

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-15888

IGENE Biotechnology, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

52-1230461

(I.R.S. Employer Identification No.)

9110 Red Branch Road, Columbia, Maryland 21045-2024

(Address of principal executive offices)

(410) 997-2599

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

110,337,072 shares of common stock, par value \$.01, as of May 10, 2008.

FORM 10-Q  
IGENE Biotechnology, Inc.

INDEX

PART I	-	FINANCIAL INFORMATION	Page
		Consolidated Balance Sheets (Unaudited).....	5
		Consolidated Statements of Operations (Unaudited ).....	6
		Consolidated Statement of Stockholders' Deficiency (Unaudited).....	7
		Consolidated Statements of Cash Flows (Unaudited).....	8
		Notes to Consolidated Financial Statements (Unaudited).....	9-13
		Management's Discussion and Analysis of Financial Conditions and Results of Operations .....	14-18
		Controls and Procedures.....	18
PART II	-	OTHER INFORMATION .....	19-20
		SIGNATURES .....	21
		EXHIBIT INDEX .....	22

IGENE BIOTECHNOLOGY, INC. QUARTERLY REPORT  
UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

## PART I

## FINANCIAL INFORMATION

**Item 1. Financial Statements****IGENE Biotechnology, Inc. and Subsidiary  
Consolidated Balance Sheets**

	March 31, <u>2008</u> (Unaudited)	December 31, <u>2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,038,316	\$ 1,026,350
Accounts receivable	1,472,697	2,718,884
Inventory	5,961,095	8,059,777
Prepaid expenses and other current assets	<u>7,147</u>	<u>38,351</u>
<b>TOTAL CURRENT ASSETS</b>	<b>10,479,255</b>	<b>11,843,362</b>
Property and equipment, net	867,844	713,493
5 year non-compete (net of amortization of \$7,699 and \$0, respectively)	146,278	153,977
Customer contracts (net of amortization of \$58,414 and \$0, respectively)	175,244	233,658
Intellectual property	149,670	149,670
Other assets	<u>5,125</u>	<u>5,125</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,823,416</u></b>	<b><u>\$ 13,099,285</u></b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 6,726,279</u>	<u>\$ 7,902,625</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,726,279</b>	<b>7,902,625</b>
<b>LONG-TERM DEBT</b>		
Notes payable (net of unamortized discount of \$941,928 and \$1,198,818, respectively)	4,900,339	4,643,449
Convertible debentures (net of unamortized discount of \$1,236,743 and \$1,331,548, respectively)	3,339,469	3,244,664
Contingent liability on joint venture separation	5,000,000	5,000,000
Accrued interest	6,639,453	6,442,076
<b>REDEEMABLE PREFERRED STOCK</b>		
Carrying amount of redeemable preferred stock, 8% cumulative, convertible, voting, series A, \$.01 par value per share. Stated value was \$20.48 and \$20.32, respectively. Authorized 1,312,500 shares; issued and outstanding 11,134 shares.	<u>228,024</u>	<u>226,243</u>
<b>TOTAL LIABILITIES</b>	<b><u>26,833,564</u></b>	<b><u>27,459,057</u></b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' DEFICIENCY</b>		
Common stock --- \$.01 par value per share. Authorized 750,000,000 shares; issued and outstanding 110,337,072 shares.	1,103,371	1,103,371
Additional paid-in capital	33,276,687	33,276,687
Accumulated deficit	(49,610,062)	(48,739,830)
Other comprehensive income	<u>219,856</u>	<u>---</u>
<b>TOTAL STOCKHOLDERS' DEFICIENCY</b>	<b><u>(15,010,148)</u></b>	<b><u>(14,359,772)</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>	<b><u>\$ 11,823,416</u></b>	<b><u>\$ 13,099,285</u></b>

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

**IGENE Biotechnology, Inc. and Subsidiary**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<u>Three months ended</u>	
	<u>March 31,</u> <u>2008</u>	<u>March 31,</u> <u>2007</u> <u>(Restated)</u>
<u>REVENUE</u>		
Sales	\$ 2,871,502	\$ ---
Cost of sales	<u>2,367,410</u>	<u>---</u>
GROSS PROFIT	504,092	---
RECOUPMENT OF LOSS OF JOINT VENTURE	<u>---</u>	<u>58,956</u>
<u>OPERATING EXPENSES</u>		
Marketing and selling	298,298	1,892
Research, development and pilot plant	350,104	252,114
General and administrative	177,110	202,913
Less operating expenses reimbursed by Joint Venture	<u>---</u>	<u>(445,044)</u>
TOTAL OPERATING EXPENSES	<u>825,512</u>	<u>11,875</u>
OPERATING PROFIT (LOSS)	<u>(321,420)</u>	<u>47,081</u>
OTHER INCOME	2,040	6,382
INTEREST EXPENSE (including amortization of debt discount of \$351,695 and \$351,694, respectively)	<u>(550,852)</u>	<u>(530,872)</u>
NET LOSS	<u>\$ (870,232)</u>	<u>\$ (477,409)</u>
Other comprehensive income		
Foreign exchange translation	219,856	---
TOTAL COMPREHENSIVE LOSS	<u>\$ (650,376)</u>	<u>\$ (477,409)</u>
BASIC AND DILUTED NET LOSS PER COMMON SHARE	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING	<u>110,337,072</u>	<u>109,337,072</u>

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

**IGENE Biotechnology, Inc. and Subsidiary**  
**Consolidated Statement of Stockholders' Deficiency**  
**(Unaudited)**

	<u>Common Stock</u> <u>(shares/amount)</u>	<u>Additional</u> <u>Paid-in</u> <u>Capital</u>	<u>Accumulated</u> <u>Deficit</u>	<u>Other</u> <u>Comprehensive</u> <u>Income</u>	<u>Total</u> <u>Stockholders'</u> <u>Deficiency</u>
Balance at January 1, 2008	110,337,072	\$ 1,103,371	\$ 33,276,687	\$ (48,739,830)	\$ (14,359,772)
Gain due to currency translation	---	---	---	219,856	219,856
Net loss for the three months ended March 31, 2008	<u>---</u>	<u>---</u>	<u>---</u>	<u>(870,232)</u>	<u>(870,232)</u>
Balance at March 31, 2008	<u>110,337,072</u>	<u>\$ 1,103,371</u>	<u>\$ 33,276,687</u>	<u>\$ (49,610,062)</u>	<u>\$ (15,010,148)</u>

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

**IGENE Biotechnology, Inc. and Subsidiary**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	Three months ended	
	March 31, 2008	March 31, 2007 (restated)
Cash flows from operating activities		
Net loss	\$ (870,232)	\$ (477,409)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization of debt discount	351,695	351,694
Depreciation	2,720	4,673
Increase in preferred stock for cumulative dividend classified as interest	1,781	1,781
Amortization of customer contracts and non-compete	66,113	---
Recoupment of payment of joint venture	---	(58,956)
Decrease (increase) in:		
Accounts receivable	1,246,188	---
Inventory	2,098,682	---
Prepaid expenses and other current assets	31,203	4,260
Increase (decrease) in		
Accounts payable and accrued expenses	(978,969)	40,413
Net cash provided by (used in) operating activities	1,949,181	(133,544)
Cash flows from investing activities		
Purchase of equipment	(157,071)	---
Recoupment of payment (advances) to Joint Venture	---	58,956
Net cash provided by (used in) investing activities	(157,071)	58,956
Cash flows from financing activities		
Proceeds from issuance of convertible debentures	---	762,000
Repayment of convertible debentures	---	(705,000)
Net cash provided by financing activities	---	57,000
Gain due to currency translation	219,856	----
Net decrease in cash and cash equivalents	2,011,966	(17,588)
Cash and cash equivalents at beginning of period	1,026,350	21,786
Cash and cash equivalents at end of period	\$ 3,038,316	\$ 4,198
<u>Supplementary disclosure and cash flow information</u>		
Cash paid for interest	\$ ---	\$ 57,637
Cash paid for income taxes	---	---

See Note (2) for non-cash investing and financing activities.

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



**IGENE Biotechnology, Inc. and Subsidiary  
Notes to Consolidated Financial Statements**

**(1) Unaudited Consolidated Financial Statements**

The March 31, 2008 consolidated financial statements presented herein are unaudited, and in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of financial position, results of operations and cash flows. Such financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. This quarterly report on Form 10-Q should be read in conjunction with Annual Report on Form 10-KSB for IGENE Biotechnology, Inc. ("Igene") the year ended December 31, 2007. The December 31, 2007 consolidated balance sheet is derived from the audited balance sheet included therein.

**(2) Nature of Operations**

IGENE Biotechnology, Inc. ("Igene" or the "Company") was incorporated in the State of Maryland on October 27, 1981 to develop, produce and market value-added specialty biochemical products. Igene is a supplier of natural astaxanthin, an essential nutrient in different feed applications and a source of pigment for coloring farmed salmon species. Igene is also venturing to supply astaxanthin as a nutraceutical ingredient. Igene is focused on research and development in the areas of fermentation technology, nutrition and health and the marketing of products and applications worldwide. Igene is the developer of AstaXin®, a natural astaxanthin product made from yeast, which is used as a source of pigment for coloring farmed salmonids.

Igene has devoted its resources to the development of proprietary processes to convert selected agricultural raw materials or feedstocks into commercially useful and cost effective products for the food, feed, flavor and agrochemical industries. In developing these processes and products, Igene has relied on the expertise and skills of its in-house scientific staff and, for special projects, various consultants.

In 2000, Igene formed a wholly-owned subsidiary, Igene Chile Comercial, Ltda., in Chile. The subsidiary has a sales and customer service office in Puerto Varas, Chile, and a product warehouse in Puerto Montt, Chile.

In an effort to develop a dependable source of production, on March 19, 2003, Tate & Lyle PLC ("Tate") and Igene announced a 50:50 joint venture to produce AstaXin® for the aquaculture industry, which we refer to as the "Joint Venture." Production utilized Tate's fermentation capability together with the unique technology developed by Igene. Part of Tate's existing citric acid facility located in Selby, England, was modified to include the production of this product. Tate's investment of approximately \$24,600,000 included certain of its facility assets that were used in citric acid production. Igene's contribution to the Joint Venture, including its intellectual property and its subsidiary in Chile, was valued by the parties as approximately equal to Tate's contribution. For accounting purposes Igene's accounting contribution was valued at zero.

On October 31, 2007, Igene and Tate entered into a Separation Agreement pursuant to which the Joint Venture Agreement was terminated. As part of the Separation Agreement, Igene sold to Tate its 50% interest in the Joint Venture and the Joint Venture sold to Igene its intellectual property, inventory and certain assets and lab equipment utilized by the Joint Venture as well as Igene's subsidiary in Chile. The purchase price paid by Tate to Igene for its 50% interest in the Joint Venture was 50% of the Joint Venture's net working capital. The purchase price paid by Igene for the inventory was an amount equal to 50% of the Joint Venture's net working capital, the assumption of various liabilities and the current market price of the inventory, less specified amounts. In addition, Igene agreed to pay to Tate an amount equal to 5% of Igene's gross revenues from the sale of astaxanthin up to a maximum of \$5,000,000. Tate agreed for a period of five years not to engage in the astaxanthin business.

As a result of the Joint Venture termination, Igene is not currently producing astaxanthin products, and is researching several alternatives for a potential new source of production. At the current pace, Igene expects to have inventories of existing product necessary to meet demand through the third quarter of 2008. Igene expects to be out of the market for an uncertain period of time following the third quarter of 2008 until a new source of production can be identified, commence operations and yield salable product.

**IGENE Biotechnology, Inc. and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**(continued)**

**(3) Noncash Investing and Financing Activities**

During the three months ended March 31, 2008 and 2007, the Company recorded in each quarter dividends in arrears on 8% redeemable preferred stock cumulating at \$.16 per share aggregating to \$1,781.

**(4) Amendment to Long – Term Liabilities**

Igene entered into Convertible Promissory Notes (the “Convertible Notes”) with each of the following note holders for the following respective amounts (a) NorInnova AS (formerly Forskningsparken I Tromsø AS) for \$106,500; (b) Knut Gjernes for \$7,500; (c) Magne Russ Simenson for \$278,000; and (d) Nord Invest AS for \$313,000. Each of the Convertible Notes had a maturity date of November 1, 2004. On November 18, 2005, each of the Convertible Note holders provided Igene with written notice of default under each of the Convertible Notes.

On November 29, 2006, the Convertible Note holders filed a complaint against the Company in the Circuit Court of Howard County, Maryland seeking payment of all outstanding amounts due under the Convertible Notes, the “Notes Litigation.” On February 23, 2007, the Company paid \$762,638, representing the full amount due including interest, to the Convertible Note holders as settlement of all claims related to the Notes Litigation. The complaint was dismissed with prejudice on March 6, 2007.

In an attempt to settle the matter, the Note holders were offered the ability to extend the notes they held for a period of ten years at an interest rate of 5%. The conversion would be changed from the original debenture rate of \$.10 (ten cents) per share to the current market rate of \$.02 (two cents) per share. They rejected the offer.

The funds to settle the Notes Litigation were provided by certain of Igene’s directors using the terms offered above to the debenture holders. On February 15, 2007, Igene issued and sold \$762,000 in aggregate principal amount of 5% convertible debentures, 50% each to certain directors of Igene. These debentures are convertible into shares of Igene’s common stock at \$.02 per share based on the offer made to the original debenture holders as the market price of Igene’s shares at the time the debentures were agreed to. These debentures, if not converted earlier, become due on February 15, 2017.

**(5) Previous Joint Venture**

On March 18, 2003, the Company entered into a Joint Venture Agreement with Tate & Lyle Fermentation Products Ltd. (“Tate”). Pursuant to a Joint Venture Agreement, the Company and Tate agreed to form a joint venture (the “Joint Venture”) to manufacture, market and sell astaxanthin and derivative products throughout the world for all uses other than as a nutraceutical or otherwise for direct human consumption. Tate contributed \$24,600,000, including certain facility assets that were used in citric acid production, while the Company transferred to the Joint Venture its technology relating to the production of astaxanthin and assets related thereto. The assets transferred by the Company were used by the Joint Venture in the same manner as historically used by the Company. The Company and Tate each had a 50% ownership interest in the Joint Venture and equal representation on the Board of Directors of the Joint Venture. The value of the Company’s initial investment in the Joint Venture was recorded at an amount equal to Igene’s historical book value. As the cost of the Company’s technology and intellectual property had been previously expensed and had a carrying amount of zero, the investment in the Joint Venture was originally recorded with a book value of \$316,869, which represented the unamortized production costs contributed to the Joint Venture. The Company also contributed \$6,000 to the capital of the Joint Venture.

Production utilized Tate’s fermentation capability together with the unique technology developed by Igene. Part of Tate’s existing Selby, England, citric acid facility was modified to produce up to 1,500 tons per annum of this astaxanthin. Sales and cost of sales activity were recorded as part of the earnings of the unconsolidated venture.

**IGENE Biotechnology, Inc. and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**(continued)**

On October 31, 2007, Igene and Tate entered into a Separation Agreement pursuant to which the Joint Venture Agreement was terminated. As part of the Separation Agreement, Igene sold to Tate its 50% interest in the Joint Venture and the Joint Venture sold to Igene its intellectual property, inventory and certain assets and lab equipment utilized by the Joint Venture as well as the Chilean sales subsidiary. The purchase price paid by Tate to Igene for its 50% interest was 50% of the Joint Venture's net working capital. The purchase price paid by Igene for the inventory was an amount equal to 50% of the Joint Venture's net working capital, the assumption of various liabilities and the current market price of the inventory, less specified amounts. In addition, Igene agreed to pay to Tate an amount equal to 5% of Igene's gross revenues from the sale of astaxanthin up to a maximum of \$5,000,000. Tate agreed for a period of five years not to engage in the astaxanthin business.

Upon the termination of the Joint Venture it was determined that the transaction should be recorded as an asset purchase. This determination was based upon the assets received not constituting a business in accordance with EITF 98-3. Based on that determination an independent valuation expert was hired to determine the fair value of the assets received and the liabilities assumed. As the fair value received exceeded the liabilities assumed the fair value of the assets received were reduced to equal the liabilities assumed. Consistent with FASB statement 141 in this exchange transaction between two parties the value received is considered to be equal to what was assumed. All contingent liabilities were recorded at their maximum amount along with the value of the other consideration given. The reduction in value to arrive at the other consideration given was allocated pro rata to the long term assets.

As a result of the Joint Venture termination, Igene is now researching several alternatives for a potential new source of production. At the current pace, Igene expects to have inventories of existing product necessary to meet demand through the third quarter of 2008. Igene expects to be out of the market for an uncertain period of time following the third quarter of 2008 until a new source of production can be identified, commence operations and yield salable product.

Prior to the separation, sales and marketing of astaxanthin took place in the unconsolidated Joint Venture. From inception on March 18, 2003 through March 31, 2007, the Joint Venture's results of operations included the following: Gross profit from inception was a negative \$19,763,827 on sales of \$31,353,167, less manufacturing cost of \$51,116,994. Selling and general and administrative expenses were \$14,302,539, and interest expense was \$4,244,994. The resulting loss for such period was \$38,311,360. Igene's 50% portion of the Joint Venture loss was \$19,155,680 for such period.

Because the Company accounted for its investment in the Joint Venture under the equity method of accounting, it would ordinarily recognize a loss representing its 50% equity interest in the loss of the Joint Venture or the amount that is guaranteed by the Company, if any. However, losses in the Joint Venture were recognized only to the extent of the investment in and advances to the Joint Venture. Losses in excess of this amount were suspended from recognition in the financial statements.

At March 31, 2007, prior to the recognition of its portion of the Joint Venture loss, Igene's investment in the Joint Venture consisted of \$322,869 and its net advances to the Joint Venture amounted to \$1,110,156, for a total of \$1,433,025. Through the year ended December 31, 2006, Igene recognized \$1,491,981 of its share of a \$15,922,400 loss. The remainder of \$14,430,419 was suspended and will be carried forward to offset Igene's share of earnings from the Joint Venture, if any. During the quarter ended March 31, 2007 the balance of funds due to Igene from the Joint Venture was reduced through repayments to Igene. This net repayment totaled \$58,956, and is treated as a recoupment of prior loss. In addition the JV incurred an additional loss of \$6,466,560, Igene's 50% share of this was \$3,233,280, the combination increased the suspended loss by \$3,292,236, during the quarter ended March 31, 2007. This brought the March 31, 2007 suspended loss to \$17,722,655. The balance in the advances to and investment in Joint Venture account on the Company's financial statements is zero at March 31, 2007.

The following schedules display certain account balances of the Joint Venture as of March 31, 2007 and the period since initial investment at March 18, 2003 (inception):

**IGENE Biotechnology, Inc. and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**(continued)**  
**(Unaudited)**

	<u>March 31,</u> <u>2007</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,042,000
Accounts Receivable	4,229,000
Inventories	<u>10,491,000</u>
	15,762,000
<b>OTHER ASSETS</b>	
Property, plant and equipment, net	20,053,000
Intangibles	<u>24,614,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 60,429,000</u>
<b>LIABILITIES AND EQUITY</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 35,211,000
Working capital loan	<u>11,812,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	47,023,000
Equity	<u>13,406,000</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 60,429,000</u>

	Period from March 18, 2003 (initial investment) to <u>March 31, 2007</u> (unaudited)
Net Sales	\$ 31,353,167
Less: manufacturing cost	<u>(51,116,994)</u>
Gross Profit (Loss)	(19,763,827)
Less: selling, general and administrative	<u>(14,302,539)</u>
Operating Loss	(34,066,366)
Interest Expense	<u>(4,244,994)</u>
Net Loss	<u>\$ (38,311,360)</u>
Igene's 50% equity interest in the net loss	\$ (19,155,680)
Igene's Investment in and Advances to the Joint Venture	<u>(1,433,025)</u>
Igene's suspended loss	<u>\$ (17,722,655)</u>

	<u>Quarter ended</u> <u>March 31, 2007</u> (unaudited)	<u>Quarter ended</u> <u>March 31, 2006</u> (unaudited)
Net Sales	\$ 3,580,288	\$ 3,190,139
Less: manufacturing cost	<u>(8,178,136)</u>	<u>(3,348,894)</u>
Gross Profit (Loss)	(4,597,848)	(158,755)
Less: selling, general and administrative	<u>(1,212,252)</u>	<u>(1,104,719)</u>
Operating Loss	(5,810,100)	(1,263,474)
Interest Expense	<u>(656,460)</u>	<u>(700,900)</u>
Net Loss before taxes	(6,466,560)	(1,964,374)
Tax Expense	---	<u>(1,205,900)</u>
Net Loss before taxes	<u>\$ (6,466,560)</u>	<u>\$ (3,170,274)</u>
Igene's 50% equity interest in the net loss	\$ (3,233,280)	\$ (1,585,137)
Igene's additional Recoupment from (Investment in and Advances to) the Joint Venture	58,956	(189,902)
Igene's incremental suspended loss	<u>\$ (3,292,236)</u>	<u>\$ (1,395,235)</u>

**IGENE Biotechnology, Inc. and Subsidiary**  
**Notes to Consolidated Financial Statements**  
(continued)

**(6) Stockholders' Deficiency**

As of March 31, 2008, 22,268 shares of authorized but unissued common stock were reserved for issue upon conversion of the Company's outstanding preferred stock.

As of March 31, 2008, 72,232,334 shares of authorized but unissued common stock were reserved for distribution and exercise pursuant to the Company's Employee Stock Option Plans.

As of March 31, 2008, 23,421,273 shares of authorized but unissued common stock were reserved for the conversion of outstanding convertible promissory notes held by directors of the Company in the aggregate amount of \$1,082,500.

As of March 31, 2008, 66,427,651 shares of authorized but unissued common stock were reserved for the conversion of outstanding convertible promissory notes held by directors of the Company.

As of March 31, 2008 \$38,100,000 shares of authorized but unissued common stock were reserved for the conversion of outstanding convertible promissory notes issued as part of the settlement of the ProBio notes.

As of March 31, 2008, 205,261,073 shares of authorized but unissued common stock were reserved for the exercise of outstanding warrants.

**(7) Basic and Diluted Net Loss per Common Share**

Basic and diluted net loss per common share for the three-month periods ended March 31, 2008 and 2007 are based on 110,337,072 and 109,337,072, respectively, of weighted average common shares outstanding. No adjustment has been made for any common stock equivalents outstanding because their effects would be anti-dilutive. As of March 31, 2008, potential full dilution was 488,414,337 shares.

**(8) Going Concern**

Igene has incurred net losses in each year of its existence, aggregating approximately \$49,610,000 from inception to March 31, 2008 and as of March 31, 2008, Igene's liabilities exceeded its assets by approximately \$15,010,000. These factors indicate that Igene may not be able to continue in existence unless it is able to raise additional capital and attain profitable operations.

As discussed, as of October 31, 2007, Igene has terminated its relationship with the Joint Venture with Tate & Lyle. Igene maintains the saleable inventory after the termination of the relationship and is currently reviewing alternatives for a future manufacturing alternative. In the interim Igene will sell the existing inventory in order to maintain its relationship with customers and use these funds to cover expenses. We anticipate that our current inventory will not be substantiated after the third quarter of 2008. No adjustments to the financial statements have been made as a result of this uncertainty.

**IGENE Biotechnology, Inc. and Subsidiary  
Management's Discussion and Analysis of  
Financial Condition and Results of Operations**

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**CAUTIONARY STATEMENTS FOR PURPOSES OF "SAFE HARBOR PROVISIONS" OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:**

EXCEPT FOR HISTORICAL FACTS, ALL MATTERS DISCUSSED IN THIS REPORT, WHICH ARE FORWARD-LOOKING, INVOLVE A HIGH DEGREE OF RISK AND UNCERTAINTY. CERTAIN STATEMENTS IN THIS REPORT SET FORTH MANAGEMENT'S INTENTIONS, PLANS, BELIEFS, EXPECTATIONS OR PREDICTIONS OF THE FUTURE BASED ON CURRENT FACTS AND ANALYSES. WHEN WE USE THE WORDS "BELIEVE," "EXPECT," "ANTICIPATE," "ESTIMATE," "INTEND" OR SIMILAR EXPRESSIONS, WE INTEND TO IDENTIFY FORWARD-LOOKING STATEMENTS. YOU SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE INDICATED IN SUCH STATEMENT, DUE TO A VARIETY OF FACTORS, RISKS AND UNCERTAINTIES. POTENTIAL RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, COMPETITIVE PRESSURES FROM OTHER COMPANIES WITHIN THE BIOTECH AGRICULTURE AND AQUACULTURE INDUSTRIES, ECONOMIC CONDITIONS IN THE COMPANY'S PRIMARY MARKETS, EXCHANGE RATE FLUCTUATIONS, REDUCED PRODUCT DEMAND, INCREASED COMPETITION, INABILITY TO PRODUCE REQUIRED CAPACITY, UNAVAILABILITY OF FINANCING, GOVERNMENT ACTION, WEATHER CONDITIONS AND OTHER UNCERTAINTIES, INCLUDING THOSE DETAILED IN "RISK FACTORS" THAT ARE INCLUDED FROM TIME-TO-TIME IN THE COMPANY'S SECURITIES AND EXCHANGE COMMISSION FILINGS. THE COMPANY ASSUMES NO DUTY TO UPDATE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF SUCH STATEMENTS.

**Critical Accounting Policies**

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States (or "GAAP") requires management to make judgments, assumptions and estimates that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ materially from those estimates. The following are critical accounting policies important to our financial condition and results of operations presented in the financial statements and require management to make judgments and estimates that are inherently uncertain:

The inventories are stated at the lower of cost or market. Cost is determined using a weighted-average approach, which approximates the first-in first-out method. If the cost of the inventories exceeds their expected market value, provisions are recorded for the difference between the cost and the market value. Inventories consist of currently marketed products.

Revenue from product sales are recognized when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed and determinable, and collectability is reasonably assured. Allowances are established for estimated uncollectible amounts, product returns and discounts.

The Joint Venture was accounted for under the equity method of accounting as Igene had a 50% ownership interest.

Igene did not recognize the loss of the Joint Venture beyond the investment and advances to the Joint Venture. This excess loss was sold as part of the termination of the Joint Venture.

**IGENE Biotechnology, Inc. and Subsidiary  
Management's Discussion and Analysis of  
Financial Condition and Results of Operations  
(Continued)**

**Results of Operations**

**Sales and other revenue**

As part of the Joint Venture Agreement, all sales of AstaXin® prior to October 31, 2007 were recognized through the Joint Venture. Therefore, Igene recorded no sales during 2006 or in 2007 prior to October 31, 2007. During the first quarter of 2008, Igene recorded sales of \$2,871,502. Sales had been limited in past years due to insufficient production quantity and are expected to decline to zero sometime during the third quarter of 2008 and remain negligible until a source of production can be identified and production begins. Igene is currently researching various alternatives for future production but has not yet engaged any new source of production. Management believes that this decision is of fundamental importance to Igene and continues to seek an appropriate production partner.

**Cost of sales and gross profit**

As with sales revenue, beginning July 2003 through October 31, 2007, cost of sales and gross profit were recognized through the Joint Venture. Therefore, Igene recorded no cost of sales or gross profit during 2006 or in 2007 prior to October 31, 2007. During the first quarter of 2008, Igene recorded cost of sales of \$2,367,410. This resulted in a gross profit for the period of \$504,092, or 18%. The increase in gross profit is due mainly to the discount in which the product was purchased at the conclusion of the Joint Venture. With the termination of the Joint Venture, there can be no assurance of the continued dependability of production. As a result, future cost of sales is expected to increase through the third quarter of 2008, whereupon sales, and cost of sales, are expected to be negligible until a source of production can be identified and commencement of production cannot be predicted. Igene is currently researching various alternatives for future production. No assurances can be provided with regard to a new source of production.

**Marketing and selling expenses**

For the quarters ended March 31, 2008 and 2007, Igene recorded marketing and selling expense in the amounts of \$298,298 and \$1,892, respectively, an increase of \$296,406. With the termination of the Joint Venture, Igene has reassumed responsibility for the marketing and selling function that was being done by the Joint Venture. It is expected that this level of marketing and selling expense will be constant as Igene has reassumed the activities of the Chilean subsidiary and looks to maintain its customer base through the period in which it engages a new source of production. However, no assurances can be made with regard to a new source of production or maintenance of the customer base. Prior to October 2007, all marketing and selling expenses incurred by Igene as part of the Joint Venture had been reimbursed by the Joint Venture. After October 2007, these expenses are expected to be funded by cash flows from operations, to the extent available for such purposes. However, we do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins.

**Research, development and pilot plant expenses**

For the quarters ended March 31, 2008 and 2007, Igene recorded research and development costs in the amount of \$350,104 and \$252,114, respectively, an increase of \$97,990 or 39%. Research and development costs have increased as Igene works to develop new uses for its product. As well, it is expected these costs will remain at current increased levels in support of increasing the efficiency of the manufacturing process through experimentation in the Company's pilot plant, developing higher yielding strains of yeast and other improvements in the Company's AstaXin® technology. Prior to October of 2007, all research and development expenses incurred by Igene as part of the Joint Venture had been reimbursed by the Joint Venture. After October 2007 these expenses are expected to be funded by cash flows from operations, to the extent available for such purposes. However, we do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins.

IGENE Biotechnology, Inc. and Subsidiary  
**Management's Discussion and Analysis of  
Financial Condition and Results of Operations**  
(Continued)

**General and administrative expenses**

General and administrative expenses for the quarter ended March 31, 2008 and 2007 were \$177,110 and \$202,913 respectively, a decrease of \$25,803 or 13%. These costs are expected to remain constant. Igene works to keep overhead costs at a reduced level and spend funds on research and development efforts. Prior to October 2007, all general and administrative expenses incurred related to research and sales of product by Igene as part of the Joint Venture, had been reimbursed by the Joint Venture. After October 2007 these expenses are expected to be funded by cash flows from operations, to the extent available for such purposes. However, we do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins.

**Expenses reimbursement by Joint Venture**

As part of the Joint Venture Agreement, costs incurred by Igene related to production, research and development, as well as those related to the marketing of AstaXin®, and most of the general and administrative expenses, were considered costs of the Joint Venture and therefore were reimbursed by the Joint Venture. We do not expect to receive any further reimbursements following the October 2007 termination of the Joint Venture. Therefore, all expenses incurred by Igene are expected to be funded by cash flows from operations, to the extent available for such purposes. We do not expect cash flows from operations to continue beyond the third quarter of 2008 unless and until a source of production is identified and production begins. For the quarter ended March 31, 2007, costs reimbursed by the Joint Venture totaled \$445,044. The costs covered \$1,892 of marketing costs, \$252,114 of research and development costs and \$191,038 of general and administrative costs.

**Interest expense**

Interest expense for the quarters ended March 31, 2008 and 2007 were \$550,852 and \$530,872 respectively, an increase of \$19,980 or 4%. This interest expense (net of interest income) was composed of interest on Igene's long term financing from its directors and other stockholders and interest on Igene's subordinated and convertible debentures, as well as amortization of discount on Igene's notes and debentures of \$351,695 for 2008 and \$351,694 for 2007.

**Equity in earnings of unconsolidated Joint Venture**

Prior to the October 31, 2007 termination of the Joint Venture, the production, sales and marketing of astaxanthin took place in the unconsolidated Joint Venture. From inception on March 18, 2003 through March 31, 2007, the Joint Venture's results of operations included the following: Gross profit from inception was a negative \$19,763,827 on sales of \$31,353,167, less manufacturing cost of \$51,116,994. Selling and general and administrative expenses were \$14,302,539, and interest expense was \$4,244,994. The resulting loss was \$38,311,360. Igene's 50% portion of the Joint Venture loss was \$19,155,680.

Because the Company accounted for its investment in the Joint Venture under the equity method of accounting, it would ordinarily recognize a loss representing its 50% equity interest in the loss of the Joint Venture or the amount that is guaranteed by the Company, if any. However, losses in the Joint Venture were recognized only to the extent of the investment in and advances to the Joint Venture. Losses in excess of this amount were suspended from recognition in the financial statements.



**IGENE Biotechnology, Inc. and Subsidiary  
Management's Discussion and Analysis of  
Financial Condition and Results of Operations  
(Continued)**

At March 31, 2007, prior to the recognition of its portion of the Joint Venture loss, Igene's investment in the Joint Venture consisted of \$322,869 and its net advances to the Joint Venture amounted to \$1,110,156, for a total of \$1,433,025. Through the year ended December 31, 2006, Igene recognized \$1,491,981 of its share of a \$15,922,400 loss. The remainder of \$14,430,419, was suspended and will be carried forward to offset Igene's share of earnings from the Joint Venture, if any. During the quarter ended March 31, 2007, the balance of funds due to Igene from the Joint Venture was reduced through repayments to Igene. This net repayment totaled \$58,956. This amount is treated as a recoupment of prior loss and added back to the \$14,430,419 suspended loss. In addition the Joint Venture incurred an additional loss of \$6,466,560, Igene's 50% share of this was \$3,233,280, and the combination increased the suspended loss by \$3,292,236, during the quarter ended March 31, 2007. This brought the March 31, 2007 suspended loss to \$17,722,655. The balance in the advances to and investment in Joint Venture account on the Company's financial statements is zero at March 31, 2007.

**Net loss and basic and diluted net loss per common share**

As a result of the foregoing, the Company reported comprehensive losses of \$650,376 and \$477,409, respectively, for the quarters ended March 31, 2008 and 2007, an increase in the loss of \$172,967 or 36%. This represents a loss of \$0.01 and \$0.00 per basic and diluted common share in each of the quarters ended March 31, 2008 and 2007, respectively. The weighted average number of shares of common stock outstanding of 110,337,072 and 109,337,072 for the quarters ended March 31, 2008 and 2007, respectively, has increased by 1,000,000 shares. The increase in outstanding shares resulted from the issuance of 1,000,000 shares of common stock to the Company's Director of Manufacturing.

**Financial Position**

During the quarters ended March 31, 2008 and 2007, in addition to the matters previously discussed, the following actions also materially affected the Company's financial position:

- Decreases in accounts receivables, inventory and prepaid expense for the quarter ended March 31, 2008 of \$3,376,073 were a source of cash, offset by funds used to decrease accounts payable and accrued expenses by \$978,969; and
- The carrying value of redeemable preferred stock was increased and interest expense recorded in the amount of \$1,781 in 2008, reflecting cumulative unpaid dividends on redeemable preferred stock.

In December 1988, as part of an overall effort to contain costs and conserve working capital, Igene suspended payment of the quarterly dividend on its preferred stock. Resumption of the dividend will require significant improvements in cash flow. Unpaid dividends cumulate for future payment or addition to the liquidation preference or redemption value of the preferred stock. As of March 31, 2008, total dividends in arrears on Igene's preferred stock total \$138,952 (\$12.48 per share) and are included in the carrying value of the redeemable preferred stock.

**Liquidity and Capital Resources**

Historically, Igene has been funded primarily by equity contributions and loans from stockholders. As of March 31, 2008, Igene had working capital of \$3,752,976, and cash and cash equivalents of \$3,038,316.

Cash provided by operating activities during the three-month period ended March 31, 2008 equaled \$1,949,181 versus cash used by operating activities of \$133,544 for the three-month period ended March 31, 2007.

Cash used by investing activities during the three-month period ended March 31, 2008 equaled \$157,071, this resulted from the purchase of equipment, versus cash provided by investing activities of \$58,956, a recoupment of payment to the Joint Venture for the three-month period ended March 31, 2007.

**IGENE Biotechnology, Inc. and Subsidiary  
Management's Discussion and Analysis of  
Financial Condition and Results of Operations  
(Continued)**

No cash was used or provided by financing activities during the first quarter of 2008. Cash provided by financing activities was \$57,000 during the first quarter of 2007, in settlement of the convertible debentures and used in payment of interest on those notes.

Over the next twelve months, Igene believes it will need additional working capital. Part of this funding is expected to be received from sales of AstaXin®, resulting in increased cash through the third quarter of 2008. Thereafter sales are expected to decline to zero and remain negligible until a source of production is identified and production begins. There will be additional delay between the commencement of production and the receipt of proceeds from any sale of such product. However, there can be no assurance that projected cash from sales, or additional funding, will be sufficient for Igene to fund its continued operations.

The Company does not believe that inflation had a significant impact on its operations during the three-month periods ended March 31, 2008 and 2007.

**Item 3. Quantitative and Qualitative Disclosure About Market Risk**

The Company is a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not required to provide the information required under this item.

**Item 4. Controls and Procedures**

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act (defined below)). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our consolidated financial statements included in this annual report have been prepared in accordance with GAAP. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Igene is attempting to increase control over financial reporting in order to strengthen internal controls.

**IGENE Biotechnology, Inc. and Subsidiary**  
**PART II**  
**OTHER INFORMATION**

**Item 1. Legal Proceedings**

There are no material pending legal proceedings to which Igene is a party or to which any of Igene's properties are subject; nor are there material proceedings known to be contemplated by any governmental authority; nor are there material proceedings known to Igene, pending or contemplated, in which any of Igene's directors, officers, affiliates or any principal security holders, or any associate of any of the foregoing, is a party or has an interest adverse to us, except as set forth below.

In connection with the issuance of convertible notes by Igene in 2001 to each of NorInnova AS (formerly Forskningsparken I Tromsø AS), Knut Gjernes, Magne Russ Simenson and Nord Invest AS (collectively, the "note holders"), which convertible notes matured in November 2004, the note holders filed a complaint against Igene in Circuit Court of Howard County, Maryland on November 29, 2006 seeking payment of all outstanding amounts due under the convertible notes. On February 23, 2007, Igene, paid an aggregate amount of \$762,638 to the note holders as settlement of all claims related to the convertible notes. The complaint was dismissed with prejudice on March 6, 2007.

**Item 1A. Risk Factors**

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

In December 1988, as part of an overall effort to contain costs and conserve working capital, the Company suspended payment of the quarterly dividend on its preferred stock. Resumption of the dividend will require significant improvements in cash flow. Unpaid dividends cumulate for future payment or addition to the liquidation preference or redemption value of the preferred stock. As of May 14, 2008, total dividends in arrears on the Company's preferred stock total \$138,952 (\$12.48 per share) and are included in the carrying value of the redeemable preferred stock.

**Item 4. Submission of Matters to a Vote of Security Holders**

None.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

- (a) Exhibits

**EXHIBIT  
NO.**

**DESCRIPTION**

- 3.1 Articles of Incorporation of the Registrant, as amended as of November 17, 1997, constituting Exhibit 3.1 to the Registration Statement No. 333-41581 on Form SB-2 filed with the SEC on December 5, 1997, are hereby incorporated by reference.

- 3.2 Articles of Amendment to Articles of Incorporation of the Registrant, constituting Exhibit 3.1(b) to the Registration Statement No. 333-76616 on Form S-8 filed with the SEC on January 11, 2002, are hereby incorporated by reference.
- 3.3 By-Laws of the Registrant, constituting Exhibit 3.2 to the Registration Statement No. 33-5441 on Form S-1 filed with the SEC on May 6, 1986, are hereby incorporated by reference.
- 31.1 Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal executive officer.\*
- 31.2 Rule 13a-14(a) or 15d-14(a) Certification of the Registrant's principal financial officer.\*
- 32.1 Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal executive officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.\*
- 32.2 Rule 13a-14(b) or 15d-14(b) Certification of the Registrant's principal financial officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Rule 906 of the Sarbanes-Oxley Act of 2002.\*

\*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IGENE BIOTECHNOLOGY, INC.  
(Registrant)

Date May 14, 2008 By /s/ STEPHEN F. HIU  
STEPHEN F. HIU  
President  
(principal executive officer)

Date May 14, 2008 By /s/ EDWARD J. WEISBERGER  
EDWARD J. WEISBERGER  
Chief Financial Officer  
(principal financial officer)

## EXHIBIT INDEX

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\*Filed herewith.

Exhibit 31.1

**CERTIFICATIONS**

I, Stephen F. Hiu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IGENE Biotechnology, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2008

/s/ STEPHEN F. HIU

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STEPHEN F. HIU  
President

Exhibit 31.2

**CERTIFICATIONS**

I, Edward J. Weisberger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IGENE Biotechnology, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2008

/s/ EDWARD J. WEISBERGER

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EDWARD J. WEISBERGER  
Chief Financial Officer



Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the IGENE Biotechnology, Inc. (the "Company") Quarterly Report on Form 10-Q for the period ended March 31, 2008, as filed with the Securities and Exchange Commission (the "Report"), I, Stephen F. Hiu, President of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2008

By: /s/ STEPHEN F. HIU  
STEPHEN F. HIU  
President

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the IGENE Biotechnology, Inc. (the "Company") Quarterly Report on Form 10-Q for the period ended March 31, 2008 as filed with the Securities and Exchange Commission (the "Report"), I, Edward J. Weisberger, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2008

By: /s/ EDWARD J. WEISBERGER  
EDWARD J. WEISBERGER  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.