

**NOTICE TO SHAREHOLDERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009**
(Unaudited and Expressed in US Dollars)

OPEL INTERNATIONAL INC.

Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements for Opel International Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been disclosed in the December 31, 2008 audited consolidated financial statements. Only changes in accounting principles have been disclosed in these consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited consolidated financial statements, management is satisfied that these unaudited consolidated financial statements have been fairly presented.

Auditors' involvement

The auditors of Opel International Inc. have not performed a review of the unaudited consolidated financial statements for the three and nine months ended September 30, 2009 and September 30, 2008.

OPEL INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited and Expressed in US Dollars)

	September 30, 2009	December 31, 2008
Assets		
Current		
Cash and cash equivalents	\$ 6,287,479	\$ 14,444,975
Short-term investments (Note 3)	2,449,272	2,289,717
Accounts receivables	380,010	433,235
Prepaid expenses and other current assets	782,430	688,135
Inventory (Note 4)	6,577,255	4,893,410
Marketable securities (Note 5)	345	345
	16,476,791	22,749,817
Equipment	1,728,395	1,642,372
Patents	233,731	257,749
	\$ 18,438,917	\$ 24,649,938
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 699,441	\$ 1,592,687
Deferred energy credit (Note 6)	462,021	-
Asset retirement obligation (Note 7)	129,401	-
	1,290,863	1,592,687
Shareholders' Equity		
Share capital (Note 8(b))	29,939,172	29,299,882
Special voting share (Note 9)	100	100
Shares to be issued (Note 10)	648,860	1,016,407
Warrants (Note 11)	6,915,038	7,333,164
Contributed surplus (Note 12)	4,003,743	3,333,750
Accumulated other comprehensive loss	(3,009,837)	(3,335,140)
Deficit	(21,349,022)	(14,590,912)
	17,148,054	23,057,251
	\$ 18,438,917	\$ 24,649,938

OPEL INTERNATIONAL INC.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited and Expressed in US Dollars)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Sales	\$ 156,157	\$ 449,607	\$ 546,815	\$ 577,398
Expenses				
General and administration (note 12)	1,226,690	1,183,956	4,146,262	3,783,462
Research and development	800,384	1,048,429	2,912,412	2,385,647
Cost of goods sold, including inventory write-off of \$170,440	94,475	-	444,081	-
Interest expense	1,063	-	1,751	-
Other (income) expense	(41,996)	7,729	(71,065)	1,431
Interest income	(19,520)	(68,703)	(126,205)	(483,030)
Equity in loss of ASM	-	10,567	-	10,567
	2,061,096	2,181,978	7,307,236	5,698,077
Net loss	(1,904,939)	(1,732,371)	(6,760,421)	(5,120,679)
Non-controlling interest	-	-	2,311	-
Net loss	(1,904,939)	(1,732,371)	(6,758,110)	(5,120,679)
Deficit, beginning of period	(19,444,083)	(12,904,379)	(14,590,912)	(9,516,071)
Deficit, end of period	(21,349,022)	(14,636,750)	(21,349,022)	(14,636,750)
Basic and diluted loss per share (Note 13)	\$ (0.03)	\$ (0.03)	\$ (0.12)	\$ (0.10)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in US Dollars)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net loss	\$ (1,904,939)	\$ (1,732,371)	\$ (6,758,110)	\$ (5,120,679)
Other comprehensive income (loss), net of income taxes				
Cumulative translation adjustment	113,829	(507,807)	325,303	(1,138,775)
Comprehensive loss	\$ (1,791,110)	\$ (2,240,178)	\$ (6,432,807)	\$ (6,259,454)

OPEL INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS
(Expressed in US Dollars)

	September 30, 2009	December 31, 2008
Opening balance	\$(3,335,140)	\$ 645,123
Cumulative translation adjustment	325,303	(3,978,915)
Net change in unrealized loss on available-for-sale financial assets	-	(1,348)
Other comprehensive income (loss)	325,303	(3,980,263)
Accumulated other comprehensive loss	\$(3,009,837)	\$(3,335,140)

OPEL INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and Expressed in US Dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
CASH (USED IN) PROVIDED BY				
OPERATING ACTIVITIES				
Net loss	\$ (1,904,939)	\$ (1,732,371)	\$ (6,758,110)	\$ (5,120,679)
Adjustment for:				
Amortization of equipment	48,923	81,110	139,414	149,371
Amortization of patents and licences	8,256	6,925	24,768	21,824
Accretion of asset retirement obligation	1,976	-	3,156	-
Equity in loss of ASM	-	10,567	-	10,567
Stock option compensation (Note 12)	75,518	363,711	323,210	1,091,134
Other (income) expense	-	30,937	-	30,937
	(1,770,266)	(1,239,121)	(6,267,562)	(3,816,846)
Net change in non-cash working capital:				
Accounts receivable	(83,083)	(315,568)	53,225	(229,171)
Prepaid expenses and other current assets	2,711	(187,468)	(94,295)	(164,632)
Inventory	(410,339)	(1,320,779)	(1,683,845)	(2,429,525)
Deferred energy credit	(5,922)	-	462,021	-
Accounts payable and accrued liabilities	(74,389)	213,082	(893,246)	429,824
	(2,341,288)	(2,849,854)	(8,423,702)	(6,210,350)
INVESTING ACTIVITIES				
Purchase of equipment	7,103	(34,106)	(99,192)	(296,426)
Purchase of patents and licences	-	1,048	(750)	(9,687)
Short-term investments	3,481,698	8,280,117	(159,555)	(5,944,514)
Promissory note receivable	-	(717,236)	-	(717,236)
Long term investment	-	(19,500)	-	(19,500)
	3,488,801	7,510,323	(259,497)	(6,987,363)
FINANCING ACTIVITIES				
Issue of common shares for cash, net of issue costs	-	10,494	200,400	852,559
CUMULATIVE TRANSLATION ADJUSTMENT	113,829	(507,807)	325,303	(1,138,775)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,261,342	4,163,156	(8,157,496)	(13,483,929)
CASH AND CASH EQUIVALENTS, beginning of period	5,026,137	9,369,151	14,444,975	27,016,236
CASH AND CASH EQUIVALENTS, end of period	\$ 6,287,479	\$ 13,532,307	\$ 6,287,479	\$ 13,532,307

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

1. DESCRIPTION OF BUSINESS

Opel International Inc. (the "Company"), incorporated in the Province of Ontario and continued in the Province of New Brunswick on January 30, 2007. The Company is engaged principally in the development and marketing of concentrating solar panels for commercial applications. Additionally, the Company continues to develop a gallium arsenide microchip and the process to produce it. The Company's research and development ("R&D") efforts relate to the commercialization of CPV solar panels, solar trackers; also optical laser and infrared detection using planar opto electronic technology ("POET"). Through September 30, 2009, the Company has provided, incidental to its own extensive R&D activities, services under "fixed price" and "cost plus" R&D contracts exclusively with the Department of Defense of the United States of America. Such services are provided to the Department of Defense through Opel Defense Integrated Systems Inc. ("ODIS"), a United States wholly owned subsidiary.

2. ACCOUNTING POLICIES

The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

Operating results for the nine month period ended September 30, 2009 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2009. The consolidated balance sheet at December 31, 2008 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2008. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended December 31, 2008.

Adoption of New Accounting Policies

Effective January 1, 2009, the Company adopted the provisions of the following new CICA Handbook Sections:

(a) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets and Section 3450, Research and Development Costs. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

(b) Financial Statement Concepts

In February 2008, the CICA issued amendments to Handbook Section 1000, "Financial Statement Concepts" to clarify the criteria for recognition of an asset and the timing of expense recognition.

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

2. ACCOUNTING POLICIES (continued)

(c) International Financial Reporting Standards:

The accounting framework under which financial statements are prepared in Canada for all publicly accountable enterprises (GAAP) is scheduled to change to International Financial Reporting Standards ("IFRS") by January 1, 2011. GAAP in Canada will cease to apply and will be replaced by IFRS. Commencing in fiscal 2010, the Company will need to prepare accounts in accordance with Canadian GAAP and IFRS in order to have comparative financial statements on full implementation of IFRS in 2011.

In addition, on January 20, 2009, the CICA issued Emerging Issues Committee Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" ("EIC 173"), to be applied without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual consolidated financial statements. EIC 173 requires the Company to consider the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. The Company has adopted EIC 173.

Future Accounting Pronouncements.

In January 2009, the CICA issued the following new Handbook sections:

a) Section 1582, "Business Combinations", which replaces Section 1581, "Business Combinations". The Section establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, "Business Combinations". For the Company, this Section applies prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Earlier application is permitted but must be applied together with Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

b) Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests", which together replace Section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS standard, IAS 27, "Consolidated and Separate Financial Statements". For the Company, this Section applies prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Earlier application is permitted but must be applied together with Section 1582. The Company is currently evaluating the impact of the adoption of this new Section on the consolidated financial statements.

3. SHORT-TERM INVESTMENTS

The following table presents a breakdown of the Company's short-term investments, all of which are classified as held-for-trading:

	2009	2008
European bank guarantee	\$ 520,059	\$ -
Canadian funds	265,376	-
Corporate bonds (Coupon rates between 3.50% and 4.45%)	190,380	1,452,758
Canadian guaranteed investment certificate	-	836,959
Canadian government bonds (Coupon rates between 2.5% and 4.0%)	466,027	-
US certificate of deposit	1,007,430	-
Balance	\$ 2,449,272	\$ 2,289,717

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

4. INVENTORIES

	2009	2008
Raw materials	\$ 3,400,951	\$ 3,100,983
Work in process	657,225	913,396
Finished goods	2,519,079	879,031
Balance	\$ 6,577,255	\$ 4,893,410

A significant portion of the the finished goods inventory, are solar panels that have been installed or are being installed in Spain.

5. MARKETABLE SECURITIES

	Shares	2009	2008
Tribute Minerals Inc.	4,476	\$ 73	\$ 73
Yangarra Resources Inc.	3,578	176	176
Titanium Corporation Inc.	595	96	96
Balance		\$ 345	\$ 345

6. DEFERRED ENERGY CREDIT

The deferred energy credit earned on the solar installation used in operations is being amortized over the estimated life of the asset.

7. ASSET RETIREMENT OBLIGATION

The Company has a solar installation currently used in operations. In 2030, the Company is obligated to remove the installation and restore the underlying real estate to its original state. The asset retirement obligation ("ARO") is accreted using the credit-adjusted risk free rate when the liability was initially measured. There are no assets legally restricted for settling the aforementioned asset retirement obligation.

Changes in the asset retirement obligation are as follows:

Initial measurement	\$ 126,245
Accretion	3,156
Balance	\$ 129,401

The initial measurement of the ARO has been added to the cost of equipment.

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

8. SHARE CAPITAL

(a) AUTHORIZED

Unlimited number of common shares

1 Special voting share, carrying 3,182,987 votes (Notes 9 and 10)

(b) COMMON SHARES ISSUED

	Number of Shares	Amount
Balance, December 31, 2008	55,599,862	\$ 29,299,882
Issued on the exercise of warrants (Note 8)	500,000	200,000
Value assigned to exercised warrants	-	71,343
Issued on the exercise of stock options	400,000	400
Opel Inc. Exchangeable Shares, exchanged into common shares of the Company (Note 10)	1,803,000	367,547
Balance, September 30, 2009	58,302,862	\$ 29,939,172

9. SPECIAL VOTING SHARE

	Number of Shares	Amount
Balance, December 31, 2008 and September 30, 2009	1	\$ 100

On June 5, 2007, one (1) special voting share was issued in conjunction with a Support and Trust Agreement entered into amongst the Company, OPEL Inc. and Equity Transfer & Trust Company. The special voting share carries 3,182,987 votes.

10. SHARES TO BE ISSUED

Pursuant to a RTO agreement, the Company was obligated to issue 5,972,000 shares to common shareholders of Opel Inc. in exchange for their 5,972,000 Exchangeable Shares of Opel Inc. The value ascribed to the 5,972,000 shares to be issued was \$1,217,408. Since 2008, 2,789,013 common shares were issued to Opel Inc. shareholders in exchange for 2,789,013 Exchangeable Shares. A value of \$568,547 was attributed to the 2,789,013 exchanged shares.

The following table reflects the continuity of and shares to be issued:

	Number	Value
Balance, December 31, 2008	4,985,987	\$ 1,016,407
Exchangeable shares exchanged into common shares	(1,803,000)	(367,547)
Balance, September 30, 2009	3,182,987	\$ 648,860

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

11. WARRANTS

The following table reflects the continuity of warrants:

	Average exercise price	Number of warrants	Black-Scholes value
Balance, December 31, 2008	\$ 1.27	21,798,622	\$ 7,333,164
Exercised	0.40	(500,000)	(71,343)
Expired	0.60	(1,609,373)	(346,783)
Balance, September 30, 2009	\$ 1.35	19,689,249	\$ 6,915,038

As at September 30, 2009 the following warrants were outstanding:

	Number of Warrants	Fair Value (\$)	Exercise Price (\$)	Expiry Date
	166,667	56,326	1.00	November 20, 2009
	7,500,000	3,063,951 (1)	1.88	December 13, 2009
Broker units	1,500,000	612,790 (1)	1.88	December 13, 2009
	1,332,500	280,306	1.00	March 9, 2010
	2,647,835	557,498	1.00	March 26, 2010
	692,000	146,089	1.00	April 11, 2010
	2,578,000	545,312	1.00	May 11, 2010
	672,149	142,836	1.00	May 28, 2010
	2,600,098	1,509,930	0.60	June 25, 2010
	19,689,249	6,915,038		

(1) These warrants were issued in Canadian dollars and are exercisable at \$1.90 CDN.

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS

On June 17, 2009, shareholders of the Company approved a new fixed 20% stock option plan (the "New Plan"). Under the New Plan, the board of directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and consultants. The New Plan provides that the number of common shares issuable pursuant to options granted under the New Plan and pursuant to other previously granted options is limited to 12,115,000 (the "Number Reserved"). Any subsequent increase in the Number Reserved must be ratified by shareholders of the Company and cannot exceed 20% of the number of issued and outstanding shares. Options granted under the New Plan generally vest 25% immediately and 25% every six months from the date of issue, however, the directors may, at their discretion, specify a different vesting period.

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS (continued)

Stock option transactions and the number of stock options outstanding under the plan are as follows:

	Number of stock options		Weighted average exercise price	
	2009	2008	2009	2008
			\$	
Opening Balance	6,524,000	6,876,000	0.76	0.65
Options expired/cancelled	(60,000)	(59,000)	0.42	0.85
Options exercised	(400,000)	(1,098,000)	0.001	0.07
Options granted	1,427,000	805,000	0.19	0.77
Closing balance	7,491,000	6,524,000	0.70	0.76

During the period, the Company granted the following stock options to directors, officers, employees and consultants of the Company to purchase common shares at a weighted average exercise price of \$0.19 per share:

Date	Number of options	Price (\$)	Expiry
February 13, 2009	865,000	0.13	February 13, 2014
April 16, 2009	262,000	0.21	April 16, 2014
May 21, 2009	155,000	0.36	May 21, 2014
June 17, 2009	10,000	0.45	June 17, 2014
August 20, 2009	80,000	0.35	August 20, 2014
September 29, 2009	55,000	0.37	September 29, 2014
	1,427,000	0.19	

Of the 1,427,000 (2008 - 380,000) stock options granted during the period, 603,000 (2008 - 136,250) have vested with the remainder vesting at various intervals over the next 18 months.

The 1,427,000 (2008 - 380,000) stock options granted during the period were valued at \$233,137 (2008 - \$330,561). During the period, \$149,780 (2008 - \$199,788) relating to vested stock options was charged to stock-based compensation and credited to contributed surplus. The remaining \$83,357 (2008 - \$130,863) will be charged to stock option compensation over the remaining vesting period.

Stock-based compensation expense includes \$173,430 (2008 - \$891,347) relating to vested stock options that were granted in prior years.

The stock options granted during 2009 and 2008 were valued using the Black-Scholes option pricing model using the following assumptions;

	2009	<u>2008</u>
Weighted average risk-free interest rate	2.13%	3.50%
Weighted average dividend yield	0%	0%
Weighted average volatility	126%	80%
Weighted average estimated life	5 years	5 years

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS (continued)

Details of the stock options outstanding at September 30, 2009 were as follows:

Value (\$)	Exercisable Options	Number of Options	Exercise Price (\$)	Expiry Date
105,519	310,000	310,000	0.50	March 15, 2011
6,674	20,000	20,000	0.50	June 26, 2011
111,907	300,000	300,000	0.50	September 30, 2011
122,942	305,000	305,000	0.60	April 26, 2012
32,824	200,000	200,000	0.25	May 15, 2012
45,133	275,000	275,000	0.25	May 18, 2012
120,920	300,000	300,000	0.60	May 24, 2012
20,154	50,000	50,000	0.60	May 31, 2012
20,154	50,000	50,000	0.60	June 22, 2012
1,472,016	3,119,000	3,119,000	0.94 (1)	September 21, 2012
239,423	390,000	390,000	1.48 (1)	December 14, 2012
55,819	165,000	165,000	1.18 (1)	February 12, 2013
71,220	118,750	190,000	1.46 (1)	April 29, 2013
6,154	18,750	25,000	1.03 (1)	June 19, 2013
65,080	168,750	225,000	0.44 (1)	July 29, 2013
9,299	55,000	110,000	0.11 (1)	November 6, 2013
9,900	45,000	90,000	0.15 (1)	December 5, 2013
97,812	432,500	865,000	0.13 (1)	February 13, 2014
46,017	65,500	262,000	0.21 (1)	April 16, 2014
28,335	38,750	95,000	0.36 (1)	May 21, 2014
3,534	2,500	10,000	0.45 (1)	June 17, 2014
23,760	20,000	80,000	0.35 (1)	August 20, 2014
16,901	13,750	55,000	0.37 (1)	September 29, 2014
2,731,497	6,463,250	7,491,000		

(1) These stock options were issued in Canadian dollars and are exercisable at prices ranging from CDN \$ 0.13 - \$1.48.

The following table reflects the continuity of contributed surplus:

	Amount
Balance, December 31, 2008	\$ 3,333,750
Stock-based compensation	323,210
Expired warrants	346,783
Balance, September 30, 2009	\$ 4,003,743

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

13. PER SHARE AMOUNTS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Numerator				
Net loss	\$ (1,904,939)	\$ (1,929,110)	\$ (6,758,110)	\$ (5,120,679)
Denominator				
Weighted average number of common shares outstanding	57,721,826	53,426,809	56,466,426	53,253,896
Weighted average number of common shares outstanding - diluted	59,029,712	57,118,992	57,565,965	56,900,733
Basic and diluted loss per share	\$ (0.03)	\$ (0.04)	\$ (0.12)	\$ (0.10)

The effect of common share purchase options, warrants, broker warrants and shares to be issued on the net loss in 2009 and 2008 is not reflected as it is anti-dilutive.

14. LEASES

The Company has operating leases for office and research facilities. The lease for office facilities was entered into in 2006; the lease for the research facility was entered into in 2005 and amended in 2006.

Rent expense under these leases was \$157,279 and \$53,432 for the nine months ended September 30, 2009 and 2008 respectively. Further, as of September 30, 2009, the remaining minimum annual rental payments to the lease expiration dates were:

2010	\$ 97,364
2011	81,227
2012	90,354
2013	90,354
2014 and thereafter	67,766
	\$ 427,065

**OPEL INTERNATIONAL INC.
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15. SEGMENT DISCLOSURE

The Company operates in the industrial products and hardware sector and has its operations in the United States of America and Canada.

September 30, 2009

	USA	Canada	Europe	Consolidated
Current assets	\$ 8,490,553	\$ 6,906,127	\$ 1,080,111	\$ 16,476,791
Equipment	1,728,395	-	-	1,728,395
Patents and licenses	233,731	-	-	233,731
	\$ 10,452,679	\$ 6,906,127	\$ 1,080,111	\$ 18,438,917
Revenue	\$ 477,810	\$ -	\$ 69,005	\$ 546,815
Research and development	2,912,412	-	-	2,912,412
General and administration	3,461,581	574,228	110,453	4,146,262
Cost of goods sold	376,889	-	67,192	444,081
Interest income	(19,343)	(97,948)	(8,914)	(126,205)

September 30, 2008

	USA	Canada	Europe	Consolidated
Current assets	\$ 8,201,308	\$ 16,924,477	\$ -	\$ 25,125,785
Equipment	434,195	-	-	434,195
Patents and licenses	265,722	-	-	265,722
	\$ 8,901,225	\$ 16,924,477	\$ -	\$ 25,825,702
Revenue	\$ 577,398	\$ -	\$ -	\$ 577,398
Research and development	2,385,647	-	-	2,385,647
General and administration	2,496,952	1,286,510	-	3,783,462

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
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16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, short-term investments, accounts receivable, marketable securities, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company estimates that the fair value of these instruments approximate the carrying values due to their short term nature.

The Company has classified financial instruments as follows:

	2009	2008
Financial assets:		
Held-for-trading, measured at fair value:		
Cash and cash equivalents	\$ 6,287,479	\$ 14,444,975
Short-term investments	2,449,272	2,289,717
Loans and receivable, measured at amortized cost:		
Accounts receivable	380,010	433,235
Available-for-sale, measured at fair value:		
Marketable securities	345	345
	\$ 9,117,106	\$ 17,168,272

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of short-term investments and accounts receivable. Short-term investments consist of US Treasury notes, held with reputable financial institutions from which management believes the risk of loss is remote. The Company has accounts receivable from parties in various industries and governmental agencies that are currently concentrated in the United States of America. While economic factors can affect credit risk, the Company manages risk by providing credit terms on a case by case basis. The Company has not experienced any significant instances of non-payment from its customers. At September 30, 2009, accounts receivable balances were concentrated among three customers.

Exchange Rate Risk

The functional currency of the Company is the Canadian dollar. The Company's operations in the United States and Europe are considered to be self-sustaining. The Company's operations in foreign markets expose it to the risk of foreign currency fluctuations. Potential exposure relates to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company's foreign operations. Currencies in which the Company's exposure to foreign currencies mainly include the Canadian dollar and Euro. A 1% change in the Canadian dollar and the Euro would increase or decrease other comprehensive income (loss) and net income by \$73,811 and \$11,659 respectively.

Since the Company's operations predominantly transact their sales and purchases in their respective domestic currencies, the exposure is reduced and, therefore, the Company typically does not hedge accounts receivable and accounts payable that may be denominated in a foreign currency.

Interest Rate Risk

Short-term investments bear interest at fixed rates, and as such, are subject to interest rate risk resulting from changes in fair value from market fluctuations in interest rates.

**OPEL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2009
(Unaudited)**

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity Risk

The Company currently does not maintain credit facilities, and relies on equity funding to ensure it has sufficient available funds to meet current and foreseeable financial requirements. The contractual maturity of financial liabilities mainly comprising accounts payable and accrued liabilities is less than one year, as at the reporting date.

Fair Value

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its short-term investments and marketable securities. The Company's other financial instruments (cash, accounts receivable and accounts payable and accrued liabilities) are not subject to market risk, due to the short-term nature of these instruments. A 5% change in fair values of short-term investments and marketable securities would decrease or increase net loss by \$352,852 and other comprehensive income (loss) by \$4,780 respectively.

17. CAPITAL MANAGEMENT

In the management of capital, the Company includes shareholders equity (excluding accumulated other comprehensive income and deficit), cash and short-term investments, the capital of the Company was \$50,243,663 at September 30, 2009. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value through organic growth and responding to changes in economic and/or market conditions; to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and to safeguard the Company's ability to obtain financing should the need arise.

Currently, the Company has no outstanding debt or covenants, and therefore has no externally or internally imposed capital requirements. As soon as the Company is able to raise debt financing on favourable terms, it may consider this form of capital compared to equity financing, allowing for minimum dilution and maximum shareholder value.

In maintaining its capital, the Company has a strict investment policy which includes investing its surplus capital only in highly liquid, highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the period.

18. VARIABLE INTEREST ENTITY

In January of 2009, OSE, a wholly owned subsidiary of Opel Inc., acquired a 50% interest in the issued and outstanding shares of Betasol Energias Alternativas, S.L. ("Betasol") in Spain for \$2,311 (Euros 1,750). Betasol was created for the purpose of developing a "solar grid field" in Spain for sale to an independent third party. OSE analysed its relationship with Betasol, and determined that OSE was the primary beneficiary and as such Betasol was a VIE. Accordingly, the Company consolidated the results of operations, cash flows and financial position of Betasol.