REGI U S INC
Form 10QSB
December 14, 2007

U. S. Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2007

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________________ to ______________________

Commission File No. 0-23920

REGI U.S., Inc.
(Name of Small Business Issuer in its Charter)

Oregon	91-1580146
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No)

#240-11780 Hammersmith Way
Richmond, BC V7A 5E9 Canada
(Address of Principal Executive Offices)

(604) 278-5996
Issuer's Telephone Number

____
(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.
(1) Yes X No (2) Yes X No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)
Not applicable

(APPLICABLE ONLY TO CORPORATE ISSUERS)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date: December 13, 2007 Common 27,739,991 shares

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements of the Company required to be filed with this 10-QSB Quarterly Report were prepared by management and commence on the following page, together with related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Company.

REGI U.S. Inc.
(A Development Stage Company)
Interim Financial Statements
October 31, 2007
(Unaudited)

REGI U.S., Inc.
(A Development Stage Company)
Interim Financial Statements
October 31, 2007
(Expressed in U.S. dollars)
(Unaudited)

REGI U.S., Inc.
(A Development Stage Company)
Consolidated Balance Sheets
(Expressed in U.S. dollars)
(Unaudited)

	October 31, 2007 $	April 30, 2007 $
ASSETS		
Current Assets		
Cash	10,540	163,909
Prepaid expenses	20,156	41,648
Total Assets	30,696	205,557
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current Liabilities		
Accounts payable and accrued liabilities	106,537	65,449
Due to related parties (Note 4(a))	155,344	248,253
Total Liabilities	261,881	313,702
Stockholders Deficit		
Common Stock (Note 3):		
100,000,000 shares authorized without par value; 27,645,158 shares issued and outstanding (April 30, 2007 - 26,919,208 shares)	6,569,612	5,892,176
Additional Paid-in Capital	2,321,919	2,085,256
Subscriptions Received	31,000	259,027
Donated Capital (Note 4)	922,500	847,500
Deficit Accumulated During the Development Stage	(10,076,216)	(9,192,104)
Total Stockholders Deficit	(231,185)	(108,145)
Total Liabilities and Stockholders Deficit	30,696	205,557

Commitments (Note 5)

Approved by the Directors:

John Robertson

John Robertson - Director

Jennifer Lorette

Jennifer Lorette - Director

(The Accompanying Notes are an Integral Part of the Consolidated Financial Statements)

F-1

REGI U.S., Inc.
(A Development Stage Company)
Consolidated Statements of Operations
(Expressed in U.S. dollars)
(Unaudited)

	From July 27,1992 (Date of Inception) to October 31,	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2007	2007	2006	2007	2006
	$	$	$	$	$
Expenses					
Amortization	130,533				
General and administrative (Notes 3(c))	6,048,237	296,225	171,139	824,137	369,499
Impairment loss	72,823				
Research and development	4,014,274	17,997	16,786	59,975	110,279
Operating Loss	10,265,867	314,222	187,925	884,112	479,778
Other Income					
Accounts payable written-off	189,651				
Net Loss for the Period	10,076,216	314,222	187,925	884,112	479,778
Loss Per Share		(0.01)	(0.01)	(0.03)	(0.02)
Weighted Average Number of Common Shares outstanding		27,611,000	25,953,000	27,308,000	25,921,000

(The Accompanying Notes are an Integral Part of the Consolidated Financial Statements)

F-2

REGI U.S., Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)
(Unaudited)

	From July 27, 1992 (Date of Inception) to October 31, 2007 $	For the Six Months Ended October 31, 2007 $	2006 $
Operating Activities			
Net loss	(10,076,216)	(884,112)	(479,778)
Adjustments to reconcile net loss to net cash used in operating activities			
Accounts payable written-off	(189,651)		
Amortization	130,533		
Impairment loss	72,823		
Stock-based compensation (Note 3)	744,590	220,740	17,395
Amortization of deferred compensation	373,795		1,000
Donated services	922,500	75,000	75,000
Intellectual property written-off	578,509		
Shares issued for services (Note 3(c))	71,700	24,200	
Changes in operating assets and liabilities			
Accounts receivable	(3,000)		
Prepaid expenses	(4,233)	24,915	(12,558)
Accounts payable and accrued liabilities	304,344	41,088	(23,079)
Cash Used in Operating Activities	(7,074,306)	(498,169)	(422,020)
Investing Activities			
Patent protection costs	(38,197)		
Purchase of property, plant and equipment	(198,419)		
Cash Used in Investing Activities	(236,616)		
Financing Activities			
Advance from related parties	454,891	(81,209)	142,738
Proceeds from convertible debenture	5,000		
Proceeds from the sale of common stock	6,830,571	395,009	47,478
Subscriptions received	31,000	31,000	
Cash Provided by Financing Activities	7,321,462	344,800	190,216

Increase (Decrease) In Cash	10,540	(153,369)	(231,804)
Cash Beginning of Period		163,909	240,137
Cash - End of Period	10,540	10,540	8,333
Non-Cash Investing and Financing Activities			
Warrants issued for equity line of credit	1,561,406		
Shares issued to settle debt	496,000		
Shares issued for convertible debenture	5,000		
Shares issued for intellectual property	345,251		
Shares issued for services	71,700	11,700	
Consulting services reflected as donated capital	922,500	75,000	75,000
Affiliate s shares issued for intellectual property	200,000		
Supplemental Disclosures			
Interest paid			
Income tax paid			

(The Accompanying Notes are an Integral Part of the Consolidated Financial Statements)

REGI U.S., Inc.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)

1. INTERIM REPORTING

The accompanying unaudited interim consolidated financial statements have been prepared by REGI U.S., Inc. (the "Company") pursuant to the rules and regulations of the United States Securities and Exchange Commission. Certain information and disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these financial statements have been included. Such adjustments consist of normal recurring adjustments. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the fiscal year ended April 30, 2007, as filed with the United States Securities and Exchange Commission.

The results of operations for the six-month period ended October 31, 2007 are not indicative of the results that may be expected for the full year.

2. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

The Company was incorporated in the State of Oregon, U.S.A., on July 27, 1992.

The Company is a development stage company engaged in the business of developing and commercially exploiting an improved axial vane type rotary engine known as the Rand Cam/Direct Charge Engine (the RC/DC Engine) in the U.S. The world-wide marketing and intellectual rights, other than in the U.S., are held by Reg Technologies, Inc. (Reg), a major shareholder, which owns 12% of the Company s issued, and outstanding, stock and controls the Company by way of a voting trust arrangement. The Company owns the U.S. marketing and intellectual rights and has a project cost sharing agreement, whereby it will fund 50% of the further development of the RC/DC Engine and Reg will fund 50%.

The Company formed a wholly-owned subsidiary, Rad Max Technologies, Inc. (Rad Max) on April 10, 2007 in the State of Washington. Rad Max hopes to win military contracts for custom versions of the RC/DC Engine. The accounts of the subsidiary are incorporated in the accounts of the Company as at October 31, 2007. All inter- company balances have been eliminated upon consolidation.

In a development stage company, management devotes most of its activities to establishing a new business. Planned principal activities have not yet produced any revenues and the Company has suffered recurring operating losses as is normal in development stage companies. The Company has accumulated losses of $10,076,216 since inception. These factors raise substantial doubt about the Company s ability to continue as a going-concern. The ability of the Company to emerge from the development stage with respect to its planned principal business activity is dependent upon its successful efforts to raise additional equity financing, receive funding from affiliates and controlling shareholders, and develop a market for its products.

The Company plans to raise funds through loans from Rand Energy Group Inc. (Rand), a private company with officers and directors in common with the Company. Further, Rand owns approximately 10% of the shares of the Company, and may sell shares as needed to meet ongoing funding requirements if traditional equity sources of financing prove to be insufficient. The Company also receives interim support from affiliated companies and plans to raise additional capital through debt and/or equity financings. The Company has an equity line of credit whereby the investor agreed to purchase up to $10,000,000 of the Company s common stock. (See Note 3(e)). There continues to be insufficient funds to provide enough working capital to fund ongoing operations for the next twelve months. The Company may also raise additional funds through the exercise of warrants and stock options, if exercised.

REGI U.S., Inc.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)

3. COMMON STOCK

(a) Stock Option Plan

The Company has a Stock Option Plan to issue up to 2,500,000 shares to certain key directors and employees, approved April 30, 1993 and amended December 5, 2000.

The Company records stock-based compensation in accordance with SFAS No. 123R *Share Based Payments* , using the fair value method.

All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued.

All options granted by the Company under the 2000 Plan have the following vesting schedule:

(i) Up to 25% of the option, may be exercised at any time during the term of the option, such initial exercise is referred to as the First Exercise .

(ii) The second 25% of the option may be exercised at any time after 90 days from the date of First Exercise; such second exercise is referred to as the Second Exercise .

(iii) The third 25% of the option may be exercised at any time after 90 days from the date of Second Exercise; such third exercise is referred to as the Third Exercise .

(iv) The fourth and final 25% of the option may be exercised at any time after 90 days from the date of the Third Exercise.

(v) The options expire 60 months from the date of grant.

On April 12, 2007, the Company approved a new 2007 Stock Option Plan to issue up to 2,000,000 shares to certain key directors and employees. Pursuant to the Plans, the Company has granted stock options to certain directors and employees.

All options granted by the Company under the 2007 Plan have the following vesting schedule:

(i) Up to 25% of the option may be exercised 90 days after the grant of the option.

(ii) The second 25% of the option may be exercised at any time after July 12, 2008.

(iii) The third 25% of the option may be exercised at any time after July 12, 2009.

(iv) The fourth and final 25% of the option may be exercised at any time after July 12, 2010.

(v) The options expire 60 months from the date of grant.

During the six-month period ended October 31, 2007, the Company recorded stock-based compensation of $220,740 as general and administrative expense.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. The subjective input assumptions can materially affect the fair value estimate.

REGI U.S., Inc.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)

3. COMMON STOCK (Continued)

(a) Stock Option Plan (Continued)

The following table summarizes the continuity of the Company s stock options:

	Shares #	Weighted average exercise price $
Outstanding, April 30, 2006	1,175,750	0.37
Granted	1,375,000	1.32
Exercised	(662,250)	0.22
Outstanding, April 30, 2007	1,888,500	1.12
Granted		
Exercised	(31,500)	0.85
Outstanding, October 31, 2007	1,857,000	1.12

Additional information regarding options outstanding and exercisable as at October 31, 2007, is as follows:

Options Outstanding

Expiry Date	Exercise Price $	Shares Under Option #	Aggregate Intrinsic Value $	WTD. AVG Remaining Contractual Life (in years) #
May 10, 2009	0.20	75,000	750	1.53
September 10, 2008	0.25	150,000	4,500	0.86
December 2, 2008	0.35	100,000	2,000	1.09
September 30, 2009	0.35	50,000		1.92
May 27, 2010	0.45	50,000		2.57
April 21, 2011	2.20	75,000		3.47
June 29, 2011	2.09	25,000		3.66
November 1, 2011	1.37	125,000		4.01
January 30, 2012	1.30	200,000		4.25
April 12, 2012	1.30	1,007,000		4.45
Options outstanding		1,857,000	7,250	3.65

Options Exercisable

Expiry Date	Exercise Price $	Shares Under Option #	Aggregate Intrinsic Value $	WTD. AVG Remaining Contractual Life (in years) #
May 10, 2009	0.20	75,000	750	1.53
September 10, 2008	0.25	150,000	4,500	0.86
December 2, 2008	0.35	100,000	2,000	1.09
September 30, 2009	0.35	50,000		1.92
May 27, 2010	0.45	12,500		2.57
April 21, 2011	2.20	18,750		3.47
June 29, 2011	2.09	6,250		3.66
November 1, 2011	1.37	31,250		4.01
January 30, 2012	1.30	50,000		4.25
April 12, 2012	1.30	238,250		4.45
Options exercisable		732,000	7,250	3.65

REGI U.S., Inc.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)

3. COMMON STOCK (Continued)

(a) Stock Option Plan (Continued)

At October 31, 2007, the Company had $1,150,116 of total unrecognized compensation cost related to non- vested stock options held by employees, which will be recognized over the vesting period. A summary of the status of the Company s non-vested stock options as of October 31, 2007, and changes during the six-month period ended October 31, 2007, is presented below:

Non-vested stock options	**Stock Options** #	**Weighted-Average Grant-Date Fair Value** $
Non-vested at May 1, 2007	1,383,250	0.90
Granted		
Vested	(258,250)	0.84
Non-vested at October 31, 2007	1,125,000	0.92

(b) Performance Stock Plan

The Company has allotted 2,500,000 shares to be issued pursuant to a Performance Stock Plan approved and registered on June 27, 1997, and amended in June 2004. On April 27, 2007, the Company further amended the Plan so that the term of the Plan is extended to the twentieth anniversary of the effective date.

(c) Non-Cash Consideration

During the year ended April 30, 2007, the Company entered into a Financial Advisory Agreement valued at $120,000 for services to be rendered over a one-year period. Part of this agreement stated that $60,000 was to be paid by issuance of the Company s shares of common stock. At the date of this obligation, 29,000 shares were issued when the value of the Company s stock was $2.07 per share. During the six-month period ended October 31, 2007, the Company charged $12,500 (2006 $17,500) to operations for the pro- rata portion of services performed.

During the six-month period ended October 31, 2007, a consultant exercised 18,000 stock options with a fair value of $23,400 for services rendered. 50% was charged to Research and Development and the other 50% charged to a related party as per the agreement. (See Notes 2 and 3(g)).

(d) Share Purchase Warrants

The following table summarizes the continuity of the Company s warrants:

	Number of Shares	Weighted average exercise price $
Balance, April 30, 2006	750,000	0.80
Exercised	(255,833)	0.80
Exercised	(13,000)	1.00
Issued	2,252,000	1.03
Balance, April 30, 2007	2,733,167	1.02
Issued	1,291,950	1.25
Exercised	(82,500)	0.97
Cancelled	(640,000)	1.00
Balance, October 31, 2007	3,302,617	1.12

REGI U.S., Inc.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)

3. COMMON STOCK (Continued)

At October 31, 2007, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price $	October 31, 2007 #	April 30, 2007 #
November 30, 2007	1.00	242,500	252,500
April 26, 2008	1.00	229,167	241,667
October 15, 2009	1.50	40,000	
November 17, 2011	1.00	2,059,000	2,119,000
February 21, 2012	1.50	120,000	120,000
July 30, 2012	1.50	579,950	
October 4, 2012	1.50	32,000	
Warrants outstanding		3,302,617	2,733,167

(e) On November 17, 2006, the Company entered into a Securities Purchase Agreement (equity line of credit), whereby an investor agreed to purchase up to $10,000,000 of the Company s common stock over a term of 36 months at the Company s discretion. Each purchase will be for a minimum of $150,000 and up to a maximum of the lessor of $750,000, or 200% of the average weighted volume for the Company s common stock for the 20 trading days prior to the date of purchase. Each purchase will be at a 15% discount to the market price of the Company s common stock over the 10 trading days prior to the purchase.

In connection with the equity line of credit, the Company issued to the investor a warrant (Investor warrant) to purchase 1,000,000 shares of the Company s common stock at $1.30 per share (the Exercise Price) for five years, and to an agent a warrant (Placement warrant) to purchase 640,000 shares of the Company s common stock at $1.30 per share for five years. If the Company fails to register the shares issuable upon the exercise of the Investor or Placement warrant, the holder is entitled to exercise the warrant and receive, for no consideration, a certificate equal to the number of shares obtained by subtracting the Exercise Price of the warrant for the volume weighted average price on the trading day immediately preceding the date of such election and multiplying that amount by the number of shares issuable upon the exercise of the warrant. On October 31, 2007, the 640,000 Placement warrants issued to the agent were cancelled and 640,000 warrants were issued to other parties with the same terms and conditions as the original Placement warrants.

The Company filed an SB-2 Registration Statement with the United States Securities and Exchange Commission that was declared effective February 9, 2007, to register shares of common stock potentially issuable under this equity line of credit (6,160,000 shares) and the related warrants (1,640,000 shares).

Pursuant to the agreement, if the Company issues any common stock, or rights to acquire common stock at a price less than the Exercise Price, the Exercise Price will be adjusted to the lower price. In addition, the number of shares issuable will be increased such that the aggregate exercise price after adjustment is equal to the aggregate exercise price prior to adjustment.

Subsequent to the issuance of the warrants, the Company completed an equity financing at $1 per share. The issuance of the Company s common shares lowered the Exercise Price of the Investor warrants to $1 and increased the number of shares issuable upon exercise of the warrants to 2,132,000 shares, of which 73,000 have been exercised. The Company recognized the change in fair value of the warrants of $222,681 as share issuance costs.

The Company has determined that, in accordance with SFAS 133, *Accounting for Derivative Instruments and Fair Value Hedges* , the warrants are not derivative instruments and, accordingly, guidance in EITF 00- 19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock* , relating to net cash settlement versus net share settlement should be followed. The contract permits the Company to settle in unregistered shares, the Company has a sufficient number of unissued authorized shares available to settle the contract, and there is an explicit limit on the number of shares to be delivered in a share settlement. As the issuance of shares and, thus, the modification of the exercise price is wholly under the control of the Company and the Company has the ability to control net-settlement, these warrants have been classified as equity and their fair value of $1,338,725 has been recognized as share issuance costs.

REGI U.S., Inc.
(A Development Stage Company)
Notes to the Consolidated Financial Statements
(Expressed in U.S. dollars)
(Unaudited)

3. COMMON STOCK (Continued)

(f) During the six-month period ended October 31, 2007, the Company issued 13,500 shares at $0.25 per share upon the exercise of stock options for proceeds of $3,375.

(g) During the six-month period ended October 31, 2007, the Company issued 18,000 shares at $1.30 per share upon the exercise of stock options for services rendered with a fair value of $23,400.

(h) During the six-month period ended October 31, 2007, the Company issued 70,000 shares at $1 per share upon the exercise of warrants for proceeds of $70,000.

(i) During the six-month period ended October 31, 2007, the Company issued 12,500 shares at $0.80 per share upon the exercise of warrants for proceeds of $10,000.

(j) During the six-month period ended October 31, 2007, the Company issued 611,950 shares at $1 per share pursuant to a private placement for cash proceeds of $570,662, net of issue costs of $41,288. Each share consists of one Class A share and one warrant. Each warrant enables the shareholder to purchase one additional share at an exercise price of $1.50 per share for five years after closing date.

(k) During the six-month period ended October 31, 2007, the Company raised its number of authorized shares without per value to 100,000,000.

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

Forward Looking Statements

This report contains forward-looking statements. The words, anticipate , believe , expect , plan , intend , estimate could , may , foresee , and similar expressions are intended to identify forward-looking statements. The following discussion and analysis should be read in conjunction with the Company's Financial Statements and other financial information included elsewhere in this report which contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from the results discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below, as well as those discussed elsewhere in this report.

Overview

REGI U.S., Inc. was incorporated in the State of Oregon, USA on July 27, 1992.

The Company is a development stage company engaged in the business of developing and commercially exploiting an improved axial vane type rotary engine known as the Rand Cam/Direct Charge Engine (The RC/DC Engine). The world-wide marketing and intellectual rights, other than the U.S., are held by Rand Energy Group Inc. (Rand) which is the controlling shareholder of the Company. The Company owns the U.S. marketing and intellectual rights and has a project cost sharing agreement, whereby it will fund 50% of the further development of the RC/DC Engine and RAND will fund 50%.

In a development stage company, management devotes most of its activities to establishing a new business. Planned principal activities have not yet produced any revenues and the Company has suffered recurring operating losses as is normal in development stage companies. The Company has a working capital deficit of $231,185 and has accumulated losses of $10,076,216 since inception. These factors raise substantial doubt about the Company s ability to continue as a going concern. The ability of the Company to emerge from the development stage with respect to its planned principal business activity is dependent upon its successful efforts to raise additional equity financing, receive funding from affiliates and controlling shareholders, and develop a market for its products.

Progress Report from August 1, 2007 to December 12, 2007

Rand Cam Technology

On October 18, 2007, we announced the completion of a prototype, proof-of-concept pump. This pump is suitable for supporting demonstration to potential customers. It proves performance that a RadMax Pump is a positive displacement device, capable of processing approximately twice its internal volume every revolution. This means that a production unit could have identical performance with half the size and weight of any competitive unit. Reduction of weight is a significant performance parameter for all equipment, directly translating into reduction of energy requirements.

Working with a customer's specifications, a production pump would include definition of performance goals, which translate into size, weight, materials, fluid to be pumped, etc. A production pump would require the design and development of production tooling for lower cost castings (aluminum, steel, other), or injection molded polymer devices.

Our completed efforts for the prototype RadMax Pump include the following metrics and results:
Size: 10-inch diameter
Weight: 140 pounds (estimated)
Material: All steel
Fluid: Any oil or water
Priming: Self-priming

Metrics: Volume per revolution, lift, head
Pressure: 500 psi (maximum)
Op Range: 0° C (32° F) to 100° C (212° F)
Speed: Up to 5000 RPM

We exhibited our RadMax technology at the SAE (Society of Automotive Engineers) Commercial Vehicle Engineering Congress & Exhibition, in Chicago, IL, from October 30 to November 1, 2007. We displayed the latest RadMax prototype hardware and discussed product development and marketing plans for RadMax technology devices.

The SAE Commercial Vehicle Engineering Congress and Exhibition is a global assembly of both on and off-road vehicle customers, engineers, supply managers and executives that allows for the exchange of cutting edge technological information, high-profile networking and enhance understanding concerning the issues and challenges facing the commercial vehicle industry. As a bonus, this year's event is being held in conjunction with the Powertrain & Fluid Systems Conference, a gathering of powerplant design engineers and engine fluid experts.

More information concerning the exhibition is available at www.sae.org/events/cve/.

Corporate

CEO Clips, a series of two minute corporate profiles on Canadian companies, featured the Company on **AIR CANADA** for the entire month of August 2007. The clip can also be viewed online via this link: www.b-tv.com/i/videos/regiaircan.wmv .

Plan of Operations

The following contains forward-looking statements relating to revenues, expenditures and sufficiency of capital resources. Actual results may differ from those projected in the forward-looking statements for a number of reasons, including those described in this quarterly report.

The financial statements for the six months ended October 31, 2007 have been prepared assuming that the Company will continue as a going-concern. As discussed in note 2 to the financial statements, the Company has no revenues and limited capital, which together raise substantial doubt about its ability to continue as a going-concern. Management plans in regard to these matters are also described in note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company plans to raise funds through loans from Rand Energy Group Inc. (Rand), a private company with officers and directors in common with the Company. Further, Rand owns approximately 10% of the shares of the Company as of October 31, 2007, and may sell shares as needed to meet ongoing funding requirements if traditional equity sources of financing prove to be insufficient. The Company also receives interim support from affiliated companies and plans to raise additional capital through debt and/or equity financings. The Company has an equity line of credit whereby the investor agreed to purchase up to $10,000,000 of the Company s common stock. (See Note 3(e) to our financial statements). The Company may also raise additional funds through the exercise of warrants and stock options, if exercised.

We have been successful in the past in acquiring capital through the issuance of shares of our Common Stock, and through advances from related parties.

We anticipate that our cash requirements for the next twelve months ending October 31, 2008 will remain consistent with those for the previous twelve months.

Results of operations for the six months ended October 31, 2007 (2007) compared to the six months ended October 31, 2006 (2006)

There were no revenues from product licensing during the periods.

The net loss in 2007 increased by $404,334 to $884,112 compared to $479,778 in 2006. Administrative expenses increased by $454,638 to $824,137 from $369,499 in 2006. The single largest increase was an increase of $200,160 in stock-based compensation. This was due to the monthly option exercises which comprise a portion of our Vice President, Engineering s compensation package. Travel and accommodation increased by $85,160 due to increased travel to trade shows and meetings with prospective licensees. Wages and benefits increased by $66,821 as a result of hiring our Vice President, Engineering and our Vice President, Marketing. Consulting fees increased by $24,738 due to the use of consultants to test our prototypes. Transfer agent fees increased by $25,055 due to holding a stockholder meeting. Research and development expenses decreased by $50,304 to $59,975 compared to $110,279 in 2006.

Liquidity

During the six months ended October 31, 2007, we financed our operations mainly from proceeds from the issuance of common stock in the amount of $395,009 and $31,000 from common stock subscribed. Related parties have indicated that they will advance further funds if needed. These amounts would be non-interest bearing, unsecured and repayable on demand.

As at October 31, 2007, we had a working capital deficit of $231,185. Working capital is not adequate to meet development costs for the next twelve months. Unexercised stock options and warrants, if exercised could raise significant additional funds. We receive interim support from our ultimate parent company and we have also raised additional funds from equity financing. (See Note 3(e)). We also plan to raise funds through loans from a shareholder (Rand). Rand owns approximately 10% of the shares of the Company, having an approximate current market value of $3,305,323 as at October 31, 2007, and plans to sell shares as needed to meet our ongoing funding requirements if traditional equity sources of financing prove to be insufficient.

There were no 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.

Item 3. Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including the President, and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures [as defined in the Exchange Act Rule 13a-15(e)] as of the end of the period covered by this report. Based upon the evaluation of the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, the disclosure controls and procedures were effective at the reasonable assurance level with respect to such disclosure controls and procedures being designed to ensure that information relating to the Registrant required to be disclosed by the Company in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable, and not absolute assurance, of achieving the desired control objectives, and management necessarily was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures.

There was no significant change in our internal control over financial reporting that occurred during our first quarter for the six months ended October 31, 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Nor were there any significant deficiencies or material weaknesses in our internal controls requiring corrective actions.

Extension of Compliance Date for Management s Report on Internal Control Over Financial Reporting

The Company is a non-accelerated filer as defined in Rule 12b-2 of the Act. On September 21, 2005, the Securities and Exchange Commission extended the compliance dates for non-accelerated filers concerning the provisions of Exchange Act Rule 13a-15(d) or 15d-15(d), whichever applies, requiring an evaluation of changes to internal control over financial reporting requirements with respect to the company s first periodic report due after the first annual report that must include management s report on internal control over financial reporting. A company that is a non-accelerated filer must begin to comply with these requirements for its first fiscal year ending on or after July 15, 2007. In addition, the compliance period was extended to the amended portion of the introductory language in paragraph 4 of the certification required by Exchange Act Rules 13a-14(a) and 15d-14(a) that refers to the certifying officers responsibility for establishing and maintaining internal control over financial reporting for the company, as well as paragraph 4(b). The amended language must be provided in the first annual report required to contain management s internal control report and in all periodic reports filed thereafter. The extended compliance dates also apply to the amendments of Exchange Act Rules 13a-15(a) and 15d-15(a) relating to the maintenance of internal control over financial reporting.

Under the internal control reporting provisions of the Act, Management will be responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The Company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Prior to the extended deadline, by the Company s April 30, 2008 fiscal year-end, management will conduct an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management will determine whether the Company s internal control over financial reporting is effective.

Item 3A(T). Controls and Procedures

Not applicable.

PART II Other Information

Item 1. Legal Proceedings

None.

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

Set forth below is information regarding the issuance and sales of our securities without registration during the three months ended October 31, 2007. No such sales involved the use of an underwriter. See Note 3 to our financial statements for the six month period ended October 31, 2007 for more information on recent sales of unregistered securities.

On November 17, 2006, the Company entered into a Securities Purchase Agreement, whereby an investor agreed to purchase up to $10,000,000 of the Company s common stock over a term of 36 months at the Company s discretion. Each purchase will be for a minimum of $150,000 and up to a maximum of the lesser of: $750,000, or 200% of the average weighted volume for the Company s common stock for the 20 trading days prior to the date of purchase. Each purchase will be at a 15% discount to the market price of the Company s common stock over the 10 trading days prior to the purchase.

In connection with the equity line of credit, the Company issued to the investor a warrant (Investor warrant) to purchase 1,000,000 shares of the Company s common stock at $1.30 per share (the Exercise Price) for 5 years, and to an agent a warrant (Placement warrant) to purchase 640,000 shares of the Company s common stock at $1.30 per share for 5 years. If the Company fails to register the shares issuable upon the exercise of the Investor or Placement warrant, the holder is entitled to exercise the warrant and receive, for no consideration, a certificate equal to the number of shares obtained by subtracting the Exercise Price of the warrant for the volume weighted average price on the trading day immediately preceding the date of such election and multiplying that amount by the number of shares issuable upon the exercise of the warrant. The issuance of the warrant was exempt under 4(2).

During the six months ended October 31, 2007, the Company issued 70,000 shares at $1.00 per share upon the exercise of warrants for proceeds of $70,000. This offering was exempt from registration under Rule 506 and Section 4(2) of the Securities Act of 1933, as amended (the "Act"). Each certificate representing securities issued to the investors in this private placement bears a legend restricting transfer.

During the six months ended October 31, 2007, the Company issued 12,500 shares at $0.80 per share upon the exercise of warrants for proceeds of $10,000. This offering was exempt from registration under Rule 506 and Section 4(2) of the Securities Act of 1933, as amended (the "Act"). Each certificate representing securities issued to the investors in this private placement bears a legend restricting transfer.

During the six months ended October 31, 2007, the Company issued 611,950 shares at $1.00 per share pursuant to a private placement for cash proceeds of $570,662, net of issue costs of $41,288. 556,950 shares issued pursuant to this offering were exempt from registration under Rule 506 and Section 4(2) of the Securities Act of 1933, as amended (the "Act"). In addition, if the exemptions under Rule 506 under and Section 4(2) of the Act are not available, the sales to non-U.S. residents were exempt pursuant to Regulation S under the Act. Of the 611,950 shares issued, 55,000 were exempt under Regulation S under the Securities Act of 1933, as amended, due to the foreign nationality of the relevant purchasers. Each certificate representing securities issued to the investors in this private placement bears a legend restricting transfer.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submissions of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibits:

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002
32.1	Certification of John G. Robertson, President (Principal Executive Officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of James Vandeberg, Chief Financial Officer (Principal Financial Officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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.

Dated: December 13, 2007 REGI U.S., INC.

By:	/s/ John G. Robertson John G. Robertson, President (Principal Executive Officer)
By:	/s/ James Vandeberg James Vandeberg, Chief Financial Officer (Principal Financial Officer)