Neptune Technologies & Bioressources Inc.
Form SUPPL
September 26, 2012
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Filed pursuant to
General Instruction II.L.
of Form F-10;
File no: 333-183895

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Neptune Technologies & Bioressources Inc. at 225, Promenade du Centropolis, Suite 200, Laval, Québec, H7T 0B3, telephone: 1 888 664-9166 and are also available electronically at www.sedar.com.*

Prospectus Supplement

(to the Short Form Base Shelf Prospectus dated September 19, 2012)

New Issue September 25, 2012

Neptune Technologies & Bioressources Inc.

US$30,003,800

7,318,000 Common Shares

Neptune Technologies & Bioressources Inc. (**we** , **us** , **our** , **Neptune** or the **Company**) is hereby qualifying the distribution of 7,318,000 common shares of Neptune (the **Common Shares**) at a price of US$4.10 per Common Share (the **Offering Price**) (the **Offering**). The Common Shares are being offered by RBC Dominion Securities Inc. and JMP Securities LLC (together, the **Joint Book-Running Managers**) and Byron Capital Markets Ltd. **(collectively with the Joint Book-Running Managers, the Underwriters**). The Offering Price of the Common Shares was determined by negotiation among the Company and the Joint Book-Running Managers. After the Underwriters have made reasonable efforts to sell the Common Shares at the Offering Price, the Underwriters may sell the Common Shares to the public at prices below the Offering Price. Any such reduction will not affect the proceeds received by the Company.

Price: US$4.10 per Common Share

	Public Offering Price	Underwriters Commission	Net Proceeds to the Company(1)
Per Common Share	US$4.10	US$0.246	US$3.854
Total Offering(2)	US$30,003,800	US$1,800,228	US$28,203,572

Notes:

(1) After deducting the Underwriters commission but before deducting the Company s expenses of this Offering, estimated at US$900,000 (including the reimbursement to the Underwriters for expenses related to the Offering up to $125,000), and a fee of US$300,000 (the **JTF Fee**) payable to John Thomas Financial, Inc. as compensation for certain financial advisory services, which, together with the Underwriters commission, will be paid from the proceeds of this Offering. See Plan of Distribution and Use of Proceeds .

(2) The Company has granted to the Underwriters an option (the **Over-Allotment Option**) to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters, in whole or in part, for a 30-day period following the date of the closing of the Offering and entitles the Underwriters to purchase up to an aggregate of 1,097,700 additional Common Shares at the Offering Price (being 15% of the aggregate number of Common Shares offered under this Prospectus Supplement). If the Over-Allotment Option is exercised in full, the public offering price, Underwriters commission and net proceeds to the Company, before expenses and the JTF Fee, will be US$34,504,370, US$2,070,262 and US$32,434,108, respectively. This Prospectus Supplement and the accompanying Prospectus also qualify the distribution of the Over-Allotment Option and any Common Shares that may be delivered upon the exercise of the Over-Allotment Option. See Plan of Distribution. A purchaser who acquires Common Shares forming part of the Underwriters over-allocation position acquires those securities under this Prospectus Supplement and the accompanying Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Underwriter s Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	1,097,700 Common Shares	Any time within 30 days after the Closing Date	US$4.10 per Common Share

The Common Shares are listed on the Toronto Stock Exchange (**TSX**) under the symbol NTB and on The Nasdaq Stock Market (**NASDAQ**) under the symbol NEPT. The closing price of the Common Shares on the TSX and NASDAQ on September 24, 2012, the latest practicable date prior to the filing of this Prospectus Supplement, was CDN$4.38 and US$4.47, respectively. The Company has applied to list the Common Shares distributed under this Prospectus Supplement on the TSX and NASDAQ. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX and NASDAQ. The Underwriters may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable market stabilization rules. See Plan of Distribution.

An investment in the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus is speculative and bears certain risks. See Risk Factors in this Prospectus Supplement and the accompanying Prospectus.

This Offering is made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Prospectus Supplement and the accompanying Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of the Common Shares described herein may have tax consequences both in the United States and Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that we are incorporated or organized under the laws of Canada, that some or all of the Company s officers and directors are residents of Canada, that all or a substantial portion of the Company s assets and all or a substantial portion of the assets of said persons are located outside the United States and that some or all of the underwriters or experts herein may be residents of Canada.

THE COMMON SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE SEC) NOR HAS THE SECURITIES COMMISSION OF ANY STATE OF THE UNITED STATES OR ANY CANADIAN SECURITIES REGULATOR APPROVED OR DISAPPROVED THE COMMON SHARES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Common Shares will be issued and sold pursuant to an underwriting agreement dated September 25, 2012 between us and the Underwriters (the **Underwriting Agreement**). Delivery of the Common Shares is expected to be made on or about October 2, 2012 (the **Closing Date**), and in any event not later than October 9, 2012. **After the initial offering, the Offering Price may be changed by the Underwriters. See Plan of Distribution.**

The Underwriters, as principals, offer the Common Shares subject to prior sale if, as and when issued by Neptune and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of Neptune by Osler, Hoskin & Harcourt LLP, with respect to Canadian and U.S. legal matters, and on behalf of the Underwriters by Stikeman Elliott LLP, with respect to Canadian legal matters, and by Morrison & Foerster LLP, with respect to U.S. legal matters. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Common Shares will be issued in book-entry only form and represented by a global certificate or certificates, or be represented by uncertificated securities, registered in the name of CDS Clearing and Depositary Services Inc. (**CDS**) or its nominee and The Depository Trust Company (**DTC**), as directed by the Underwriters, and will be deposited with CDS or DTC, as the case may be. Except in limited circumstances, no beneficial holder of Common Shares will receive definitive certificates representing their interest in Common Shares. Beneficial holders of Common Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS or DTC participant and from or through whom a beneficial interest in the Common Shares is acquired. Certain other holders will receive definitive certificates representing their interests in Common Shares.

Our head and registered office is located at 225, Promenade du Centropolis, Suite 200, Laval, Québec, Canada, H7T 0B3.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Offering and adds to and updates information in the accompanying Prospectus beginning on page 1 and the documents incorporated by reference therein. The second part is the accompanying Prospectus, which provides more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus solely for the purposes of this Offering. This Prospectus Supplement may add, update or change information contained in the accompanying Prospectus. Before investing, you should carefully read both this Prospectus Supplement and the accompanying Prospectus together with the additional information about Neptune to which we refer you in the sections of this Prospectus Supplement entitled Documents Incorporated by Reference and Where You Can Find More Information .

You should rely only on the information contained in or incorporated by reference into this Prospectus Supplement and the accompanying Prospectus. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of the Common Shares in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this Prospectus Supplement or the accompanying Prospectus is accurate as of any date other than the date on the front of this Prospectus Supplement.

In this Prospectus Supplement, unless the context otherwise requires, references to Neptune , the Company , we , us , our or similar terms refer Neptune Technologies & Bioressources Inc. and its subsidiaries, references to Acasti refer to Acasti Pharma Inc. and references to NeuroBio refer to NeuroBioPharm Inc.

All references in this Prospectus Supplement to dollars , CDN$ and $ refer to Canadian dollars, and references to US$ refer to United States dollars, unless otherwise expressly stated. Potential purchasers should be aware that foreign exchange rate fluctuations are likely to occur from time to time and that the Company does not make any representation with respect to future currency values. Investors should consult their own advisors with respect to the potential risk of currency fluctuations. On September 24, 2012, the closing exchange rate for the Canadian dollar, expressed in United States dollars, as quoted by the Bank of Canada was CDN$1.00 = US$1.0217.

This Prospectus Supplement and the documents incorporated herein by reference contain company names, product names, trade names, trademarks and service marks of Neptune and other organizations, all of which are the property of their respective owners.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference herein and therein contain certain information that may constitute forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of U.S. federal securities laws, both of which we refer to as forward-looking information. Forward-looking information can be identified by the use of terms such as may , will , should , expect , plan , anticipate , believe , intend , estimate , predict , potent similar expressions concerning matters that are not statements about the present or historical facts. Forward-looking statements in this Prospectus Supplement include, but are not limited to, statements about:

- Neptune s ability, and the ability of its distribution partners, to continue to successfully commercialize Neptune Krill Oil (NK®) and ECOKRILL Oil (EKO), and the ability of Neptune s subsidiaries, Acasti and NeuroBio, to commercialize other product candidates, in the United States, Canada and internationally;

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- plans of Neptune s subsidiaries, Acasti and NeuroBio, to conduct new clinical trials for product candidates, including the timing and results of these clinical trials;
- the timing and cost of completion of the expansion project of Neptune s manufacturing facility in Sherbrooke, Québec, and the amount of increased production capacity for krill oil at the expanded facility;
- Neptune s ability to maintain and defend its intellectual property rights in NKO® and EKO and in its product candidates;
- Neptune s estimates of the size of the potential markets for NKO® and EKO and its product candidates and the rate and degree of market acceptance of EKO and NKO® and its product candidates;
- the health benefits of NKO® and EKO and its product candidates as compared to other products in the nutraceutical and pharmaceutical markets; and
- Neptune s expectations regarding its financial performance, including its revenues, expenses, gross margins, liquidity, capital resources and capital expenditures.

Although the forward-looking information is based upon what we believe are reasonable assumptions, no person should place undue reliance on such information since actual results may vary materially from the forward-looking information.

In addition, the forward-looking information is subject to a number of known and unknown risks, uncertainties and other factors, including those described under the heading Risk Factors in this Prospectus Supplement and the accompanying Prospectus, many of which are beyond our control, that could cause actual results and developments to differ materially from those that are disclosed in or implied by the forward-looking information, including, without limitation:

- the Company s history of net losses and inability to achieve profitability;
- the successful commercialization of NKO® and EKO ;
- changes in regulatory requirements and interpretations of regulatory requirements;
- the Company s reliance on third parties for the manufacture and distribution of its products and for the supply of raw materials;
- the Company s reliance on a limited number of distributors;
- the Company s ability to manage its growth efficiently;
- the Company s ability to further penetrate core or new markets;

the Company s dependence on a single manufacturing facility;

the Company s ability to attract and retain skilled labor;

the Company s ability to attract, hire and retain key management and personnel;

the success of current and future clinical trials by the Company and its subsidiaries;

the Company s ability to achieve its publicly announced milestones on time or at all;

product liability lawsuits brought against the Company and its subsidiaries;

intense competition from other companies in the pharmaceutical and nutraceutical industry;

the Company s ability to secure and defend its intellectual property rights; and

the fact that the Company does not currently intend to pay any cash dividends on its common shares in the foreseeable future.

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Consequently, all the forward-looking information is qualified by this cautionary statement and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operations. Accordingly, you should not place undue reliance on the forward-looking information. Except as required by applicable law, Neptune does not undertake to update or amend any forward-looking information, whether as a result of new information, future events or otherwise. These forward-looking statements are made as of the date of this Prospectus Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus solely for the purposes of this Offering. Other documents are also incorporated, or are deemed to be incorporated, by reference into the accompanying Prospectus and reference should be made to the accompanying Prospectus for full particulars thereof.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Neptune at 225, Promenade du Centropolis, Suite 200, Laval, Québec, H7T 0B3, telephone: 1 888 664-9166. These documents are also available through the internet on SEDAR, which can be accessed online at www.sedar.com, and on EDGAR, which can be accessed online at www.sec.gov/edgar.shtml.

The following documents filed by Neptune with the SEC and/or securities commissions or similar authorities in the Provinces of Québec, Ontario, Manitoba, Alberta and British Columbia, as amended from time to time, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement:

(a) revised annual information form of the Company dated September 11, 2012 for the fiscal year ended February 29, 2012;

(b) audited consolidated financial statements as at February 29, 2012, February 28, 2011 and March 1, 2010 and for the years ended February 29, 2012 and February 28, 2011, together with the notes thereto and the auditors report thereon, and with the management s discussion and analysis thereon;

(c) management information circular of the Company dated May 18, 2012 prepared in connection with the Company s annual meeting of shareholders held on June 21, 2012; and

(d) unaudited consolidated interim financial statements of the Company as at May 31, 2012 and for the three-month periods ended May 31, 2012 and 2011 (with the exception of the notice on the page preceding page 1 of such financial statements stating: These interim financial statements have not been reviewed by an auditor.), and with the management s discussion and analysis thereon.

Any annual information form, annual or quarterly financial statements, annual or quarterly management s discussion and analysis, management proxy circular, material change report (excluding confidential material change reports), business acquisition report, information circular or other disclosure document required to be incorporated by reference into a prospectus filed under National Instrument 44 101 *Short Form Prospectus Distributions* filed by Neptune with any securities commission or similar authority in Canada after the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement.

In addition, to the extent that any document or information incorporated by reference into this Prospectus Supplement pursuant to the foregoing paragraph is also included in any report filed with or furnished to the SEC by Neptune on Form 6-K or on Form 40-F (or any respective successor form) after the date of this Prospectus Supplement, it shall be deemed to be incorporated by reference as an exhibit to the registration statement of which this Prospectus Supplement forms a part. Further, we may incorporate by reference into the registration statement of which this Prospectus Supplement forms a part, any report on Form 6-K furnished to the SEC, including the exhibits thereto, if and to the extent provided in such report.

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Any statement contained in this Prospectus Supplement, the accompanying Prospectus or in a document incorporated or deemed to be incorporated by reference into this Prospectus Supplement or the accompanying Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement and the accompanying Prospectus to the extent that a statement contained in this Prospectus Supplement, or in any subsequently filed document which also is or is deemed to be incorporated by reference into this Prospectus Supplement or the accompanying Prospectus, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified shall not constitute a part of this Prospectus Supplement or the accompanying Prospectus except as so modified. Any statement so superseded shall not constitute a part of this Prospectus Supplement or the accompanying Prospectus.

ELIGIBILITY FOR INVESTMENT

On the date of issue, provided that the Common Shares are listed at that time on a designated stock exchange (as defined in the Tax Act) (which currently includes the TSX and the NASDAQ), the Common Shares will be qualified investments under the *Income Tax Act* (Canada) and the *Income Tax Regulations* (collectively, the **Tax Act**) for trusts governed by registered retirement savings plans (**RRSP**), registered retirement income funds (**RRIF**), registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (**TFSA**), and in the case of an RRSP, an RRIF or a TFSA, provided the annuitant of the RRSP or RRIF or the holder of the TFSA, as the case may be, deals at arm s length with the Company and does not have a significant interest (within the meaning of the Tax Act) in the Company or in a corporation, partnership or trust that does not deal at arm s length with the Company, will not be a prohibited investment under the Tax Act for such RRSP, RRIF or TFSA. The Department of Finance (Canada) has recently indicated that it is prepared to recommend further amendments to the prohibited investment rules contained in the Tax Act (**Tax Proposals**); however, no Tax Proposals have been released as at the date hereof.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about us, this Offering and selected information contained elsewhere in or incorporated by reference into this Prospectus Supplement or the accompanying Prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in the Common Shares. For a more complete understanding of the Company and this Offering, we encourage you to read and consider carefully the more detailed information in this Prospectus Supplement and the accompanying Prospectus, including the information incorporated by reference in this Prospectus Supplement and the accompanying Prospectus, the information included in any free writing prospectus that the Company has authorized for use in connection with this Offering, and the information under the heading Risk Factors in this Prospectus Supplement on page S-9 *and in the accompanying Prospectus. All capitalized terms used in this summary refer to those definitions contained elsewhere in this Prospectus Supplement and/or the accompanying Prospectus, as applicable.*

Neptune Technologies & Bioressources Inc.

Our Business

Neptune is a biotechnology company engaged primarily in the development, manufacture and commercialization of marine-derived omega-3 polyunsaturated fatty acids, or PUFAs. Neptune produces omega-3 PUFAs through its patented process of extracting oils from Antarctic krill, which omega-3 PUFAs are then principally sold as bulk oil to Neptune s distributors who commercialize them under their private labels primarily in the U.S., European and Australian nutraceutical markets. Neptune s lead products, Neptune Krill Oil (NKO®) and ECOKRILL Oil (EKO), generally come in capsule form and serve as a dietary supplement to consumers.

Having commenced commercial krill oil production in 2002, Neptune pioneered the commercialization of omega-3 PUFAs extracted from krill for human health maintenance and it now continues to further progress its product development based on its proprietary technology. We believe that our ability to provide a safe and effective product is a key factor in building and sustaining our credibility with our distribution partners. In fiscal year 2012, we produced approximately 130,000 kilograms of krill oil, which at the time was our maximum production capacity at our manufacturing facility. We are in the process of completing an expansion of our facility that, when completed, is expected to enable us to produce approximately 300,000 kilograms of krill oil annually. We believe this increase in production capacity will help position us to meet growing market demand for Neptune s krill oil products.

Through Neptune s subsidiaries, Acasti and NeuroBio, in which Neptune respectively holds 57% and 99% of the voting rights, Neptune is also pursuing opportunities in the medical food and prescription drug markets. Neptune has granted licensing rights to both Acasti and NeuroBio which allow them to leverage the intellectual property, clinical data and know-how developed by Neptune to focus on, respectively, the research and development of safe and therapeutically effective compounds for highly prevalent atherosclerotic conditions, such as cardiometabolic disorders and cardiovascular diseases, and for neurodegenerative and inflammation related conditions. Following the payment of the dividend-in-kind described under Corporate Structure Corporate Structure Diagram in the accompanying Prospectus, it is expected that Neptune will control approximately 96% of the voting rights attached to the securities of NeuroBio.

Corporate Information

Neptune was incorporated on October 9, 1998 pursuant to a certificate of incorporation issued under Part 1A of the *Companies Act* (Québec) and is now governed by the *Business Corporations Act* (Québec). The

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Company s head office and registered office is located at 225, Promenade du Centropolis, Suite 200, Laval, Québec, Canada, H7T 0B3.

Neptune has two wholly-owned subsidiaries, Neptune Technologies & Bioressources USA Inc., or Neptune USA, and Neptune Technologies & Bioressources Hong Kong Limited, or Neptune Hong Kong, and two majority-owned subsidiaries, Acasti and NeuroBio.

The Common Shares of Neptune are listed on the TSX under the symbol NTB and on the NASDAQ under the symbol NEPT .

The common shares of Acasti are listed and posted for trading on the TSX Venture Exchange under the symbol APO .

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SUMMARY OF THE OFFERING

Issuer:	Neptune Technologies & Bioressources Inc.
Offering:	US$30,003,800 aggregate amount of Common Shares.
Offering Price:	US$4.10 per Common Share.
Common Shares offered by Neptune:	7,318,000 Common Shares.
Over-Allotment Option:	The Company has granted to the Underwriters an option to purchase up to 1,097,700 additional Common Shares to cover over-allotments, if any, and for market stabilization purposes. The Underwriters may exercise the Over-Allotment Option at any time within 30 days from the date of the Closing Date.
Closing Date:	On or about October 2, 2012.
Common Shares to be outstanding immediately after this Offering:	57,489,061 Common Shares.
	(58,586,761 Common Shares if the Over-Allotment Option is exercised in full)
Use of Proceeds:	Neptune estimates that the net proceeds from the Offering will be approximately US$27,003,572, after deducting the Underwriters commission of US$1,800,228, the JTF Fee of US$300,000 and the Company s estimated expenses of the Offering, which are estimated to be US$900,000. If the Over-Allotment Option is exercised in full, the net proceeds will be approximately US$31,234,108 after deducting the Underwriters commission, JTF Fee and estimated Company s expenses of the Offering. See Plan of Distribution .
	Neptune intends to allocate the net proceeds from the Offering as follows (i) for sales, marketing and krill inventory purchases for NKO® and EKO, (ii) to support Acasti in the development and validation of CaPre® and other product candidates, and to support NeuroBio in the development and validation of its product candidates, (iii) to fund the expansion of its Sherbrooke plant described under Business of the Company Manufacturing and Facilities in the accompanying Prospectus and that is intended to increase Neptune s annual production capacity to 500,000 kilograms of krill oil, (iv) to fund product development, clinical trials and regulatory affairs of Neptune (including management and protection of its intellectual property portfolio), and (v) for general corporate and other working capital purposes. See Use of Proceeds .

TSX symbol:	The Common Shares are listed on the TSX under the symbol NTB .
NASDAQ symbol:	The Common Shares are listed on the NASDAQ under the symbol NEPT .
Risk Factors:	You should carefully read and consider the information set forth in Risk Factors beginning on page S-9 of this Prospectus Supplement and page 21 of the accompanying Prospectus before investing in our Common Shares.

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Unless specifically stated otherwise, the information in this Prospectus Supplement:

- is based on the assumption that the Underwriters will not exercise the option to purchase additional Common Shares under the Over-Allotment Option;
- excludes 6,487,500 Common Shares reserved for issuance upon the exercise of options outstanding as of September 24, 2012;
- excludes 2,244,549 Common Shares reserved for issuance upon the exercise of warrants outstanding as of September 24, 2012.

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RISK FACTORS

An investment in the Common Shares offered hereby involves a high degree of risk. Prospective investors should carefully consider the following risks, as well as the other information contained in this Prospectus Supplement, the accompanying Prospectus and the documents incorporated by reference herein and therein before investing in the Common Shares. Prospective investors should carefully consider the factors set out under Risk Factors in the accompanying Prospectus, in the Company s revised annual information form for the year ended February 29, 2012 (which is incorporated by reference herein) and the factors set out below in evaluating Neptune and its business before making an investment in the Common Shares. If any of such risk factors actually occurs, the Company s business financial condition, liquidity, results of operations and prospects could be materially harmed. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company s business, financial condition, liquidity, results of operations and prospects.

The price of the Company s shares may fluctuate.

Market prices for securities in general, and that of pharmaceutical and nutraceutical companies in particular, tend to fluctuate. Factors such as the announcement to the public or in various scientific or industry forums of technological innovations, new commercial products, patents, exclusive rights obtained by the Company or others, results of pre-clinical and clinical studies by the Company or others, a change of regulations, publications, financial results, public concerns over the risks of pharmaceutical products and dietary supplements, future sales of securities by the Company or its shareholders and many other factors could have considerable effects on the price of the Company s securities. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future.

The Company may allocate the net proceeds from this offering in ways that you and other shareholders may not approve.

The Company currently intends to use the proceeds from this Offering as described under Use of Proceeds . Because of the number and variability of factors that will determine the Company s use of the proceeds from this Offering, its ultimate use may vary substantially from the use disclosed in this Prospectus Supplement. As such, management will have broad discretion in the application of the net proceeds from this Offering and could spend the proceeds in ways that ultimately do not improve the Company s operating results or enhance the value of its common shares. For a further description of the Company s intended use of the proceeds of the Offering, see Use of Proceeds .

You will experience immediate and substantial dilution in the shares that you purchase in this Offering because the per share price in this Offering is substantially higher than the net tangible book value of outstanding common shares.

If you purchase Common Shares in this Offering, you will pay more for your shares than the net tangible book value of outstanding Common Shares. As a result, you will experience an immediate and substantial dilution in the net tangible book value of your shares. The Company has previously granted options to certain officers, directors, consultants and other employees to acquire Common Shares at prices significantly below the Offering Price. To the extent these outstanding options are exercised in the future, you will incur further dilution. See Description of the Share Capital .

The Company does not currently intend to pay any cash dividends on its Common Shares in the foreseeable future.

The Company has never paid any cash dividends on its Common Shares. The Company does not anticipate paying any cash dividends on its Common Shares in the foreseeable future because, among other reasons, the

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Company currently intends to retain any future earnings to finance its business. The future payment of cash dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, the Company s general financial condition and other factors the board of directors of the Company may consider appropriate in the circumstances. See Dividend Policy .

The Company does not expect that it will be a passive foreign investment company, or PFIC, for the current taxable, but PFIC classification is fundamentally factual in nature, determined annually and subject to change.

Based on the projected composition of its income and assets, the Company does not expect that it will be a PFIC for the current taxable year ending February 28, 2013. However, whether the Company is a PFIC depends on complex U.S. federal income tax rules whose application to the Company is uncertain, and, since the PFIC status of the Company will depend upon the composition of its income and assets and the fair market value of its assets from time to time and generally cannot be determined until the end of a taxable year, there can be no assurance that the Company will not be a PFIC for the current or subsequent taxable years. If the Company is a PFIC or if it were to become a PFIC in future taxable years while a U.S. Holder (as defined below under the heading Certain Income Tax Considerations United States Federal Income Tax Considerations) holds Common Shares, such U.S. Holder would generally be subject to adverse U.S. federal income tax consequences, including the treatment of gain realized on the sale of Common Shares as ordinary (rather than capital gain) income, potential interest charges on those gains and certain other distributions made by the Company and ineligibility for the preferential tax rates on dividends paid by qualified foreign corporations generally available to certain non-corporate U.S. Holders. For a more detailed discussion of the consequences of the Company being classified as a PFIC, including discussion of certain elections that (if available) could mitigate some of the adverse consequences described above, see below under the heading Certain Income Tax Considerations United States Federal Income Tax Considerations Passive Foreign Investment Company Rules .

Each U.S. purchaser is urged to consult its own tax advisor with respect to the U.S. federal, state, local and non-U.S. tax consequences of the acquisition, ownership, and disposition of the Common Shares as may be applicable to their particular circumstances.

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DIVIDEND POLICY

The Company has not declared or paid any cash dividends on its Common Shares since the date of its incorporation. The Company intends to retain its earnings, if any, to finance the growth and development of its business and does not expect to pay dividends or to make any other distributions in the near future. The Company s Board of Directors will review this policy from time to time having regard to the Company s financing requirements, financial condition and other factors considered to be relevant. On September 5, 2012, a prospectus qualifying the distribution of 2,000,000 Class A subordinate voting shares and 4,000,000 Series 2011-1 warrants of NeuroBio held by Neptune by way of a dividend-in-kind was filed with Canadian securities regulatory authorities. The dividend-in-kind is expected to be paid on October 31, 2012 to holders of record of Neptune s common shares at the close of business on October 15, 2012. See Corporate Structure Corporate Structure Diagram in the accompanying Prospectus.

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CONSOLIDATED CAPITALIZATION

Since May 31, 2012 to the date of this Prospectus Supplement, there have been no material changes in the share and loan capital of the Company other than the issuance of 363,968 common shares from the exercise of warrants and stock options for proceeds of $839,768, the grant of 360,000 stock options under the Company s stock option plan and the grant of 1,000,002 warrants.

The following table sets forth the share capital of the Company at May 31, 2012 (i) before giving effect to this Offering, and (ii) on a pro forma basis after giving effect to this Offering. The table should be read in conjunction with our unaudited consolidated interim financial statements as at May 31, 2012 and for the three-month periods ended May 31, 2012 and 2011 and with the management s discussion and analysis thereon, which are incorporated by reference in this Prospectus Supplement and the accompanying Prospectus.

		As at May 31, 2012(1)		As at May 31, 2012 after giving effect to this Offering(1)(2)	
	Authorized	Outstanding	Book value in dollars	Outstanding	Book value in dollars(3)(4)
Common Shares	Unlimited	49,807,093	$ 46,143,016	57,125,093	$72,573,056
Preferred Shares	Unlimited	nil	nil	nil	nil

Notes:

(1) Excluded from the amounts outstanding, and as at September 21, 2012, are a total of 6,487,500 stock options and 2,244,549 warrants. Each stock option and each warrant is exercisable into one Common Share.
(2) Without giving effect to the exercise of the Over-Allotment Option.
(3) After deducting the Underwriters commission of US$1,800,228, the JTF Fee of US$300,000 and the Company s expenses of the Offering, which are estimated to be US$900,000.
(4) After converting the gross proceeds of the Offering of US$30,003,800, the Underwriters commission of US$1,800,228, the JTF Fee of US$300,000 and the estimated Company s expenses of the Offering of US$900,000 into Canadian dollars at the exchange rate of CDN$1.00 = US$1.0217, which was the closing exchange rate for the Canadian dollar, expressed in United States dollars, on September 24, 2012 as quoted by the Bank of Canada.

USE OF PROCEEDS

Neptune estimates that the net proceeds from the Offering will be approximately US$27,003,572, after deducting the Underwriters commission of US$1,800,228, the JTF Fee of US$300,000 and the Company s expenses of the Offering, which are estimated to be US$900,000. If the Over-Allotment Option is exercised in full, the net proceeds will be approximately US$31,234,108 after deducting the Underwriters commission, JTF Fee and estimated Company s expenses of the Offering. See Plan of Distribution .

Neptune intends to allocate the net proceeds from the Offering as follows (i) approximately US$9,000,000 for sales, marketing and krill inventory purchases for NKO® and EKO, (ii) approximately US$8,000,000* to support Acasti in the development and validation of CaPre® and other product candidates, and to support NeuroBio in the development and validation of its product candidates, (*iii) approximately US$5,000,000 to fund the expansion of its Sherbrooke plant described under Business of the Company Manufacturing and Facilities in the accompanying Prospectus and that is intended to increase Neptune s annual production capacity to 500,000 kilograms of krill oil, (iv) approximately US$3,000,000 to fund product development, clinical trials and regulatory affairs of Neptune (including management and protection of its intellectual property portfolio), and (v) the balance for general corporate and other working capital purposes.

Neptune intends to use the net proceeds as outlined above. The actual amount that the Company spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those listed under Risk Factors in or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Pending the application of the net proceeds, Neptune intends to invest the net proceeds in investment-grade, short term, interest-bearing securities, the primary objectives of which are liquidity and capital preservation.

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DESCRIPTION OF THE SHARE CAPITAL

The authorized share capital of the Company is comprised of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in one or more series. By way of by-law, in accordance with its articles of incorporation, the Company created the Series A Preferred Shares , which are non-voting shares.

As at September 21, 2012, there were a total of (i) 50,171,061 Common Shares and no Preferred Shares issued and outstanding, (ii) 2,244,549 warrants to purchase Common Shares issued and outstanding, and (iii) 6,487,500 options to purchase Common Shares issued and outstanding.

DESCRIPTION OF THE COMMON SHARES

Voting Rights

Each Common Share entitles its holder to receive notice of, and to attend and vote at, all annual or special meetings of the shareholders of the Company. Each Common Share entitles its holder to one vote at any meeting of the shareholders, other than meetings at which only the holders of a particular class or series of shares are entitled to vote due to statutory provisions or the specific attributes of this class or series.

Dividends

Subject to the prior rights of the holders of Preferred Shares ranking before the Common Share as to dividends, the holders of Common Shares are entitled to receive dividends if and as declared by the board of directors of the Company from the Company s funds that are duly available for the payment of dividends.

Winding-up and Dissolution

In the event of the Company s voluntary or involuntary winding-up or dissolution, or any other distribution of the Company s assets among its shareholders for the purposes of winding up its affairs, the holders of Common Shares shall be entitled to receive, after payment by the Company to the holders of Preferred Shares ranking prior to Common Share regarding the distribution of the Company s assets in the case of winding-up or dissolution, share for share, the remainder of the property of the Company, with neither preference nor distinction.

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MARKET FOR SECURITIES

The Company s Common Shares are listed and posted for trading on (i) the TSX under the symbol NTB , and (ii) the NASDAQ under the symbol NEPT . The price ranges and trading volume of the Common Shares for the twelve-month period before the date of this Prospectus Supplement on the TSX and the NASDAQ was as follows:

Period	TSX (CDN$)