SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 10549
FORM 10-QSB/A
(Amendment No.1)

(Mark One)

[x] Quarterly report under Section 13 or 15(D) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2003

[ ] Transition report under 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 Small Business Issuer as Specified in its Charter)

Maryland	52-1230461
(State or Other Jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

9110 Red Branch Road, Columbia, Maryland 21045-2024
(Address of Principal Executive Offices)

(410) 997-2599
(Issuer's Telephone Number, Including Area Code)

None
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Check whether the Issuer: (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 ____x____

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 101,732,453 shares as of July 27, 2005.

Transitional Small Business Disclosure Format (check one):

Yes ____________ No ____x____

Explanatory Note:

As disclosed in the Notification of Late Filing filed by Igene Biotechnology, Inc. (the "Registrant") with the Commission on April 1, 2005 (the "Notification"), Berenson LLP ("Berenson"), the Registrant's independent registered public accounting firm, has questioned the Registrant's historical method of recording the value of its 50% interest in its joint venture with Tate & Lyle PLC (the "Joint Venture"), as reflected in the Registrant's previously issued consolidated financial statements contained in the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2003 and consolidated interim financial statements contained in the Registrant's Quarterly Reports on Form 10-QSB for the quarterly periods ended March 31, 2004, June 30, 2003 and 2004, and September 30, 2003 and 2004 (collectively, the "Financial Statements").

As disclosed in the Notification, the Registrant contacted the Office of Chief Accountant of the Commission requesting further guidance on this accounting matter. The Registrant engaged in discussions with the Staff of the Commission relating to the accounting treatment of the Registrant's interest in the Joint Venture. The Commission advised the registrant that the historical accounting treatment was not appropriate. In a letter dated May 12, 2005, and received by the Company on the same date, Berenson notified the Registrant that the Financial Statements should no longer be relied upon because of errors in those Financial Statements. The Registrant is now in the process of correcting and restating the Financial Statements (the "Restatement"). The Registrant plans to file such restated Financial Statements as soon as is practicable after the necessary corrections have been made.

The historical Financial Statements filed with the Commission treated the Registrant's investment in the Joint Venture under the equity method of accounting as a one-line caption on its consolidated balance sheet and consolidated statement of operations with the excess of fair value of such investment in the Joint Venture over the historical cost basis of consideration paid for such investment reflected as an adjustment to additional paid-in capital.

The Restatement of the Financial Statements pertains primarily to the manner in which the Registrant recorded the investment in the Joint Venture in the Financial Statements. The Registrant has been advised that while the Registrant's investment in the Joint Venture has been correctly accounted for under the equity method of accounting as a one-line caption on its consolidated balance sheets and consolidated statements of operations, the Registrant's investment in the Joint Venture should have been recorded at an amount equal to the value of the Registrant's consideration contributed at the creation of the Joint Venture (not as the excess of fair value of the Registrant's investment in the Joint Venture over the historical cost basis). As a result, the investment in the Joint Venture should have been initially recorded with a value of $316,869; rather than the $12,300,000 initially recorded in the Financial Statements.

The classification of the Company's preferred stock as liabilities in accordance with Statement of Financial Accounting Standards No. 150 "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" ("FASB 150"), which became effective in the third quarter of 2003. Amounts previously treated as dividends have been classified as interest expense.

In addition, the restatement includes a $120,000 accrual of dividends on preferred shares, Series B, which was not originally accrued until year end as part of a $150,000 dividend accrual. It will now be reflected as $90,000 in the second quarter and $30,000 in each of the subsequent quarters, recognizing the quarterly amounts through the year rather than reflecting the entire accrual at year end. In accordance with FASB 150, the dividends accrued in the third quarter 2003 and thereafter have been reclassified to interest expense. This reclassification reduces income by $34,096.

For the convenience of the reader, this Form 10-QSB/A sets forth the Form 10-QSB originally filed with the SEC on November 14, 2003 (the "Form 10-QSB") in its entirety. However, this Form 10-QSB/A only amends and restates Items [1 and 2 of Part I] of the Form 10-QSB, in each case, solely as a result of, and to reflect the Restatement and no other information in the Form 10-QSB is amended hereby. The foregoing items have not been updated to reflect other events occurring after the original filing date of the Form 10-QSB or to modify or update those disclosures affected by subsequent events. In addition, pursuant to the rules of the SEC, Item 6 of Part II of the Form 10-QSB has been amended to contain currently-dated certifications from the Company's Chief Executive Officer and Chief Financial Officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications of the Company's Chief Executive Officer and Chief Financial Officer are attached to this Form 10-QSB/A as Exhibits 31(a), 31(b), 32(a) and 32(b).

Except for the foregoing amended information, this Form 10-QSB/A continues to speak as of the original filing date of the Form 10-QSB, and the Company has not updated the disclosure contained herein to reflect events that occurred at a later date. Other events occurring after the filing of the Form 10-QSB or other disclosures necessary to reflect subsequent events are addressed, or will be addressed, in subsequent filings with the SEC.

FORM 10-QSB/A
IGENE Biotechnology, Inc.

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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 Subsidiaries
Consolidated Balance Sheets

	September 30, 2003 (Unaudited)	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 26,849	$ 497,711
Accounts receivable (net of allowances of $24,000 in 2002)	124,341	528,065
Inventory	---	374,709
Prepaid expenses and other current assets	100,157	192,993
Assets to be disposed of	---	628,326
Deferred costs, current portion	---	74,160
	251,347	2,295,964
OTHER ASSETS		
Property and equipment, net	172,468	196,258
Deferred costs, net of current portion	---	187,753
Investment in and advances to Joint Venture	26,560	---
Equipment deposits	---	199,685
Loans receivable from manufacturing agent	211,925	324,405
Other assets	4,886	5,188
TOTAL ASSETS	$ 667,186	$ 3,209,253

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

IGENE Biotechnology, Inc. and Subsidiaries
Consolidated Balance Sheets
(continued)

	September 30, 2003 (Unaudited)	December 31, 2002
LIABILITIES, REDEEMABLE PREFERED STOCK AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 77,674	$ 595,646
Notes payable – directors	---	250,000
Liabilities to be disposed of	---	655,763
Equipment lease payable	2,322	3,590
TOTAL CURRENT LIABILITIES	79,996	1,504,999
LONG-TERM LIABILITIES		
Notes payable	6,043,659	6,043,659
Convertible debentures	4,814,212	4,814,212
Equipment lease payable, net of current portion	---	1,205
Accrued interest	3,227,904	2,700,865
REDEEMABLE PREFERRED STOCK		
Carrying amount of redeemable preferred stock, 8% cumulative, convertible, voting, series A, $.01 par value per share. Stated value was $ 17.60 and $17.12, respectively. Authorized 1,312,500 shares, issued 25,605 and 26,155 shares, respectively.	450,648	447,774
Carrying amount of redeemable preferred stock, 8% cumulative, convertible, voting, series B, $.01 par value per share. Stated value was $8.64 and $8.00 per share, respectively. Authorized, issued and outstanding 187,500 shares. Redemption amount $1,620,000 at September 30, 2003.	1,620,000	1,500,000
TOTAL LIABILITIES	16,237,419	17,012,714
STOCKHOLDERS' DEFICIT		
Common stock --- $.01 par value per share. Authorized 750,000,000 shares; issued and outstanding 88,011,387 and 92,943,746 shares, respectively.	880,114	929,437
Additional paid-in capital	22,229,711	22,387,604
Deficit	(38,679,058)	(37,120,502)
TOTAL STOCKHOLDERS' DEFICIT	(15,569,233)	(13,803,461)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 667,186	$ 3,209,253

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

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

	Three months ended		Nine months ended	
	September 30, 2003	September 30, 2002	September 30, 2003	September 30, 2002
REVENUE				
Sales - AstaXin®	$ ---	$ 1,240,278	$ 463,486	$ 2,409,193
Cost of sales - AstaXin®	---	1,136,670	444,946	2,171,311
GROSS PROFIT	---	103,608	18,540	237,882
OPERATING EXPENSES				
Marketing and selling	57,265	133,635	277,120	405,052
Research, development and pilot plant	198,195	162,540	576,596	484,557
General and administrative	172,804	540,674	557,131	928,669
Litigation expense	75,610	---	75,610	---
Less expenses reimbursed by Joint Venture	(327,310)	---	(891,691)	---
TOTAL OPERATING EXPENSES	176,564	836,849	594,766	1,818,278
OPERATING LOSS	(176,564)	(733,241)	(576,226)	(1,580,396)
EQUITY IN EARNINGS(LOSS)OF UNCONSOLIDATED SUB	(222,000)	---	(569,000)	---
INTEREST EXPENSE	(267,635)	(300,520)	(650,767)	(824,011)
NET LOSS FROM CONTINUING OPERATIONS	(666,199)	(1,033,761)	(1,795,993)	(2,404,407)
DISCONTINUED OPERATIONS				
Net loss from discontinued operations	---	(207,629)	---	(340,632)
Gain on disposal of discontinued operations	---	---	237,437	---
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	---	(207,629)	237,437	(340,632)
NET LOSS	$ (666,199)	$ (1,241,390)	$ (1,558,556)	$ (2,745,039)
BASIC AND DILUTED NET LOSS PER COMMON SHARE FROM CONTINUING OPERATIONS	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
BASIC AND DILUTED NET LOSS PER COMMON SHARE FROM DISCONTINUED OPERATIONS	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)

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

IGENE Biotechnology, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Deficit
(Unaudited)

	Redeemable Preferred Stock (shares/amount)	
Balance at January 1, 2002	26,405	$ 435,154
Cumulative undeclared dividends on redeemable preferred stock	---	12,674
Exercise of employee stock options	---	---
Exercise of warrants	---	---
Net loss for the nine months ended September 30, 2002	---	---
Balance at September 30, 2002	26,405	$ 447,828
Balance at January 1, 2003	213,655	$ 1,947,774
Cumulative undeclared dividends on redeemable preferred stock	---	98,194
Cumulative undeclared dividends on redeemable preferred stock classified as interest	---	34,096
Conversion of preferred common stock	(550)	(9,416)
Exercise of warrants	---	---
Net loss for the nine months ended September 30, 2003	---	---
Balance at September 30, 2003	213,105	$ 2,070,648

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

IGENE Biotechnology, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Deficit
(Unaudited – Continued)

	Common Stock (shares/amount)		Additional Paid-in Capital	Deficit	Accumulated Other Comprehensive Income(Loss)	Total Stockholders' Deficit
Balance at January 1, 2002	75,848,600	$ 758,486	$ 22,188,836	$(33,930,523)	---	$(10,983,201)
Cumulative undeclared dividends on redeemable preferred stock	---	---	(12,674)	---	---	(12,674)
Issuance of common stock in lieu of cash in payment of interest on subordinate debenture	40,000	400	89,600	---	---	90,000
Issuance of common stock in lieu of cash in payment for consulting fee	12,000,000	120,000	180,000	---	---	300,000
Shares issued for manufacturing agreement	3,064,496	30,645	78,478	---	---	109,124
Comprehensive loss:						
Net loss for the nine months ended September 30, 2002	---	---	---	(2,745,038)	---	(2,745,038)
Other comprehensive income- Foreign currency translation	---	---	---	---	98,313	98,313
Total comprehensive loss	---	---	---	---	---	(2,646,725)
Balance at September 30, 2002	90,953,096	$ 909,531	$ 22,524,240	$(36,675,561)	$ 98,313	$(13,143,477)
Balance at January 1, 2003	92,943,746	$ 929,437	$ 22,387,604	$(37,120,502)	---	$(13,803,461)
Cumulative undeclared dividends on redeemable preferred stock	---	---	(98,194)	---	---	(98,194)
Cumulative undeclared dividends on redeemable preferred stock classified as interest	---	---	---	---	---	---
Shares received and retired in ProBio Sale	(7,000,000)	(70,000)	(140,000)	---	---	(210,000)
Conversion of preferred stock to common	1,100	11	9,405	---	---	9,416
Shares issued for manufacturing agreement	2,066,541	20,666	70,896	---	---	91,562
Net loss for the nine months ended September 30, 2003	---	---	---	(1,558,556)	---	(1,558,556)
Balance at September 30, 2003	88,011,387	$ 880,114	$ 22,229,711	$(38,679,058)	$ ---	$(15,569,233)

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

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

	Nine months ended September 30, 2003	Nine months ended September 30, 2002
Cash flows from operating activities		
Net loss	$ (1,558,556)	$ (2,745,038)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	16,596	39,647
Amortization	54,729	87,386
Consulting cost paid in shares of common stock	---	300,000
Foreign currency translation adjustment	---	98,313
Manufacturing cost paid in shares of common stock	91,562	109,122
Interest on debenture paid in shares of common stock	---	90,000
Equity in earnings (loss) of unconsolidated sub	569,000	---
Decrease (increase) in:		
Accounts receivable	403,724	(228,819)
Inventory	374,709	(162,876)
Prepaid expenses and other current assets	264,478	36,415
Increase (decrease) in:		
Accounts payable and accrued expenses	(199,703)	929,520
Net cash provided by/(used in)operating activities	16,539	(1,446,330)
Cash flows from investing activities		
Advances to joint venture	(278,691)	---
Capital (expenditures) & sales	7,194	(204,074)
Net cash used by investing activities	(271,497)	(204,074)
Cash flows from financing activities		
Proceeds (repayment) from borrowing	(250,000)	1,300,000
Increase in preferred stock for the cumulative dividend classified as interest	34,096	---
Proceeds of long-term debt	---	(1,733)
Net cash (used) provided by financing activities	(215,904)	1,298,267
Net decrease in cash and cash equivalents	(470,862)	(352,137)
Cash and cash equivalents at beginning of period	497,711	394,487
Cash and cash equivalents at end of period	$ 26,849	$ 42,350

Supplementary disclosure and cash flow information

Cash paid for interest	$ 72,964	$ 67,973
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 Financial Statements

(1) Unaudited consolidated financial statements

The September 30, 2003, 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 operation 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-QSB should be read in conjunction with Igene's Annual Report on Form 10-KSB for the year ended December 31, 2002.

(2) Noncash investing and financing activities

During the nine months ended September 30, 2003 and 2002, the Company recorded in each quarter dividends in arrears on 8% redeemable preferred stock cumulating at $.48 per share aggregating $12,290 and $12,674 respectively, on Series A preferred stock and during the nine months ended September 30, 2003 Igene recorded dividends in arrears of $.64 per share aggregating $120,000 on Series B preferred stock, which has been removed from paid-in capital for the first and second quarter and recorded as interest expense in the third quarter and included in the carrying value of the redeemable preferred stock. In accordance with FASB 150, the dividends accrued in the third quarter 2003 and thereafter have been reclassified to interest expense. This reclassification reduces income by $34,096.

During the nine months ended June 30, 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 in cash to the Joint Venture, while the Company transferred to the Joint Venture its technology relating to the production of Astaxanthin and assets related thereto. These assets will continue to be used by the Joint Venture in the same manner as historically used by the Company. The Company and Tate each have a 50% ownership interest in the Joint Venture and equal representation on the Board of Directors of the Company. The value of the Company's investment in the Joint Venture has been recorded at an amount equal to the book value of the Registrant's consideration contributed at the creation of the Joint Venture. As the cost of the Company's technology and intellectual property has been previously expensed and has a carrying amount of zero, the investment in the Joint Venture has been initially recorded with a book value of $316,869, which represents the unamortized production costs contributed to the Joint Venture. In addition to the Company's initial investment in the Joint Venture, the Company has made $278,691 in advances to the Joint Venture.

On February 4, 2003, Igene sold its subsidiary ProBio to Fermtech AS in exchange for aggregate consideration valued at approximately $343,000, consisting of 7,000,000 shares of Igene common stock that ProBio owned (including 2,000,000 shares that were placed into escrow and may be reissued to Fermtech as described below), valued for the purposes of the acquisition at $.03 per share, plus forgiveness of approximately $168,000 of debt that Igene owed to ProBio at the time of purchase in 2001. Provided Mr. Benjaminsen remains employed by Igene through 2003, 1,000,000 of the escrowed shares of common stock will be delivered to Fermtech. If Mr. Benjaminsen remains employed by Igene through 2004, the remaining 1,000,000 escrowed shares will be released from escrow and delivered to Fermtech.

During the nine months ended September 30, 2003, the Company extended scheduled repayment on demand notes of $6,043,659 and related accrued interest of $2,865,810 until March 31, 2006.

During the nine months ended September 30, 2002 the Company issued 40,000 shares of common stock in payment of interest on the variable rate subordinated debenture. If paid in cash, the interest would have been payable at 12% in the amount of $90,000. Shares may be issued in lieu of cash under the terms of the debenture agreement at the higher of $2.25 per share or market price per share. The stock was issued and related interest was paid at $2.25 per share, or $90,000.

(2) Noncash investing and financing activities – continued

During the nine months ended September 30, 2002, Igene issued and sold $300,000 in aggregate principal amount of 8% convertible debentures to certain directors of Igene. These debentures are convertible into shares of Igene's common stock at $.03 per share. In consideration of the commitment to purchase the 8% convertible debenture, these directors also received an aggregate of 10,000,000 warrants to purchase common stock at $.03 per share. These debentures, if not converted earlier, become due on July 17^{th} 2012.

During the nine months ended September 30, 2002, the Board of Directors, in an attempt to ascertain a manufacturing partner, authorized retention of the services of Mr. Martin Gerson. The expected term of the service is for two (2) years. In compensation for this service, Mr. Gerson was awarded 12,000,000 shares of Igene common stock.

(3) Foreign Currency Translation and Transactions

Since the day-to-day operations of Igene's foreign subsidiary in Chile are dependent on the economic environment of the parent's currency, the financial position and results of operations of Igene Chile are determined using Igene's reporting currency (US dollars) as the functional currency. All exchange gains and losses from remeasurement of monetary assets and liabilities that are not denominated in US dollars are recognized currently in income. These losses and gains occur primarily as a result of the effect of valuation of the Chilean Peso on Igene's accounts receivables, which are mostly denominated in Pesos.

(4) Joint Venture

On March 18, 2003, 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 in cash to the Joint Venture, while the Company has agreed to contribute to the Joint Venture its technology relating to the production of Astaxanthin and assets related thereto. These assets will continue to be used by the Joint Venture in the same manner as historically used by the Company. The Company and Tate each have a 50% ownership interest in the Joint Venture and equal representation on the Board of Directors of the Joint Venture Company. Unamortized production costs in the amount of $316,869 were contributed to the Joint Venture and has been recorded as the initial cost of the investment.

The Joint Venture is accounted for under the equity method. Astaxanthin revenue is recorded on the books of the Joint Venture. Certain costs incurred by Igene are reimbursed by the Joint Venture. These reimbursements are reported as a contra amount in the Operating Expense section of the Igene's Consolidated Statements of Operations.

Igene's share of the losses in the Joint Venture will be recognized only to the extent of Igene's consideration paid for and its consideration exchanged for its ownership portion of the Joint Venture as well as any advances made to the Joint Venture. Losses in excess of Igene's consideration and advances will not be recognized in Igene's Financial Statements but will be carried forward and will offset future income of the Joint Venture, if any. Igene does not expect to recognize income from the Joint Venture until all accumulated unrecognized losses have been eliminated.

(5) Inventories

As part of the Joint Venture Agreement, inventory is maintained by the Joint Venture. As a result, Igene sold the remainder of its inventory and plans to no longer maintain inventory. December 31, 2002 figures for inventory are stated at lower of cost, on a first-in first-out basis, or market value; work in process, and finished goods represents product manufactured and held for sale. Inventory at December 31, 2002 was as follows:

	December 31, 2002
Work-in-process – AstaXin®	$ 11,308
Finished goods – AstaXin®	363,401
Total inventory	$ 374,709

(6) Stockholders' Equity (Deficit)

As of September 30, 2003 and 2002, 51,210 and 52,810 shares respectively of authorized but unissued common stock were reserved for issue upon conversion of the Company's outstanding preferred stock.

As of September 30, 2003 and 2002, 74,604,500 shares of authorized but unissued common stock were reserved for distribution and exercise pursuant to the Company's Employee Stock Option Plans.

As of September 30, 2003, 6,666,666 shares of authorized but unissued common stock were reserved for distribution and exercise pursuant to a stock option agreement with past officers of the Company, which options shall be valid and executable until January 22, 2004.

As of September 30, 2003 and 2002, 17,565,970 and 13,174,478 shares, respectively, of authorized but unissued common stock were reserved for the conversion of outstanding convertible promissory notes held by directors of the Company.

As of September 30, 2003 and 2002, 66,427,651 shares of authorized but unissued common stock were reserved for the conversion of outstanding convertible promissory notes in the aggregate amount of $3,814,212 held by directors of the Company.

As of September 30, 2003 and 2002, 10,000,000 shares of authorized but unissued common stock were reserved for the conversion of outstanding convertible promissory notes issued as part of the purchase of ProBio.

As of September 30, 2003 and 2002, 198,016,073 shares, respectively, of authorized but unissued common stock were reserved for the exercise of outstanding warrants.

As of September 30, 2003 and 2002, 9,629,997 and 11,892,485 shares, respectively, of authorized but unissued common stock were reserved for issuance to the Company's contract manufacturer pursuant to the terms of the current manufacturing contract.

As of September 30, 2002, 40,000 shares of authorized but unissued common stock were reserved for issuance for payment of interest on the variable rate subordinated debenture.

(7) Basic and diluted net loss per common share

Basic and diluted net loss per common share for the nine-month periods ended September 30, 2003 and 2002 is based on 87,314,094 and 91,147,995, respectively, of weighted average common shares outstanding. For purposes of computing net loss per common share, the amount of net loss has been increased by cumulative undeclared dividends in arrears on preferred stock dividends in arrears on 8% redeemable preferred stock cumulating at $.48 per share aggregating $12,290 and $12,674 respectively, on Series A preferred stock and during the nine months ended September 30, 2003 Igene recorded dividends in arrears of $.64 per share aggregating $120,000 on Series B preferred stock, which has been removed from paid-in capital for the first and second quarter and recorded as interest expense in the third quarter and included in the carrying value of the redeemable preferred stock. In accordance with FASB 150, the dividends accrued in the third quarter 2003 and thereafter have been reclassified to interest expense. This classification reduces income by $34,096. No adjustment has been made for any common stock equivalents outstanding because their effects would be antidilutive.

(8) Income Taxes

The Company uses the liability method of accounting for income taxes as required by SFAS No. 109, “Accounting for Income Taxes”. Under the liability method, deferred-tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities (i.e., temporary differences) and are measured at the enacted rates that will be in effect when these differences reverse. Deferred income taxes will be recognized when it is deemed more likely than not that the benefits of such deferred income taxes will be realized; accordingly, all net deferred income taxes have been eliminated by a valuation allowance.

(9) Contingency – Litigation

Previously reported litigation (original lawsuit filed July 21, 1997, U.S. District Court, Baltimore, MD) between Archer Daniels Midland, Inc. ("ADM") and Igene, involving allegations of patent infringement and counterclaims concerning the theft of trade secrets, was resolved on September 29, 2003. Resolution of the dispute between ADM and Igene did not result in an unfavorable outcome to Igene. Accordingly, no liability has been or is recorded in the balance sheet. Igene will continue to make and sell its product, AstaXin(R).

(10) Uncertainty

Igene has incurred net losses in each year of its existence, aggregating approximately $38,500,000 from inception to September 30, 2003 and its liabilities and redeemable preferred stock exceeded its assets by approximately $3,476,000 at that date. These factors indicate that Igene will not be able to continue in existence unless it is able to raise additional capital and attain profitable operations.

The continuing successful marketing of Igene's product, AstaXin®, has permitted Igene the opportunity to attract additional capital through it’s venture with Tate and Lyle. Igene began manufacturing and selling AstaXin® during 1998. Igene will aid the Joint Venture with the manufacturing process, but will focus on research and sales, attempting to increase sales and manufacturing levels. Igene believes this technology to be highly marketable. Igene hopes to continue increasing sales of AstaXin®, eventually achieving gross profits and, subsequently, profitable operations, although the achievement of these cannot be assured.

During 2002 Igene continued to fund its operations through the issuance of warrants and convertible debentures through direct purchases and loans by directors and other accredited investors. This provided additional capital of $1,550,000.

(11) Stock Based Compensation

The Company accounts for such plans under the recognition and measurement principles of APB Opinion No. 25, “Accounting for Stock Issued to Employees”, and related interpretations. No stock option based employee compensation cost is reflected in net income, as all options granted under the plan had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, “Accounting for Stock-Based Compensation” and disclosure provisions of SFAS No. 148, “Accounting for Stock-Based Compensation-Transition and Disclosure”, to stock-based employee compensation for the three and nine months ended September 30:

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

	Three months ended		Nine months ended	
	September 30, 2003	September 30, 2002	September 30, 2003	September 30, 2002
Net loss:				
As reported	$ (666,199)	$ (1,241,390)	$ (1,558,556)	$ (2,745,039)
Less pro forma stock-based employee compensation expense determined under fair value based method net of related tax effects	(159,578)	(171,250)	(423,756)	(513,750)
Net loss	$ (825,777)	$ (1,412,640)	$ (1,982,312)	$ (3,258,789)
Net loss per Share:				
Basic - as reported	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
Basic - pro forma	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.04)
Diluted - as reported	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
Diluted - pro forma	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.04)

(12) Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation ("FIN") No. 46 "Consolidation of Variable Interest Entities" which clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements". The provision of FIN No. 46 are effective July 1, 2003 for variable interest entities created before January 31, 2003. The company believes that the implementation of the standard will not have a material effect on its financial statements.

In July 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 146 "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS No. 146"). The requirements of SFAS No. 146 are effective prospectively for qualifying activities initiated after December 31, 2002. SFAS No. 146 applies to cost associated with an exit activity, including restructuring, or with a disposal of long-lived assets. The Statement had no effect on the Company's financial statements.

In May 2003, The FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" ("SFAS No. 150"), effective for financial instruments entered into or modified after May 31, 2003. This statement established standards for classifying and measuring certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within the scope of the statement as a liability rather than as an equity, such as obligations that a reporting entity can or must settle by issuing its own equity shares. The Company reclassified its preferred stock to liabilities and related cumulated dividends were classified as interest expense in the third quarter of 2003.

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

(13) Summary of Significant Activity of Joint Venture

The following statement displays the significant activity for the joint venture for the period from the initial investment in the joint venture through September 30, 2003. Igene's 50% equity interest in the activity is recorded in Igene's Financial Statements as equity in loss of unconsolidated Joint Venture:

	Sept 30, 2003 (Unaudited)
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 779,000
Accounts receivable	273,000
Inventory	1,026,000
	2,078,000
OTHER ASSETS	
Fixed Assets Receivable	21,614,000
Intellectual property	24,614,000
TOTAL ASSETS	$ 48,306,000
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 215,000
TOTAL LIABILITIES	215,000
Equity	48,091,000
TOTAL LIABILITIES AND EQUITY	$ 48,306,000

	Period from initial investment September 30, 2003 (unaudited)
Net Sales	$ 597,000
Less: manufacturing cost	(536,000)
Gross Profit	61,000
Less: selling, general and administrative	(1,213,000)
Operating Loss	(1,152,000)
Interest Income	14,000
Net Loss	$ (1,138,000)
Igene's 50% equity interest in the net loss	$ (569,000)

Igene's share in the net loss in the Joint Venture will be recognized only to the extent of Igene's consideration exchanged for it's ownership portion of the Joint Venture as well as any advances made to the Joint Venture. Losses in excess of Igene's consideration and advances will not be recognized in Igene's Financial Statements but will be carried forward and will offset future income of the Joint Venture, if any.

Item 2. Management's Discussion and Analysis

IGENE Biotechnology, Inc. and Subsidiaries
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 RISKS AND UNCERTAINTIES. POTENTIAL RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, COMPETITIVE PRESSURES FROM OTHER COMPANIES AND WITHIN THE BIOTECH INDUSTRY, ECONOMIC CONDITIONS IN THE COMPANY'S PRIMARY MARKETS AND OTHER UNCERTAINTIES DETAILED FROM TIME-TO-TIME IN THE COMPANY'S SECURITIES AND EXCHANGE COMMISSION FILINGS.

CERTAIN STATEMENTS IN THIS REPORT SET FORTH MANAGEMENT'S INTENTIONS, PLANS, BELIEFS, EXPECTATIONS OR PREDICTIONS OF THE FUTURE BASED ON CURRENT FACTS AND ANALYSES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE INDICATED IN SUCH STATEMENTS, DUE TO A VARIETY OF FACTORS INCLUDING REDUCED PRODUCT DEMAND, INCREASED COMPETITION, CURRENCY FLUCTUATIONS, AVAILABILITY OF PRODUCTION CAPACITY, GOVERNMENT ACTION, WEATHER CONDITIONS, AND OTHER FACTORS.

Critical Accounting Policies

The preparation of our financial statements in conformity with accounting principles generally accepted in the U.S. 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 presented in the financial statements and require management to make judgments and estimates that are inherently uncertain:

Our 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.

Legal proceedings as discussed in Item 1, "Legal Proceedings," in Part II have not resulted in an unfavorable outcome to Igene. Accordingly, no liability has been reflected in the September 30, 2003 balance sheet.

The Joint Venture recognizes revenue from product sales when there is persuasive evidence that an arrangement exists, delivery has occurred, the price is fixed and determinable, and collectibility is reasonably assured. Allowances are established for estimated uncollectible amounts, product returns and discounts.

The Joint Venture as referred to in the following Recent Developments paragraph, will enter into a lease of real property with an affiliate of Tate & Lyle in Selby, England upon which a new manufacturing facility will be constructed and operated by the Joint Venture. The Joint Venture is accounted for under the equity method of accounting as the company has a 50% ownership interest.

Recent Developments

On March 18, 2003, Igene Biotechnology, Inc. (the "Company") entered into a Joint Venture Agreement (the "JV Agreement") with Tate & Lyle Fermentation Products Ltd. ("Tate"). Pursuant to the JV 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 has contributed $24,614,000 in cash to the Joint Venture, while the Company has contributed to the Joint Venture its technology relating to the production of Astaxanthin and assets related thereto. These assets will continue to be used by the Joint Venture in the same manner as used by the Company. Each of Igene and Tate has a 50% ownership interest in the Joint Venture and has equal representation on the Board of Directors of the Joint Venture Company.

IGENE Biotechnology, Inc.
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 further sales are recognized through the venture company. Therefore, Igene recorded no sales of AstaXin® during the quarter ended September 30, 2003. Sales of AstaXin® during the quarter ended September 30 2002, were $1,240,278. Sales for the nine month period ended September 30, 2003 and 2002, were $463,486 and $2,409,193, respectively, a decrease of $1,945,707 or 80.7%. Sales had been limited in the past quarters due to insufficient production quantity. However, the primary cause for the decreased sales for the nine month period ended September 30, 2003 as compared with the comparable nine month period ending September 31, 2002, is that, as of June, 2003, Igene had sold its remaining inventory in anticipation of the consummation of the JV Agreement. Management anticipates that the joint venture with Tate & Lyle will provide a more dependable product flow. However, there can be no assurance of the dependability of production, or that any increases in production or sales will occur, or that if they occur, they will be material.

Cost of sales and gross profit

As with Sale Revenue, future Cost of Sale and Gross Profit will be recognized through the venture company. Igene reported no gross profit on sales of AstaXin® for the quarter ended September 30, 2003. Gross profit on sales of AstaXin® was $18,540 for the nine month period ended September 30, 2003 which is a decrease of $219,342 from the $237,882 for the nine months ended September 30, 2002. Gross profit fell from 10% of sales for the nine months ended September 30, 2002, to 4% for the nine months ended September 30, 2003. The Company attributes the fall in gross profit to a combination of pricing pressure in the market and inefficiencies in production. Demand is expected to increase both due to seasonal increases in customer usage and increases in our market share. Management expects that sales and gross profits may be limited by the quantities of AstaXin® the Company is able to produce with its presently available capacity with its contract manufacturer, while the Joint Venture prepares to produce product. If is felt the lack of capacity should be alleviated as the joint venture plant begins production in 2004. Sales and gross profit growth, if any, may be limited unless augmented by these increases in production, as well as production efficiency resulting from process research and development. Management expects the level of gross profit to improve in the future as a percentage of sales, with expected increases in production efficiency received from the Joint Venture with Tate & Lyle offsetting pricing competition, but can provide no assurances in that regard to future increased production or future increased margin.

No cost of sales for the quarter ended September 30, 2003 were recorded as compared with cost of sales of $1,136,670, for the quarter ended September 30, 2002.

Marketing and selling expenses

For the quarters ended September 30, 2003 and 2002, Igene recorded Marketing Expense in the amount of $57,265 and $133,635, respectively, a decrease of $76,370 or 57%. For the nine months ended September 30, 2003 and 2002, Igene recorded Marketing Expense in the amount of $277,120 and $405,052, respectively, a decrease of $185,197 or 46%. As a result of the disposition of ProBio, Igene has reduced selling costs that were incurred as part of the combination, such as increased sales force. In addition, the reduction of salable product currently available to Igene from its current manufacturer has caused a corresponding reduction in Marketing and Selling expense. As a result of the Joint Venture with Tate and Lyle, Igene is expecting an increase in salable product with a corresponding increase in sales costs at the point the new facility is in production. However, no assurances can be made in regards to increased production from the new facility nor the corresponding increase in selling costs.

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

Research, development and pilot plant expenses

For the quarters ended September 30, 2003 and 2002, Igene recorded research and development costs in the amount of $198,195 and $162,540, respectively, an increase of $35,655 or 22%. For the nine months ended September 30, 2003 and 2002, Igene recorded Research and development costs in the amount of $576,596 and $484,557, respectively, an increase of $92,039 or 19%. Additionally costs increased 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. Igene is hoping this will lead to an increase in salable product at a reduced cost to Igene and the Joint Venture. However no assurances can be made that regard. These costs are currently funded through reimbursement from the Joint Venture.

Operating expenses

General and administrative expenses for the quarters ended September 30, 2003 and 2002 were $172,804 and $540,674, respectively, a decrease of $367,870 or 68%. For the nine months ended September 30, 2003 and 2002, Igene recorded General and administrative expenses in the amount of $557,131 and $928,669, respectively, an increase of $371,538 or 40%. This decrease is due mainly to a one time charge for shares issued as compensation. The Board of Directors, in further attempts to ascertain a manufacturing partner, had authorized retention for the services of Mr. Martin Gerson. In compensation for this service, Mr. Gerson was awarded 12,000,000 shares of Igene common stock. As there is only an expectation for term of service but no requirement, the total estimated compensation of $300,000 was expensed during the third quarter. In addition, as with Marketing and Research, the disposition of ProBio has reduced general and administrative costs that were incurred as part of the combination, such as increased management expenses.

Litigation expenses

Previously reported litigation (original lawsuit filed July 21, 1997, U.S. District Court, Baltimore, MD) between Archer Daniels Midland, Inc. ("ADM") and Igene, involving allegations of patent infringement and counterclaims concerning the theft of trade secrets, was resolved on September 29, 2003. Resolution of the dispute between ADM and Igene did not result in an unfavorable outcome to Igene. Igene will continue to make and sell its product, AstaXin(R). The Company incurred $75,610 of litigation expenses for nine months ended September 30, 2003.

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(R), are considered costs of the joint venture and therefore are reimbursed by the Joint Venture. For the quarter ended September 30, 2003, costs reimbursed by the Joint Venture totaled $327,310. For the nine months ended September 30, 2003, the Joint Venture reimbursed expenses totaling $891,691.

Interest expense

Interest expense for the quarters ended September 30, 2003 and 2002 was $267,635 and $300,520, respectively, a decrease of $32,885 or 11%. The interest expense was almost entirely composed of interest on the Company's long term financing from its directors and other stockholders, and interest on the Company's subordinated debenture in both periods. However, $34,096 in cumulative dividends accrued in the quarter ended September 30, 2003 from preferred stock was recorded as part of interest expense.

Equity in earnings of unconsolidated venture

As a result of the Joint Venture, the production, sales and marketing of Astaxanthin now take place in the unconsolidated Joint Venture subsidiary. For the quarter ended September 30, 2003, Igene's portion of the Joint Venture loss was $222,000. The loss was a result of a 50% interest in the following: Gross profit for the quarter was $50,000 on sales of $495,000, less manufacturing cost of $445,000. Selling and general and administrative expenses for the period were $497,000 and interest income was $3,000. The resulting loss before tax was $444,000. For the quarter ended September 30, 2003, Igene's 50% portion of the Joint Venture loss was $222,000.

For the nine-month period ended September 30, 2003, Igene's portion of the Joint Venture loss was $569,000. The loss was a result of a 50% interest in the following: Gross profit for the nine months ended September 30, 2003 was $61,000 on sales of $597,000, less manufacturing cost of $536,000. Selling and general and administrative expenses for the period were $1,213,000 and interest income was $14,000. The resulting loss before tax was $1,138,000. For the nine-month period ended September 30, 2003, Igene's 50% portion of the Joint Venture loss was $569,000.

Disposition of ProBio Subsidiary

As reported on Form 8-K filed on February 20, 2003, the Company, in an effort to focus on and grow its core business, disposed of all 10,000 of the issued and outstanding shares of capital stock of its former subsidiary, ProBio Nutraceuticals, AS, a Norwegian corporation. Fermtech AS, a joint stock company incorporated in the Kingdom of Norway and owned equally by our then chief executive officer, Stein Ulve and our then-chief marketing officer, Per Benjaminsen, purchased the shares of ProBio. Mr. Ulve resigned as CEO and director of Igene and Mr. Benjaminsen no longer acts as our chief marketing officer, effective December 31, 2002, though Mr. Benjaminsen has maintained a position with Igene.

The amount of consideration paid for ProBio was determined through arms-length negotiations between Igene management, on behalf of Igene, and Mr. Ulve, on behalf of Fermtech. In determining the amount paid for the ProBio shares consideration was given of ProBio's cash flow, cash position, revenue and revenue prospects.

The equipment and other physical property disposed of belonging to ProBio included inventory, personal computers, a web site and trademark, other office equipment and furniture, and accounts receivables and accounts payables related to nutraceuticals. For the nine months ended September 30, 2002, the net operating loss of the division being sold as ProBio was $340,632 on sales of $1,555,014 and is reflected on the September 30, 2002 income statement as loss from discontinued operations.

Gain on disposition

Igene sold ProBio to Fermtech AS in exchange for aggregate consideration valued at approximately $343,000, consisting of 7,000,000 shares of Igene common stock that was owned by ProBio (including 2,000,000 shares that were placed into escrow and may be reissued to Fermtech as described below), valued for the purposes of the acquisition at $.03 per share, plus forgiveness of approximately $168,000 of debt that Igene owed to ProBio at the time of purchase in 2001. Provided Mr. Benjaminsen remains employed by Igene through 2003, 1,000,000 of the escrowed shares of common stock will be delivered to Fermtech. If Mr. Benjaminsen remains employed by Igene through 2004, the remaining 1,000,000 escrowed shares will be released from escrow and delivered to Fermtech. Gain on disposal during the first quarter of 2003 was $237,427. This gain was a one-time occurrence as a result of the disposition of the assets and liabilities associated with ProBio.

Net loss and basic and diluted net loss per common share

As a result of the foregoing, the Company reported net losses of $666,199 and $1,241,389, respectively, for the quarters ended September 30, 2003 and 2002, a decrease in the loss of $575,190 or 46%. This represents a loss of $.01 per basic and diluted common share in each of the quarters ended September 30, 2003 and 2002. The weighted average number of shares of common stock outstanding of 88,011,387 and 81,879,107, for the quarters ended September 30, 2003 and 2002, respectively, has increased by 6,132,280 shares. This resulted from the issuance of 194,400 shares of common stock in exercise of warrant, 12,000,000 shares issued to Mr. Gerson as manufacturing agent, 2,262,488 shares issued to the manufacturer as part of the agreement, 1,600,000 shares issued to Mr. Hiu and Mr. Monahan in lieu of compensation, reduced by the retirement of 7,000,000 shares retired as part of the disposition of ProBio.

Financial Position

During the nine-month periods ended September 30, 2003 and 2002, in addition to the joint venture previously discussed, the following actions also materially affected the Company's financial position:

- Igene sold or transferred all of its inventory during the nine months ended September 30, 2003. The result was an increase in cash of $374,000.
- In addition, accounts receivable and prepaid assets are being transferred to the Joint Venture, which has increased cash by $125,033 from the reductions in accounts receivable and $264,478 from the reductions of prepaid assets.
- Increased cash flow has allowed for uses of operating cash to reduce accounts payable and accrued expenses by $199,703.
- The carrying value of redeemable preferred stock was increased and paid-in capital available to common shareholders was decreased by $12,290, reflecting cumulative unpaid dividends on redeemable preferred stock.
- During the nine months ended September 30, 2003, $250,000 cash was used for the repayment of borrowings.

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. During the nine months ended September 30, 2003 and 2002, the Company recorded in each quarter dividends in arrears on 8% redeemable preferred stock cumulating at $.48 per share aggregating $12,290 and $12,674 respectively, on Series A preferred stock and during the nine months ended September 30, 2003 Igene recorded dividends in arrears of $.64 per share aggregating $120,000 on Series preferred stock, which has been removed from paid-in capital for the first and second quarter and recorded as interest expense in the third quarter and included in the carrying value of the redeemable preferred stock. In accordance with FASB 150, the dividends accrued in the third quarter 2003 and thereafter have been reclassified to interest expense. This classification reduces income by $34,096. No adjustment has been made for any common stock equivalents outstanding because their effects would be antidilutive.

Liquidity and Capital Resources

Historically, Igene has been funded primarily by equity contributions and loans from stockholders. As of September 30, 2003, Igene had working capital of $171,351, and cash and cash equivalents of $26,849.

Cash provided by operating activities during the nine-month period ended September 30, 2003 amounted to $16,539 as compared to cash used by operating activities during the nine-month period ended September 30, 2002 of $1,446,330.

Cash used by investing activities for the nine months ended September 30, 2003 and 2002 was $215,904 and $204,074, respectively.

Cash was used by financing activities in repayment of loans in the amount of $215,904 for the nine-month period ended September 30, 2003 as opposed to the $1,298,267 provided by financing activities for the nine-month period ended September 30, 2002. Financing activities consisted principally of notes from directors.

Over the next twelve months, Igene believes it will need additional working capital. Igene hopes to achieve profits from sales of AstaXin® through the joint venture. This funding is expected to be received from the new venture with Tate & Lyle. However, there can be no assurance that projected profits, if any, from sales, or additional funding from the joint venture will be sufficient for Igene to fund its continued operations.

The Company does not believe that inflation has had a significant impact on its operations during the nine-month periods ended September 30, 2003 and 2002.

Item 3. Controls and Procedures

As of the end of the most recently completed fiscal quarter, the Company's management, with the participation of the principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, and has concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and are effective to ensure that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There were no changes in Igene's internal control over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

IGENE Biotechnology, Inc.
PART II
OTHER INFORMATION

Item 1. Legal Proceedings

Previously reported litigation (original lawsuit filed July 21, 1997, in the U.S. District Court, Baltimore, MD) between Archer Daniels Midland, Inc. ("ADM") and Igene, involving allegations of patent infringement and counterclaims concerning the theft of trade secrets was resolved on September 29, 2003. ADM had requested injunctive relief as well as an unspecified amount of damages, and Igene had filed a $300,450,000 counterclaim concerning the theft of trade secrets. Resolution of the dispute between ADM and Igene did not result in an unfavorable outcome to Igene. Accordingly, no liability is recorded in the balance sheet. Under the terms of the settlement, Igene is permitted to continue to make and sell its product, AstaXin®.

Item 2. Changes in Securities and Use of Proceeds.

Limitation on Payment of Dividends

Dividends on Common Stock are currently prohibited because of the preferential rights of holders of Preferred Stock. The Company has paid no cash dividends on its Common Stock in the past and does not intend to declare or pay any dividends on its Common stock in the foreseeable future.

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 September 30, 2003, total dividends in arrears on the Company's preferred stock total $251,088 ($9.60 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.

At the annual meeting of stockholders held on June 13, 2003, the following matters were submitted to stockholders' vote and were approved by the requisite number of votes: (1) the election of six directors of the Company: Stephen F. Hiu, Thomas L. Kempner, Michael G. Kimelman, Sidney R. Knafel, and Patrick F. Monahan; and (2) the ratification of the appointment of Stegman & Company as the Company's independent auditors for the fiscal year ending December 31, 2003.

Results of the voting were as follows:

	Votes For	Votes Against or Withheld	Votes Abstained	Broker Non-Votes
(1) Election of Directors				
Stephen F. Hiu	59,875,824	178,650	---	---
Thomas L. Kempner	59,875,824	178,650	---	---
Michael G. Kimelman	59,875,824	178,650	---	---
Sidney R. Knafel	59,875,824	178,650	---	---
Patrick F. Monahan	59,875,824	178,650	---	---
(2) Ratification of Auditors	59,952,074	91,400	11,000	---

Item 5. Other Information

None.

IGENE Biotechnology, Inc.
PART II
OTHER INFORMATION
(continued)

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 31(a) – Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15(d)-14(a)

Exhibit 31(b) – Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15(d)-14(a)

Exhibit 32(a) – Certification of Chief Executive Officer pursuant to 18 U.S.C. SECTION 1350.

Exhibit 32(b) – Certification of Chief Financial Officer pursuant to 18 U.S.C. SECTION 1350.

(b) Reports on Form 8-K

On May 6, 2003 Igene filed a Current Report on Form 8-K disclosing the terms for the Joint Venture Agreement entered into as of March 18, 2003 between Tate & Lyle Fermentation Products Ltd., a subsidiary of Tate & Lyle PLC and Igene Biotechnology, Inc.

On October 1, 2003 Igene filed a Current Report on Form 8-K announcing the resolution of the dispute between ADM and Igene.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IGENE Biotechnology, Inc.
(Registrant)

Date	July 27 , 2005	By	/s/ STEPHEN F. HIU STEPHEN F. HIU President
Date	July 27 , 2005	By	/s/ EDWARD J. WEISBERGER EDWARD J. WEISBERGER Chief Financial Officer

EXHIBIT INDEX

Exhibit 31(a) – Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15(d)-14(a)

Exhibit 31(b) – Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15(d)-14(a)

Exhibit 32(a) – Certification of Chief Executive Officer pursuant to 18 U.S.C. SECTION 1350.

Exhibit 32(b) – Certification of Chief Financial Officer pursuant to 18 U.S.C. SECTION 1350.

Exhibit 31(a)

CERTIFICATIONS

I, Stephen F. Hiu, certify that:

1. I have reviewed this quarterly report on Form 10Q-SB/A 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 small business issuer as of, and for, the periods 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 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 control 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 control over financial reporting.

Date: July 27, 2005

/s/ STEPHEN F. HIU

STEPHEN F. HIU
President

Exhibit 31(b)

CERTIFICATIONS

I, Edward J. Weisberger, certify that:

1. I have reviewed this quarterly report on Form 10Q-SB/A 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 small business issuer as of, and for, the periods 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 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 control 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 control over financial reporting.

Date: July 27, 2005

/s/ EDWARD J. WEISBERGER

EDWARD J. WEISBERGER
Chief Financial Officer

Exhibit 32(a)

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-QSB/A for the period ended September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (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: July 27, 2005

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

Exhibit 32(b)

**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-QSB/A for the period ended September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (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: July 27, 2005

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