UNITED STATES
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 **June 30, 2008**.

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ________ to ________.

Commission file number: **000-28429**

PLANKTOS CORP.

(Exact name of registrant as specified in its charter)

Nevada	**68-0423301**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

145-925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2
(Address of principal executive offices) (Zip Code)

(604) 669-4771
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 as defined by Rule 12b-2 of the Exchange Act:
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☑ No ☐

At August 18, 2008, the number of shares outstanding of the registrant's common stock, $0.001 par value (the only class of voting stock), was 84,751,838.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms "Company," "we," "our," "us," "it," and "its" refer to Planktos Corp., a Nevada corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

PLANKTOS CORP
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS

		June 30, 2008 (Unaudited)		December 31, 2007
ASSETS				
CURRENT ASSETS				
Cash	$	87,539	$	56,560
Advances receivable		200		-
Total Current Assets		87,739		56,560
OTHER ASSETS				
Vessels and other fixed assets, net of depreciation		-		787,561
Deposits		-		4,720
Total Other Assets		-		792,281
TOTAL ASSETS	$	87,739	$	848,841
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	$	87,531	$	187,968
Other accrued liabilities		-		3,242
Accrued interest payable – related parties		-		32,614
Advances payable – related parties		147,511		547,511
Total Current Liabilities		235,042		771,335
COMMITMENTS AND CONTINGENCIES		-		-
STOCKHOLDERS' EQUITY (DEFICIT)				
Common stock, authorized 250,000,000 shares of $0.001 par value, issued and outstanding 84,751,838 at June 30, 2008 and 84,751,838 shares at December 31, 2007		84,752		84,752
Additional paid-in capital		3,671,624		3,671,624
Deficit accumulated during development stage		(3,903,679)		(3,678,870)
Total Stockholders' Equity (Deficit)		(147,303)		77,506
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$	87,739	$	848,841

The accompanying condensed notes are an integral part of these financial statements.

PLANKTOS CORP
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended June 30, 2008 (Unaudited)	For the Three Months Ended June 30, 2007 (Unaudited)	For the Six Months Ended June 30, 2008 (Unaudited)	For the Six Months Ended June 30, 2007 (Unaudited)	From Inception (February 11, 2005 to June 30, 2008) (Unaudited)
REVENUES	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSES					
Bad debt expense	-	-	-	-	32,876
General and administrative	33,601	39,181	100,550	208,312	1,130,319
Total Operating Expenses	33,601	39,181	100,550	208,312	1,163,195
LOSS FROM OPERATIONS	(33,601)	(39,181)	(100,550)	(208,312)	(1,163,195)
OTHER INCOME (EXPENSE)					
Other income	1,085	-	1,685	-	12,804
Other income- related party	-	-	-	-	61,000
Interest income	-	-	3	-	3,525
Interest expense	-	-	(7,000)	-	(80,715)
Total Other Income (Expense)	1,085	-	(5,312)	-	(3,386)
NET LOSS BEFORE INCOME TAX	(32,516)	(39,181)	(105,862)	(208,312)	(1,166,581)
INCOME TAX EXPENSE	-	-	-	-	-
NET LOSS FROM CONTINUING OPERATIONS	(32,516)	(39,181)	(105,862)	(208,312)	(1,166,581)
LOSS ON DISCONTINUED OPERATIONS	(68)	-	(118,947)	-	(2,737,098)
NET LOSS	$ (32,584)	$ (39,181)	$ (224,809)	$ (208,312)	$ (3,903,679)
NET LOSS/SHARE, CONTINUING OPERATIONS	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.03)
NET LOSS/SHARE, DISCONTINUED OPERATIONS	$ (0.00)	$ -	$ (0.00)	$ -	$ (0.06)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	84,751,838	83,273,838	84,751,838	82,947,588	43,131,680

The accompanying condensed notes are an integral part of these financial statements.

PLANKTOS CORP
(A Development Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30, 2008 (Unaudited)	For the Six Months Ended June 30, 2007 (Unaudited)	From Inception (February 11, 2005 to June 30, 2008) (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (105,862)	$ (208,312)	$ (1,166,581)
Adjustments to reconcile net loss to net cash (Used) in operating activities:			
Depreciation	-	17,414	35,745
Stock issued for services	-	43,000	
Expenses paid through contribution of paid in capital	-	-	41,101
(Increase) decrease in deposits	4,720	-	-
(Increase) decrease in prepaid expense & misc receivable	-	(791,370)	-
Increase (decrease) in accounts payable	(100,437)	8,773	87,532
Increase (decrease) in other liabilities	(3,242)	-	-
Increase (decrease) in accrued interest payable	-	-	32,614
Net Cash (Used in) Continuing Operating Activities	(204,821)	(930,495)	(969,589)
Net Cash (Used in) Discontinued Operating Activities	(364,000)	-	(2,982,151)
Net Cash (Used in) Operating Activities	(568,821)	(930,495)	(3,951,740)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of vessel and other fixed asset	-	(814,141)	(823,306)
Sale of vessel	1,000,000	-	1,000,000
Acquisition of business	-	-	72,700
Net Cash (Used in) Investing Activities	1,000,000	(814,141)	249,394
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issued common stock for cash	-	1,755,985	2,877,085
Affiliate receivable	(200)	-	5,624
Affiliate payable	-	-	(5,824)
Proceeds from payable - related party	-	-	1,589,750
Loan principal repayments	(400,000)	(64,001)	(676,750)
Net Cash Provided by Financing Activities	(400,200)	1,691,984	3,789,885
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,979	(52,652)	87,539
CASH AT BEGINNING OF PERIOD	56,560	67,121	-
CASH AT END OF PERIOD	$ 87,539	$ 14,469	$ 87,539
SUPPLIMENTAL CASH FLOW INFORMATION			
CASH PAID FOR:			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -

NON-CASH FINANCING AND INVESTING TRANSACTIONS:

During 2005, the Company issued 78,711,311 shares of common stock to satisfy debt of $997,010.
During 2006, the Company converted $99,541 of accounts payable - related party to loan payable - related party.
During 2007, the Company issued 50,000 shares of common stock for services provided by one of our directors valued at $46,000.

The accompanying condensed notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Planktos Corp. (the "Company") was incorporated as "eWorld Travel Corp" on December 10, 1998 under the laws of the state of Nevada. On September 23, 2002, the Company changed its name to "GYK Ventures, Inc." and on July 8, 2005, the Company changed its name to "Diatom Corporation". The Company changed its name to "Planktos Corp." on March 8, 2007.

The Company was engaged in the carbon offset business through efforts to prove out an "iron-fertilization" technology but in December 2007 the "iron-fertilization" prove out program was suspended and operations were wound down. The Company has since terminated all employees, liquidated substantially all of its assets, and closed its California office. As of June 30, 2008, $2,737,098 has been recognized as a loss in discontinued operations.

Unaudited Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q of Regulation S-X. They may not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material changes in the information disclosed in the notes to the financial statements for the year ended December 31, 2007 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. The interim unaudited financial statements should be read in conjunction with those financial statements included in the Form 10-K. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting solely of normal and recurring adjustments have been made. Operating results for the six months ended June 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of June 30, 2008, all of the Company's cash was within federally insured limits.

Concentrations

The Company maintains its cash accounts in commercial banks. During the year, the Company may maintain balances in excess of the federally insured amounts in the accounts that are maintained in the United States.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued

Fair Value Measurements
Effective January 1, 2008, the Company adopted Financial Accounting Standards Board (FASB) SFAS No.157, *Fair Value Measurements* (SFAS 157). The provisions of SFAS 157 are applicable to all of the Company's assets and liabilities that are measured and recorded at fair value. SFAS 157 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants. SFAS 157 establishes a fair value hierarchy that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy defined by SFAS 157 are described below.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data.

The Company does not have any assets or liabilities measured at fair value on a recurring basis at June 30, 2008. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the six months ended June 30, 2008.

Going Concern
As shown in the accompanying financial statements, the Company had a negative working capital of $147,303 and an accumulated deficit of $3,903,679 incurred through June 30, 2008. The Company is currently seeking out a new business opportunity that might, if successful, mitigate those factors which raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

The Company plans on continuing to reduce expenses, and in the event that a new revenue producing business is acquired, believes that it will eventually be able to reverse the present deficit.

An estimated $100,000 is believed necessary to continue operations until such time as our "iron fertilization" program is resumed or a new business opportunity is acquired. In the event that we acquire a new business opportunity, the timing and amount of capital requirements will depend on a number of factors, including the demand for products or services, the availability of opportunities for expansion through affiliations and other business relationships. Management intends to seek additional capital from new equity securities offerings that will provide the funds needed to increase liquidity, fund internal growth and fully implement its business plan.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

Provision for Taxes
Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes." Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard imposed by SFAS No. 109 to allow recognition of such an asset.

Recent Accounting Pronouncements
In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon either mandatory or optional conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt issued with Stock Purchase Warrants."

Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We will adopt FSP APB 14-1 beginning in the first quarter of 2009, and this standard must be applied on a retrospective basis. We are evaluating the impact the adoption of FSP APB 14-1 will have on our consolidated financial position and results of operations.

In May 2008, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). This standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with generally accepted accounting principles in the United States for non-governmental entities. SFAS 162 is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board's amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." We do not expect SFAS 162 to have a material impact on the preparation of our consolidated financial statements.

In April 2008, the FASB issued FSP No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). FSP 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, "Goodwill and Other Intangible Assets". This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. We are currently evaluating the impact, if any, that FSP 142-3 will have on our consolidated financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued

Recent Accounting Pronouncements - continued
In March 2008, the FASB issued SFAS No. 161 which amends and expands the disclosure requirements of SFAS 133 to provide an enhanced understanding of an entity's use of derivative instruments, how they are accounted for under SFAS 133 and their effect on the entity's financial position, financial performance and cash flows. The provisions of SFAS 161 are effective for the period beginning after November 15, 2008. The Company is currently reviewing the effect, if any, that the adoption of this statement will have on our financial statements.

Reclassification
Certain amounts from prior periods have been reclassified to conform to the current period presentation. This reclassification has resulted in no changes to the Company's accumulated deficit or net losses presented.

Use of Estimates
The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The Company is a development stage company as defined in Financial Accounting Standards Board Statement No. 7. It is concentrating substantially all of its efforts in raising capital and re-defining its business operation in order to generate revenues.

NOTE 3 – VESSEL AND OTHER FIXED ASSETS

Vessel and other fixed assets consist of the following at June 30, 2008 and December 31, 2007:

	June 30, 2008	December 31, 2007
Research Vessel "Weatherbird II"	$ -	$ 800,000
Marine Equipment	-	23,306
	-	823,306
Accumulated Depreciation	-	(35,745)
Net Vessel & Equipment	$ -	$ 787,561

On February 28, 2008, the Company completed the sale of the Weatherbird II for cash proceeds of $1,000,000. As a result, the Company recorded a gain of $212,439 in discontinued operations.

NOTE 4 – RELATED PARTY TRANSACTIONS

As of June 30, 2008, the Company owes $97,511 for expenses and $50,000 from cash advances to related parties. The cash advances bear no interest and are unsecured.

NOTE 5 – CAPITAL STOCK

Common Stock

There were no equity, stock option or stock warrant transactions for the six months ended June 30, 2008.

NOTE 6 – COMMITMENTS AND OBLIGATIONS

On February 21, 2008 Planktos executed an agreement to sell its sixty percent (60%) interest in Klimafa to Dr. David Gazdag in exchange for two hundred and fifty thousand dollars ($250,000) in the form of a convertible debenture with a repayment term being the earlier of ten years or Klimafa's generation of cash flow, bearing four percent (4%) per annum, convertible into sequestered tones of carbon dioxide credits. As of June 30, 2008, this agreement has yet to be finalized.

NOTE 7 – DISCONTINUED OPERATIONS

In December 2007, the Company suspended its Iron-Fertilization Prove-Out operations and initiated negotiations for the sale of the related assets (See Note 1). Accordingly, this business component has been presented as discontinued operations within the consolidated financial statements in accordance with SFAS No. 144, " Accounting for the Impairment or Disposal of Long-Lived Assets" and EITF 03-13. As discussed in Note 1, the Company was engaged in research related to creation and sales of "Kyoto Protocol" certified emission reduction credits.

The loss from disposal of discontinued operations for the year ended December 31, 2007 and cumulatively for the six months ended June 30, 2008 were $2,575,491 and $2,737,098, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. Our fiscal year end is December 31. All information presented herein is based on the three and six month periods ended June 30, 2008.

Discussion and Analysis

During December of 2007 the Company discontinued its "iron-fertilization" prove-out program and commenced efforts to wind-down its business. We continued these efforts through the six month period ended June 30, 2008, terminating all of our employees, divesting substantially all of our assets including our research vessel, and closing our California office.

The Company's plan of operation over the next twelve months will require a minimum of $100,000 to (i) reconsider its objectives with respect to carbon sequestration in general, and "iron fertilization" in particular or (ii) identify a suitable business opportunity for development through merger or acquisition. Should, the Company decide to remain involved with carbon sequestration or alternatively decide to develop a business opportunity through merger or acquisition, our funding requirements will change. We will also require up to $300,000 to satisfy current liabilities, which funding is currently not available.

The Company has been funded since inception from public or private debt or equity placements or by major shareholders in the form of loans. Substantially all of the capital raised to date has been allocated in some manner to a prove-out of our suspended "iron fertilization" program.

Results of Operations

During the three and six month periods ended June 30, 2008, the Company was focused on (i) winding down its intended carbon sequestration business, (ii) disposing of essentially all of its assets including the research vessel, (iii) finalizing an agreement to separate from the services offered by Russ George, our prior President and CEO, and (iv) satisfying continuing public disclosure requirements.

The Company has not generated any revenues since inception. Since we have suspended operations and have no current ability to generate revenue, we expect to continue to incur losses for the foreseeable future.

Net Losses

For the period from inception until June 30, 2008, the Company incurred a net loss of $3,903,679. Net losses for the three month period ended June 30, 2008 were $32,584 as compared to $39,181 for the three month period ended June 30, 2007. Net losses for the six month period ended June 30, 2008 were $224,809 as compared to $208,312 for the six month period ended June 30, 2007. The Company's net losses in the current periods are primarily attributable to general and administrative expenses and losses from discontinued operations. General and administrative expenses include accounting expenses, professional fees, consulting fees, and costs associated with the preparation of disclosure documentation while losses from discontinued operations are primarily consulting fees and office related costs.

Capital Expenditures

During the year ended December 31, 2007, the Company expended approximately $800,000 on a research vessel and research equipment which was sold during the six month period ended June 30, 2008 for $1,000,000. Otherwise, we have expended no significant amounts on capital expenditures for the period from inception to June 30, 2008.

Income Tax Expense (Benefit)

The Company has a prospective income tax benefit resulting from a net operating loss carryforward and start up costs that may offset any future operating profit.

Impact of Inflation

The Company believes that inflation has had a negligible effect on operations over the past three years.

Liquidity and Capital Resources

The Company is in the development stage and, since inception, has experienced significant changes in liquidity, capital resources and stockholders' equity. We have been funded since inception from public or private debt or equity placements or by major shareholders in the form of loans.

The Company had a working capital deficit of $147,303 as of June 30, 2008, down from $714,775 as of December 31, 2007. As of June 30, 2008 our total assets consisted of $87,539 in cash and $200 in advances receivable. Our current liabilities were $235,042, consisting of advances payable to related parties and accounts payable. Net stockholders' deficit in the Company was $147,303 as of June 30, 2008 as compared to a net stockholders' equity of $77,506 at December 31, 2007.

Cash flow used in operating activities was $3,951,740 for the period from inception to June 30, 2008. Cash flow used in operating activities for the six month period ended June 30, 2008 was $568,821 as compared to $152,978 for the six month period ended June 30, 2007. The increase in cash flow used in operating activities in the current period was due primarily to net losses, discontinued operations and a decrease in accounts payable.

Cash flow provided by investing activities was $249,394 for the period from inception to June 30, 2008. Cash flow provided by investing activities for the six month period ended June 30, 2008 was $1,000,000 as compared to $814,141 used in investing activities for the six month period ended June 30, 2007. Cash flow provided by investing activities in the current period is attributed to the sale of our research vessel and related equipment.

Cash flow provided by financing activities was $3,789,885 for the period from inception to June 30, 2008. Cash flow used in financing activities for the six month period ended June 30, 2008 was $400,200 as compared to $1,691.984 provided by financing activities for the six month period ended June 30, 2007. Cash flow used in financing activities in the current period can be primarily attributed to loan repayments.

The Company's current assets are insufficient to conduct our plan of operation over the next twelve months and we will have to seek debt or equity financing to fund operations. The Company has no current commitments or arrangements with respect to, or immediate sources of funding. Further, no assurances can be given that funding is available or available to the Company on acceptable terms. The Company's shareholders would be the most likely source of new funding in the form of loans or equity placements though none have made any commitment for future investment and we have no agreement formal or otherwise. The Company's inability to obtain funding has had a material adverse affect on our plan of operation and will continue to diminish our efforts.

The Company does not expect to pay cash dividends in the foreseeable future.

The Company had no lines of credit or other bank financing arrangements as of June 30, 2008.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors as of June 30, 2008.

The Company sold its research vessel for $1,000,000 during the three month period ended June 30, 2008 and otherwise has no plans for the purchase or sale of any plant or equipment.

The Company currently has no employees and has no plans to hire any employees in the near future.

Off Balance Sheet Arrangements

As of June 30, 2008, we have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to stockholders.

Going Concern

The Company's auditors have expressed an opinion as to our ability to continue as a going concern as a result of an accumulated deficit of $3,678,870 as of December 31, 2007. Our accumulated deficit increased to $3,903,679 as of June 30, 2008. Our ability to continue as a going concern is subject to the ability of the Company to obtain the necessary funding from outside sources. Management's plan to address the Company's ability to continue as a going concern, includes (i) obtaining funding from private placement sources; (ii) obtaining additional funding from the sale of the Company's securities; (iii) establishing revenues from the resumption of carbon sequestration operations or from a suitable business opportunity that has not yet been identified; (iv) obtaining loans and grants from various financial institutions where possible. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

Forward Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled *Management's Discussion and Analysis of Financial Condition and Results of Operations*, with the exception of historical facts, are forward looking statements. A safe-harbor provision may not be applicable to the forward looking statements made in this current report Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance and business plan;
- the sufficiency of existing capital resources;
- our ability to raise additional capital to fund cash requirements for future operations;
- uncertainties related to the Company's future business prospects;
- the ability of the Company to generate revenues to fund future operations;
- the volatility of the stock market and; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated, including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than is required by law.

Stock-Based Compensation

We have adopted SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. In January 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and instead generally requires that such transactions be accounted for using a fair-value-based method. We use the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, Accounting for Stock-Based Compensation. We have elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006, the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123.

Prior to the adoption of SFAS No 123R, we measured compensation expense for our employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. We applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Company's employee stock options was equal to the market price of the underlying stock on the date of the grant, no compensation expense was recognized.

The Company has no outstanding stock options or related stock option expense as of June 30, 2008.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

Recent Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon either mandatory or optional conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, "Accounting for Convertible Debt and Debt issued with Stock Purchase Warrants."

Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We will adopt FSP APB 14-1 beginning in the first quarter of 2009, and this standard must be applied on a retrospective basis. We are evaluating the impact the adoption of FSP APB 14-1 will have on our consolidated financial position and results of operations.

In May 2008, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). This standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with generally accepted accounting principles in the United States for non-governmental entities. SFAS 162 is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board's amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." We do not expect SFAS 162 to have a material impact on the preparation of our consolidated financial statements.

In April 2008, the FASB issued FSP No. 142-3, “Determination of the Useful Life of Intangible Assets” (“FSP 142-3”). FSP 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, “Goodwill and Other Intangible Assets”. This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. We are currently evaluating the impact, if any, that FSP 142-3 will have on our consolidated financial statements.
In March 2008, the FASB issued SFAS No. 161 which amends and expands the disclosure requirements of SFAS 133 to provide an enhanced understanding of an entity’s use of derivative instruments, how they are accounted for under SFAS 133 and their effect on the entity’s financial position, financial performance and cash flows. The provisions of SFAS 161 are effective for the period beginning after November 15, 2008. The Company is currently reviewing the effect, if any, that the adoption of this statement will have on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by the Company’s management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (“Exchange Act”)). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission’s rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company’s management concluded, as of the end of the period covered by this report, that the Company’s disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission’s rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended June 30, 2008, that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Legal proceedings were initiated by Mary Ruth Ladd against the Company and certain individuals affiliated to the Company on October 3, 2007 in the Superior Court of the State of California, County of San Francisco in connection with allegations of discrimination and retaliation against a whistle blower, wrongful termination, fraud, breach of contract, wrongful business acts and intentionally causing injury in the workplace. The claim seeks $58,280 in lost wages in addition to certain employee benefits and punitive damages. The Company has retained counsel to respond to these allegations and denies any liability for these alleged causes of action.

ITEM 1A. RISK FACTORS

The Company's operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

We have essentially suspended all operations and our ability to continue is in doubt.

During December of 2007 the Company suspended its "iron-fertilization" prove out efforts and commenced efforts to wind down its business including the sale of assets and termination of employees. The Company's limited financial resources and absence of ongoing business operations place its ongoing operation in doubt.

We have a history of significant operating losses and such losses may continue in the future.

Since the beginning or our development stage, our operations have resulted in a continuation of losses and an accumulated deficit of $3,903,679 at June 30, 2008. The Company has never realized revenue from operations. We will continue to incur operating losses as we maintain our search for a suitable business opportunity and satisfy our ongoing disclosure requirements with the Commission. Such continuing losses could result in a decrease in share value.

The Company's limited financial resources cast severe doubt on our ability to develop a profitable business opportunity.

The Company's future operation is dependent upon its ability to develop a profitable business opportunity. However, the prospect of developing such an opportunity is doubtful due to the Company's limited financial resources. Since we are a "shell" company, our ability to improve this financial condition through debt or equity offerings is limited. Such limitation may act as a deterrent in future negotiations with prospective business opportunities. Should we be unable to develop a profitable business opportunity the Company will, in all likelihood, be forced to cease operations.

The Company will require additional capital funding.

The Company will require additional funds, either through equity offerings or debt placements to develop our operations. Such additional capital may result in dilution to our current shareholders. Our ability to meet short-term and long-term financial commitments depends on future cash. There can be no assurance that future income will generate sufficient funds to enable us to meet our financial commitments.

Corporate control lies in the hands of one shareholder.

Solar Energy Limited owns and controls voting power over approximately 54% of the Company's issued and outstanding stock. The concentration of such a large percentage of the Company's stock in the hands of one shareholder may have a disproportionate effect on the voting power of minority shareholders' upon any and all matters presented to the Company's shareholders.

The market for our stock is limited and our stock price may be volatile.

The market for our common stock has been limited due to low trading volume and the small number of brokerage firms acting as market makers. Because of the limitations of our market and volatility of the market price of our stock, investors may face difficulties in selling shares at attractive prices when they want to. The average daily trading volume for our stock has varied significantly from week to week and from month to month, and the trading volume often varies widely from day to day.

We incur significant expenses as a result of being registered under the Securities Exchange Act of 1934, as amended, which may negatively impact our financial performance.

We incur significant legal, accounting and other expenses as a result of being registered under the Securities Exchange Act of 1934, as amended. The Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, has required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, may substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. As a result, there may be a substantial increase in legal, accounting and certain other expenses in the future, which would negatively impact our financial performance and could have a material adverse effect on our results of operations and financial condition.

Our internal controls over financial reporting may not be considered effective in the future, which could result in a loss of investor confidence in our financial reports and in turn have an adverse effect on our stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to assert that our internal controls are effective, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

The Company's shareholders may face significant restrictions on their stock.

The Company's stock differs from many stocks in that it is a "penny stock." The Commission has adopted a number of rules to regulate "penny stocks" including, but not limited to, those rules from the Securities Act as follows:

3a51-1	which defines penny stock as, generally speaking, those securities which are not listed on either NASDAQ or a national securities exchange and are priced under $5, excluding securities of issuers that have net tangible assets greater than $2 million if they have been in operation at least three years, greater than $5 million if in operation less than three years, or average revenue of at least $6 million for the last three years;
15g-1	which outlines transactions by broker/dealers which are exempt from 15g-2 through 15g-6 as those whose commissions from traders are lower than 5% total commissions;
15g-2	which details that brokers must disclose risks of penny stock on Schedule 15G;
15g-3	which details that broker/dealers must disclose quotes and other information relating to the penny stock market;
15g-4	which explains that compensation of broker/dealers must be disclosed;
15g-5	which explains that compensation of persons associated in connection with penny stock sales must be disclosed;
15g-6	which outlines that broker/dealers must send out monthly account statements; and
15g-9	which defines sales practice requirements.

Since the Company's securities constitute a "penny stock" within the meaning of the rules, the rules would apply to us and our securities. Because these rules provide regulatory burdens upon broker-dealers, they may affect the ability of shareholders to sell their securities in any market that may develop; the rules themselves may limit the market for penny stocks. Additionally, the market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all.

Shareholders should be aware that, according to Commission Release No. 34-29093 dated April 17, 1991, the market for penny stocks has suffered from patterns of fraud and abuse. These patterns include:

- control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- "boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;
- excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 23 of this Form 10-Q, and are incorporated herein by this reference.

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.

Planktos Corp.

/s/ Joel Dumaresq Date: August 18, 2008
Joel Dumaresq
Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer

INDEX TO EXHIBITS

Exhibit	*Description*
3(i)(a)*	Articles of Incorporation (incorporated by reference to the Company's Form 10-SB filed with the Commission on January 31, 2000)
3(i)(b)*	Amendment of the Company's Articles of Incorporation (incorporated by reference to the Company's Form 8-K filed with the Commission on September 24, 2002)
3(i)(c)*	Amendment of the Company's Articles of Incorporation (incorporated by reference to the Company's Form 8-K filed with the Commission on August 10, 2007)
3(i)(d)*	Amendment of the Company's Articles of Incorporation (incorporated by reference to the Company's Form 8-K filed with the Commission on August 10, 2007)
3(i)(e)*	Amendment of the Company's Articles of Incorporation (incorporated by reference to the Company's Form 8-K filed with the Commission on August 10, 2007)
3(ii)*	By-laws (incorporated herein by reference to the Company's Form 10-SB filed with the Commission on January 31, 2000)
10(i)*	Iron-Fertilization Prove-Out and Purchase Agreement with Solar, dated August 17, 2005 (incorporated by reference to the Company's Form 10-QSB/A filed with the Commission on September 7, 2005)
10(ii)*	Securities Exchange Agreement and Plan of Exchange with Solar, dated January 12, 2007 (incorporated by reference to the Company's Form 8-K filed with the Commission on January 19, 2007)
10(iii)*	Settlement and Release Agreement between the Company, Planktos, Russ George, Solar, and Nelson Skalbania dated February 22, 2008 (incorporated by reference to the Company's Form 8-K filed with the Commission on March 31, 2008)
14*	Code of Ethics adopted April 1, 2008 (incorporated herein by reference to Form 10-K dated April 29, 2008).
31	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (attached).
32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (attached).

* Incorporated by reference to previous filings of the Company.

EXHIBIT 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joel Dumaresq certify that:
1. I have reviewed this report on Form 10-Q of Planktos Corp.;

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 small business issuer as of, and for, the period presented in this report;

4. The small business issuer’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 the Exchange Act Rules 13a-15(f) and 15d-15(f) for the small business issuer 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 small business issuer, 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 small business issuer’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 small business issuer’s internal control over financial reporting that occurred during the small business issuer’s most recent fiscal quarter (the small business issuer’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer’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 controls over financial reporting which are reasonably likely to adversely affect the small business issuer'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 small business issuer's internal controls over financial reporting.

Date: August 18, 2008

/s/ Joel Dumaresq
Joel Dumaresq
Chief Executive Officer and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND 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 report on Form 10-Q of Planktos Corp. for the quarterly period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof, I, Joel Dumaresq, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in this report fairly represents, in all material respects, the financial condition of the small business issuer at the end of the period covered by this report and results of operations of the small business issuer for the period covered by this report.

Date: August 18, 2008

/s/ Joel Dumaresq
Joel Dumaresq
Chief Executive Officer and Chief Financial Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the small business issuer for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

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