. distribution agreements.

5.) Operating Results For Q4/11 & Fiscal Year-Ended Feb. 28, 2011

- Revenue was reported at $16.7 million for the fiscal year-ended Feb. 28, 2011, up 31% Y/Y. For Q4/11, revenue was $4.1 million, flat over the prior quarter. The latter was impacted by the strong C$ relative to the $US as the majority of Neptune's sales are in US$. The sales were basically in line with expectations.
- Adjusted EBITDA for fiscal 2011 (Nutraceutical operations, excluding Acasti and NeuroBioPharm) was $2.9 million versus $0.7 million in the prior year. The adjusted EBITDA also excludes a gain on dilution from Acasti of $2.8 million and other impairment charges.
- Q4/11 adjusted EBITDA was a negative $0.1 million. Excluding the extraordinary legal expense in Q4/11, we estimate adjusted EBITDA was $0.4

million and about $0.4 million below expectations. Part of the shortfall in Q4/11 was attributable to FX as discussed above.

- Adjusted EBITDA margin for fiscal 2011 increased to 18.5% from 5.4% last year.
- Gross margin (cost of goods as a % of sales) averaged about 48.3% for fiscal 2011, up from 46.4% last year.
- Consolidated EBITDA (including Acasti and Neurobiopharm expense) was $0.3 million, up from an EBITDA loss of $1.2 million in the prior year. Acasti and Neurobiopharm reported segmented losses in the year of $2.2 million and $0.4 million respectively. The latter two companies had virtually no revenue to offset R&D expense.
- For fiscal 2011, European sales more than doubled to $6.2 million over fiscal 2010 and represented 37.3% of total sales. United States remained the largest market segment and represented 45.5% of total 2011 sales.
- The plant capacity is estimated at 130,000 kg/year as at the end of fiscal 2011.
- Working Capital was $9.6 million as at the end of the year with $6.7 million in Neptune and $2.8 million in Acasti. Neptune subsequently raised $12.4 million in a private placement as discussed previously.
- Long-term debt declined to $3.8 million from $4.8 million as at the end of the last fiscal year-end. Total debt at year-end was $4.8 million.

Neptune Financial Summary & Forecast

	Years Ended Feb. 28			
Source of Revenues	**2010**	**2011**	**2012E**	**2013E**
Dietary Supplements	$12,664,000	$16,685,000	$21,200,000	$25,800,000
Functional/Medical Food/OTC	$ -	$ -	$ 1,100,000	$ 4,200,000
Total Revenues	$12,664,000	$16,685,000	$22,300,000	$30,000,000
Cost of Sales Est.	$ 7,900,000	$ 8,800,000	$11,500,000	$15,400,000
Gross Margin	$ 4,764,000	$ 7,885,000	$10,800,000	$14,600,000
Gross % Margin (3)	37.6%	47.3%	48.4%	48.7%
Operating Expenses				
General & Adminstration Est. (4)	$ 3,210,000	$ 5,079,000	$ 7,900,000	$ 8,400,000
Research & Development	$ 2,744,000	$ 2,535,000	$ 3,500,000	$ 4,600,000
Total Operating Expenses	$ 5,954,000	$ 7,614,000	$11,400,000	$13,000,000
Consolidated EBITDA	$ (1,190,000)	$ 271,000	$ (600,000)	$ 1,600,000
Subsidiary R&D and Other Expenses				
Acasti & NeuroBioPharm (5)	$ 1,878,000	$ 2,663,000	$ 5,600,000	$ 6,200,000
Adjusted EBITDA (1)	$ 688,000	$ 2,934,000	$ 5,000,000	$ 7,800,000
Adjusted EBITDA Per Share fd	$ 0.02	$ 0.07	$ 0.10	$ 0.15
Adjusted EBITDA % Margin	5.4%	17.6%	22.4%	26.0%
Other Expenses				
Financial Expense	$ 678,000	$ 443,000	$ 410,000	$ 380,000
Stock Based Compensation	$ 485,000	$ 719,000	$ 1,000,000	$ 1,200,000
Amortization	$ 768,000	$ 923,000	$ 1,100,000	$ 1,300,000
Gain on Dilution	$ (2,222,000)	$ (2,765,000)	$ -	$ -
Other Incl. Impairment Charges	$ -	$ 239,000	$ -	$ -
Exchange Loss (Gain)	$ 636,000	$ 196,000	$ -	$ -
Total Expense	$ 345,000	$ (245,000)	$ 2,510,000	$ 2,880,000
Consolidated Operating Income	$ (1,535,000)	$ 516,000	$ (3,110,000)	$ (1,280,000)
Income Taxes (2)	$ -	$ -		$ -
Consolidated Net Income	$ (1,535,000)	$ 516,000	$ (3,110,000)	$ (1,280,000)
EPS - FD	$ (0.04)	$ 0.01	$ (0.06)	$ (0.03)
Net Operating Margin	n.m.	n.m.	n.m.	n.m.
Production Capacity				
Est. Ann. Neptune Plant Capacity in Kg	95,000	130,000	160,000	260,000
Basic Average Shares O/S	37,913,000	40,463,000	47,500,000	48,300,000
Ful. Dil. Average Shares O/S	37,913,000	41,126,000	50,000,000	51,700,000

(1) Excludes Acasti and Neurobiopham R&D expenses
(2) Assumes no taxes payable near-term
(3) Cost of goods sold as a % of revenues
(4) Includes interest income
(5) Estimated R&D expenses & other expenses

FINANCIAL FORECAST

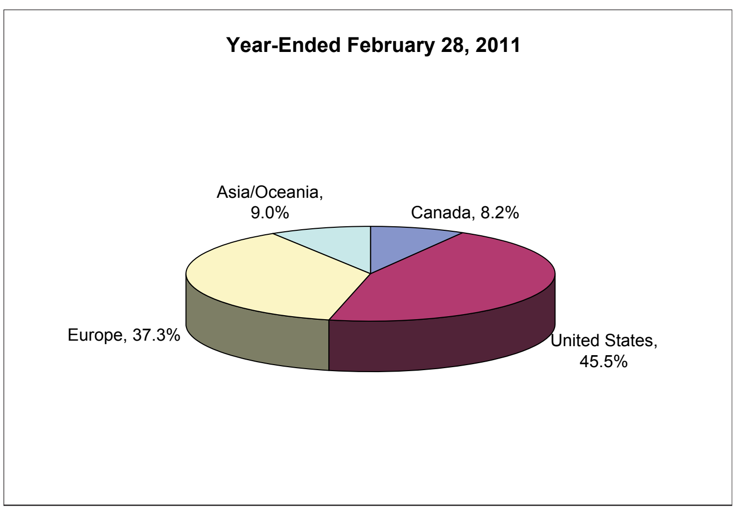
Outlook For Fiscal 2012 & 2013 (years ended February 28)

- For fiscal 2012, we forecast sales revenue to increase to the $22.3 million for a Y/Y increase of 34%. This level of sales reflects (i) higher sales from Bayer's "Artic Wonder", (ii) higher European sales and (iii) higher sales in the U.S. market given the new distribution agreements discussed above. The forecast includes a modest level of sales from functional/medical and OTC.
- For fiscal 2013, we forecast revenue to increase to the $30 million for a Y/Y increase of 35%. This level of sales reflects further penetration of the U.S. nutraceutical market and the introduction of at least one new OTC product. We have also assumed both Nestlé and Yoplait will be in the position to introduce new products in calendar 2012 upon successful approval from European food administrators. However, the revenue from the latter is expected to be rather modest for the period.
- Neptune's gross nutraceutical margin is expected to average 48% to 49% for both years.
- For fiscal 2012, our adjusted EBITDA forecast is $5.0 million or $0.10 per share. This represents a 70% increase over fiscal 2011.
- For fiscal 2013, our adjusted EBITDA forecast is $7.8 million or $0.15 per share. This represents a 55% increase over fiscal 2011.
- Our estimated adjusted EBITDA margin is forecast to increase to 22.4% and 26.0% in fiscal 2012 and 2013 respectively.
- Consolidated EBITDA for fiscal 2012, including all expenses of Acasti and Neurobiopharm, is estimated at a negative $3.1 million, up from a negative $2.0 million in fiscal 2011, excluding the gain on dilution and impairment charges. The lower estimate for fiscal 2012 is entirely due to the estimated cost of the Phase II clinical trial being initiated by Acasti. Although our forecast does not assume any milestone payments, we nonetheless, expect Acasti to enter Phase III clinical trials with a major pharmaceutical partner in fiscal 2013 (calendar 2012) which could indeed generate significant potential payments.
- As noted earlier, we expect management to commence a plant capacity expansion very soon that is expected to double the current capacity of 130,000 kg per year. This expansion will be done without any interruption of the current production facility.

Adjusted Earnings Defined

Neptune restructured its pharmaceutical operations in 2008 into two distinct pharmaceutical subsidiaries, Acasti for cardiovascular applications and NeuroBioPharm for neurological applications. Both subsidiaries are exploiting opportunities in the Over-The-Counter (OTC), Medical Foods and Pharmaceutical Drug market within their respective applications and will incur expenses, largely R&D related, in order to develop commercial applications. In order to better represent the operating performance of Neptune's nutraceutical business, we have used adjusted EBITDA which excludes the expenses associated with Acasti and NeuroBioPharma.

Neptune Geographic Sales Breakdown



ACASTI UPDATE & RECENT EVENTS

1.) Acasti Receives Phase II Approval From Health Canada

- On June 30, 2011, Acasti announced that it received a positive response from Health Canada regarding its previously announced Clinical Trial Application (CTA), thereby allowing the initiation of a Phase II clinical trial with CaPre®.
- Acasti is initiating a Phase II human clinical trial to investigate the use of CaPre® as a treatment for patients with dyslipidemia.

- The design of the study is a randomized, double blind, placebo controlled trial to assess the safety and efficacy of CaPre® in patients with triglyceride levels ranging from moderately high to very high, which distinguishes CaPre® from prescription drug fish oils labelled only to treat patients with very high levels of triglycerides.
- Acasti will now begin enrolling patients (about 430). Acasti expects total Phase II costs to run at about $2.4 million. We expect Phase II trials could be completed in about 12 months.

2.) Acasti Rights Offering

- Acasti announced that it has issued to the holders of its outstanding Class A Shares of record at the close of business on July 5, 2011 ("Record Date") transferable rights ("Right") to subscribe for Class A Shares. Each registered holder of Class A Shares will receive 1 Right for each Acasti Class A Share held.
- 10 (ten) Rights plus $1.25 are required to subscribe for 1 (one) Class A Share of Acasti. The rights are not being offered in the United States.
- Rights expire at 4:00 p.m. (Toronto time) on September 14, 2011 ("Rights Expiry Date"). Investors should take note that initially, the expiry date was stated as October 6, 2011.
- Acasti Rights trade on the TSX Venture Exchange under the symbol "APO.RT".
- Assuming all 64,434,444 rights are exercised, Acasti would expect to raise $7,975,000.
- The net proceeds are intended to be used for the development of Acasti's prescription drug candidate CaPre®, commercialization of its medical food (Onemia™), development of new Over-the-Counter (OTC) combination products and working capital.

3.) Neptune Distributes Acasti Rights to Shareholders

- Neptune, Acasti's parent, announced that all 38,617,733 Acasti Rights it received were distributed directly to its own shareholders as at the Record Date. In jurisdictions in which the dividend is not permitted, then shareholders received the dividend in the form of cash. Neptune confirmed that the value of the dividend on its common shares was approximately C$0.0304 per Neptune common share and that this dividend was paid by the transfer to Neptune's shareholders of 0.787 of an Acasti Right per common share of Neptune.

4.) Acasti Share Ownership Structure

- The table outlines the share ownership structure for Acasti after the proposed transactions discussed above and assuming all rights are exercised.

Acasti Pharma Inc. Common Share Structure

	As at May 31, 2011			Post Rights Issue (3)		
Acasti Share Structure	Neptune	Other Holders	Total	Neptune	Other Holders	Total
Class A Common Voting Shares	38,617,733	25,816,711	64,434,444	38,617,733	25,816,711	64,434,444
% of Total	60%	40%	100%	60%	40%	100%
Stock Options Granted & Outstanding (1)		825,000	825,000		825,000	825,000
Series 4 Warrants (2)		6,000,000	6,000,000		6,000,000	6,000,000
Shares re: Rights Issue Proposed					6,443,444	6,443,444
Total	38,617,733	32,641,711	71,259,444	38,617,733	39,085,155	77,702,888
% of Total	54%	46%	100%	50%	50%	100%

(1) Stock options were granted on October 8, 2008 at an exercise price of $0.25 per share and expiring on October 8, 2018. As of the listing date, there were 6,443,444 Class A Shares reserved for issuance pursuant to Acasti Stock Options Plan, representing 10% of the Class A Shares issued and outstanding.
(2) Exercise price of $0.25 per share and expiring on December 31, 2013.
(3) Assumes all rights issued are exercised and all rights allocated to Neptune are distributed to Neptune shareholders and exercised.

NEUROBIOPHARM RECENT EVENTS

1.) NeuroBioPharm Reorganization & Dividend

- NeuroBioPharm filed a Canadian non-offering prospectus with the Securities Regulatory Authorities in each Canadian province and territory of Canada to enable it to become a reporting issuer.
- Once approved by the regulatory authorities, Neptune intends to distribute 4.0 million units of NeuroBioPharm ("NeuroBioPharm Unit") in the form of a dividend in kind to registered holders of Neptune's common shares at the close of business ten days after the final receipt of the prospectus ("NeuroBioPharm Dividend Record Date") such that each shareholder of record of Neptune common shares on the NeuroBioPharm Dividend Record date will receive one unit for each lot of 12.25 Neptune common shares held.
- Each NeuroBioPharm Unit will consist of one Class A share of NeuroBioPharm and one-third of a Series 2011-1 NeuroBioPharm warrant.

- Each full NeuroBioPharm warrant entitles its holder to purchase one NeuroBioPharm Class A share at a price of $0.40. Each NeuroBioPharm warrant is to expire on the occurrence of the earliest of the two following events: (i) fifteen days after the listing of the Class A shares on a recognized stock exchange; or (ii) on April 12, 2014.

2.) Proposed Share Ownership Structure

- The table outlines the share ownership structure for NeuroBioPharm after the proposed dividend.

NeuroBioPharm Share Structure

	Neptune				Other Shareholders				Total	
Shares Issued	**Shares Owned**		**Votes**		**Shares Owned**		**Votes**		**Shares Owned**	**Votes**
Class A	4,500,990	52.9%	4,501,000	52.9%	4,000,010	47.1%	4,000,010	47.1%	8,501,000	8,501,010
Class B (10 for 1 Votes)	2,475,000	99.0%	24,750,000	99.0%	25,000	1.0%	250,000	1.0%	2,500,000	25,000,000
Class G Shares	17,325,000	99.0%	17,325,000	90.8%	175,000	1.0%	1,750,000	9.2%	17,500,000	19,075,000
Class H Shares	25,740,000	99.0%	25,740,000	90.8%	260,000	1.0%	2,600,000	9.2%	26,000,000	28,340,000
Total Shares Issued	**50,040,990**	**91.8%**	**72,316,000**	**89.4%**	**4,460,010**	**8.2%**	**8,600,010**	**10.6%**	**54,501,000**	**80,916,010**
Options O/S										
Incentive call options			0		450,000		450,000		450,000	450,000
Non Exercisable	0		0		0		0		0	0
Total Options O/S	**0**		**0**		**450,000**		**450,000**		**450,000**	**450,000**
Warrants O/S										
Series 2011-1	4,666,667		4,666,667		1,333,333		1,333,333		6,000,000	6,000,000
Series 2011-2	3,265,574		3,265,574		184,501		184,501		3,450,075	3,450,075
Series 2011-3	0		0		8,050,175		8,050,175		8,050,175	8,050,175
Total Warrants O/S	**7,932,241**	**45.3%**	**7,932,241**	**45.3%**	**9,568,009**	**54.7%**	**9,568,009**	**54.7%**	**17,500,250**	**17,500,250**
Total All	**57,973,231**	**80.0%**	**80,248,241**	**81.2%**	**14,478,019**	**20.0%**	**18,618,019**	**18.8%**	**72,451,250**	**98,866,260**

Definition of Risk Rankings
Low: Low financial and operational risk, high predictability of financial results with stronger than average balance sheet and strong free cash flows. Company may pay substantial dividends or have an active share repurchase program.
Medium: Moderate financial and operational risk, moderate predictability of financial results, positive free cash flows and may or may not pay a dividend.
High: High financial and/or operational risk, low predictability of financial results. Limited financial history, negative free cash flows, adequate working capital and no dividends.

Definition of Research Ratings
The Catalyst research recommendation structure consists of the following categories:
Buy: The stock's total return, including dividends paid, is expected to exceed a minimum of 15% on a risk-adjusted basis, over the next 12 months.
Hold: The stock's total return, including dividends paid is expected to be between 0% and 15%, on a risk-adjusted basis, over the next 12 months.
Sell: The stock's total return, including dividends paid, is expected to be negative over the next 12 months.
Speculative: The stock's total return is expected to exceed 30% over the next 12 months; however, there is material event risk associated with the investment that could result in significant loss.
Note: Analysts have discretion within 500 basis points of the upper and lower limit of each rating to maintain the recommendation.

Analyst Certification
All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.