

OPEL INTERNATIONAL INC.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

The following discussion and analysis of the operations, results, and financial position of Opel International Inc. (formerly Tandem Resources Ltd.), (the "Company") for the year ended December 31, 2007 should be read in conjunction with the December 31, 2007 audited consolidated financial statements and the related notes thereto. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The effective date of this report is April 16, 2008. All financial figures are in United States dollars (US) unless otherwise indicated.

Forward-Looking Statements

This management discussion and analysis contains forward-looking statements that involve risks and uncertainties. It uses words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", and other similar expressions to identify forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the early stage of the Company's development and the possibility that future development of the Company's technology and business will not be consistent with management's expectations, difficulties with achieving in commercial production or interruptions in such production if achieved, the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, the uncertainty of profitability and failure to obtain adequate financing on a timely basis. The Company undertakes no obligation to update forward-looking statements if circumstances or Management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

Business Overview

The Company was incorporated in the Province of Ontario and continued in the Province of New Brunswick on January 30, 2007. Through its subsidiary, Opel Inc. ("Opel"), it is engaged principally in the development and marketing of concentrating solar panels for commercial applications and developing a gallium arsenide microchip and the process to produce it for various applications. On September 26, 2006, the shareholders of the Company approved a capital transaction agreement with Opel Inc. ("Opel") a private, technology company, incorporated under the laws of Delaware. The capital transaction was accounted for as a reverse take over ("RTO"). On June 8, 2007, the Company completed a private placement of US\$10.7 million, which exceeded the requirements of liquidity for listing on the Toronto Venture Exchange, "TSXV". Subsequently, on June 26, 2007, the Company's shares began trading under the symbol "OPL" on the TSXV.

Opel designs, manufactures and markets high performance concentrating photovoltaic products to transform solar energy into electricity for worldwide application. Opel's high performance photovoltaic concentrating products generate up to 40% more kilowatt-hours than conventional fixed solar panels, resulting in more cost effective electricity generated from the sun. In certain circumstances, Opel will operate on premise generating facilities that provide customers with solar generated electricity at competitive rates without the need of capital investments on their part. Opel also designs infrared sensor type products for military and industrial applications.

Opel continues to be an early-stage technology company that is developing gallium arsenide based processes and semiconductor microchip products having several potential major market applications: solar concentrator cells and panels for use in power grid applications and commercial rooftops, infrared sensor arrays for security monitoring and imaging along with the unique combination of optical (lasers), and electronic control circuits on the same microchip for telecommunication applications such as Fiber To The Home ("FTTH"). The use of gallium arsenide as the key material in Opel's solar cell development will permit the use of these cells under solar concentration with greatly increased output compared to flat plate solar collector designs done in silicon, as presently used. Opel has been awarded several US Department of Defense projects since 2000. These have been and continue today to support Opel's Planar Opto-Electronic Technology ("POET") process development, infrared sensing technology, optical/laser

development and the combination of electronic circuits and lasers on the same microchip. Opel remains active in this area with several recent projects underway with the US Department of Defense.

The solar cell development is based on the use of gallium arsenide chips being designed by OPEL which when ready, will be processed by the Canadian Photonics Fabrication Center (“CPFC”) which is a part of the Canadian National Research Centre in Ottawa, Canada. The following development phase of an Opel solar cell multi-junction development will be based on a variation of Opel’s POET technology after the transfer is complete from Opel’s University of Connecticut (“UCONN”) Laboratory to a qualified fabrication source such as CPFC in Ottawa or BAE Systems. This variation will include an adjusted transistor design from the present POET process.

Opel was founded in December 2000. It received its first two government contract awards in 2001, for an aggregate of US\$1.07 million. During 2001, Opel demonstrated its first thyristor operation (electrical only) and obtained two patents. Since then, Opel has been granted a total of \$5,230,000 in government contracts. Opel has filed a total of 46 patents of which 23 have been granted to date.

Significant Events in 2007

The Company achieved certain milestones in 2007 which are significant to the development of the Company and are considered necessary foundation achievements to the Company’s future success.

1. Opel met the requirements to be listed on the Toronto Venture Exchange and its shares began trading under the symbol “OPL” in June, 2007.
2. Opel closed private placements of \$10.7M in June and \$22.2M in December of 2007.
3. The CPFC in Ottawa, successfully ran a prototype wafer of Opel’s first generation multi-junction solar cells.
4. Pre-production units of the Mk-I high concentration and the Mk-III low concentration solar panel assembled and in test.
5. Several orders were received for installations of trial concentrating solar systems to be installed at power companies in Canada, California and the Czech Republic.
6. Signed an exclusive distribution and OEM agreement with FEiNA SPC, a well known Spanish tracker company.
7. Designed a unique low profile roof top tracker system for use with any type of solar panel.
8. Placed a volume purchase order for the supply of high efficiency, multi-junction solar cells from Boeing-Spectrolab in 2008.
9. Opel continued in the discovery and preparation for patent filings on the POET and solar technologies.

Selected Annual Information

The following are the highlights of financial data of the Company for the most recently completed three financial years which have been prepared in accordance with Canadian generally accepted accounting principles:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Sales	\$ 931,717	\$ 1,100,424	\$ 821,260
Interest income	227,439	-	-
Research and development	1,359,944	1,091,351	591,807
Amortization	116,406	106,487	72,160
General and administrative	3,211,576	1,769,260	252,956
Professional fees	378,607	294,607	48,943
Interest expense	270,162	65,501	117,113
Stock based compensation	1,571,132	81,868	147,709
Net loss	<u>\$ (5,748,671)</u>	<u>\$ (2,308,650)</u>	<u>\$ (409,428)</u>

Explanation of 2007 Annual Results

During 2007, the Company generated sales of \$931,717 as compared to sales of \$1,100,424 in 2006. This decrease was due to the completion of one of the US Government SBIR contracts in the first quarter of 2007. This was as per plan as the contracts have a billing cycle. No additional SBIR contracts were added in 2007.

Total expenses in 2007 were \$6,680,388 versus \$3,409,074 in 2006. This increase of \$3,271,314 is the result of the following significant items; the non-cash valuation of our stock compensation was \$1,489,264 over our 2006 expense, this included a revaluation of stock options that were issued in 2005 and 2006. The revalued options were abridged by 2 years resulting in additional compensation expense of \$93,000. We also had a non-cash valuation of shares issued as a penalty for the delay in Opel's stock being listed on the TSXV equaling \$216,000, our R&D expense was higher than 2006 by \$268,593 due to the addition of our solar work, professional fees were higher in 2007 by \$84,000 due to the two private placements we did and patent filings, finally, G&A expenses were higher in 2007 by \$1,439,808, substantially due to our increased headcount during the year. 2007 also included a non cash interest expense of \$133,000 relating to the interest cost associated with a convertible debenture. Due to the nature of the debenture, Canadian generally accepted accounting principles required the debenture to be bifurcated. This bifurcation resulted in additional non cash interest cost of \$133,000 over and above the face value interest of \$131,402. Of the \$131,402 of interest, \$81,208 was settled with the issuance of 200,196 units of the Company. Refer to Note 9b of the December 31, 2007 audited consolidated financial statements for details.

The net loss for the year ended December 31, 2007 was \$5,748,671 as compared to a net loss of \$2,308,650 for the year ended December 31, 2006. Basic and diluted net loss per common share in fiscal 2007 and 2006 were \$0.17.

Summary of Quarterly Results

The following are the highlights of financial data of The Company for the most recently completed eight quarters which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts herein are expressed in United States dollars unless otherwise indicated:

	Dec. 31/07	Sep. 30/7	Jun. 30/7	Mar. 31/7	Dec. 31/06	Sept. 30/06	Jun. 30/06	Mar. 31/06
Sales	209,347	233,795	204,340	284,235	191,761	310,080	428,640	169,943
Research and development	409,379	374,763	276,752	299,050	137,096	264,821	352,003	337,431
Depreciation and Amortization	34,552	28,939	27,079	25,836	31,360	25,042	32,471	17,614
Professional fees	188,431	79,249	52,994	57,933	25,785	56,313	97,725	114,784
Stock-based compensation	894,084	463,028	214,020	-	-	-	5,017	76,851
General and administrative	841,660	955,677	683,426	730,813	824,053	323,394	289,771	334,550
Interest (income) expense	31,567	(114,457)	85,565	40,048	4,055	20,191	20,468	20,787
Net income (loss)	(2,190,326)	(1,553,404)	(1,135,496)	(869,445)	(830,588)	(374,665)	(368,815)	(732,074)

Explanation of Quarterly Results

The Company's net loss for the three months ended December 31, 2007 was \$2,190,326 compared to a net loss of \$830,588 for the same period in 2006. The three months ended December 31, 2007 included a non-cash expense of \$894,084 related to the valuation of stock options, expensed in the quarter. We experienced an increase of \$270,000 in materials and subcontracted labor to our solar product development and additional employee salaries in R&D. Our G&A remains consistent year over year. The non-cash expense related to the valuation of options granted by Opel is necessary to attract and hold highly skilled employees.

Liquidity and Capital Resources

The Company had a working capital of \$29,263,691 at December 31, 2007, compared to a working capital deficiency of \$(286,849) on December 31, 2006. This positive increase is due to the closing of the private placements in June and December, 2007.

Of the Company's \$30,406,871 of assets, \$29,841,872 is classified as current assets, which includes \$27,016,236 of cash and \$502,039 of short-term investments.

In an effort to solidify the value of the Company's patents and licenses, the Company paid \$100,000 to convert its license agreement for certain intellectual property into an irrevocable license.

During the year the company completed \$32,747,972 of equity financing by issuing 32,509,965 units at an average price of approximately \$1.01 per unit. \$3,464,934 of issue cost was paid relating to the financings. Each unit is

comprised of common shares and warrants with each warrant exercisable into common shares at prices ranging from \$1.00 to \$1.88 and dates expiring no later than May 28, 2010.

The Company also received \$687,367 from the exercise of 894,465 warrants and broker warrants.

Refer to note 9(b) of the December 31, 2007 audited consolidated financial statements for details of the Company's equity financings during the year.

The Company currently has no plans for new financing in 2008. Management is satisfied that the current cash reserves are sufficient to fund the Company's expansion, inventory purchase commitments and research programs for 2008.

Summary of the RTO transaction

On September 26, 2006, the shareholders of the Company approved a reverse takeover ("RTO") transaction with Opel Inc. a private, technology company incorporated under the laws of Delaware.

Under the terms of the RTO transaction, that commenced on December 30, 2005, the Company purchased newly issued Class A common shares from the treasury of Opel Inc. and purchased promissory notes payable by Opel Inc. from note holders in exchange for private placement units (refer to note 8 in the December 31, 2007 audited consolidated financial statements). Effective with the approval of the RTO, the holders of Opel Inc.'s 5,972,000 common shares, being all the shares not owned by the Company, were given the right to exchange each common share held in Opel Inc. into one common share of the Company. This was evidenced by the cancellation of all the common shares of Opel Inc. and the issuance of Exchangeable Shares of Opel Inc. (the "Exchangeable Shares") to the same holders, which was completed subsequent to December 31, 2006. The Exchangeable Shares cannot be transferred or sold unless exchanged into common shares of the Company. The effect of this share exchange along with other common shares of the Company held by shareholders of Opel Inc. and the effective control of the management of the Company by Opel Inc. resulted in the transaction being accounted for as a RTO. The RTO was accounted for as a capital transaction as the Company did not meet the definition of a business.

In order to provide holders of the 5,972,000 Opel Inc. Exchangeable Shares with voting rights at the Company level pending exchange or redemption of the Exchangeable Shares, a special voting share of the Company was created and issued to Equity Transfer and Trust Company on behalf of holders of the Exchangeable Shares. The special voting share carries a number of votes equal to the number of Exchangeable Shares outstanding.

In conjunction with the RTO on September 26, 2006, the Company changed its name to Opel International Inc. and consolidated its shares on a 1:20 basis.

The Company also agreed to assume, on substantially the same terms and conditions, the 660,000 outstanding share purchase warrants and 3,030,000 stock options of Opel Inc. During the year, the 660,000 warrants were cancelled and reissued as warrants of the Company.

The Company met the requirements to be listed on the Toronto Venture Exchange and its shares began trading on June 26, 2007 under the symbol "OPL".

Critical Accounting Estimates

Stock-based Compensation

The Company uses the fair value method to account for stock options granted after January 1, 2003. Under the fair value method, the Company recognizes estimated compensation expense related to stock options over the vesting period of the options granted, with the related credit being charged to contributed surplus. Upon exercise of these stock options, amounts previously credited to contributed surplus are reversed and credited to share capital.

The dilutive effect of stock options is determined using the treasury stock method and the if-converted method for convertible debentures.

Other stock-based payments

The Company accounts for other stock-based payments based on the fair value of the equity instruments issued or service provided, whichever is more reliable.

Inventory Valuation

Inventory consists of solar panels produced to the Company's specifications. Inventory is stated at the lower of cost, determined by the first-in, first-out basis.

Cumulative Translation Adjustment

GAAP requires certain gains and losses such as certain exchange gains and losses arising from the translation of the financial statements of a self-sustaining foreign operation to be included in comprehensive income.

Related Party Transactions

Loan Agreement

On October 30, 2006, a Director loaned \$14,000 to the Company for a period ending April 30, 2007 at an interest rate of prime plus 1%. A loan agreement was entered into with the Company and 200,000 shares of Richmond Minerals Inc. were pledged as collateral. The lender ceased to be a Director of the Company on January 30, 2007. In July 2007, the lender agreed to keep the Richmond shares as full settlement of the principal and interest portion of the loan.

Debenture Financing

On January 30, 2007, the Company closed a convertible debenture financing of \$2,000,000 by a significant investor of the Company. The Company paid \$200,000 of issue cost relating to this financing. The investor was considered a Related Party by virtue of holding greater than 20% of the voting securities of the Company at the time of the transaction. The debenture matured January 30, 2009, paid interest at the rate of 1% per month (increasing to 1.5% per month if certain events had not occurred by June 30, 2007), and upon completion of a minimum of \$5,500,000 equity financing and listing on a Canadian exchange, would be convertible at the option of the lender into either a special warrant or units at \$0.40 per unit, each unit comprised one common share of the Company and one half common share purchase warrant to purchase additional shares at \$0.60 per share for a period of 3 years from the date of conversion.

On June 26, 2007, \$1,630,000 of the convertible debenture was converted into 4,075,000 shares and 2,037,500 warrants of the Company and \$370,000 was converted into 925,000 special warrants and 462,500 warrants of the Company. Each special warrant is exchangeable into one common share of the Company at no additional cost to the holder. Each warrant is exercisable into common shares of the Company at a price of \$0.60 per common share until June 25, 2010. The 2,500,000 warrants were valued at \$1,428,144.

Accrued interest on this debenture totaled \$131,402. Of this amount \$81,208 was converted into 200,196 shares and 100,098 warrants of the Company, \$18,473 was paid in cash and \$31,721 is included in accounts payable and accrued liabilities. Each warrant is exercisable into common shares of the Company at a price of \$0.60 until June 25, 2010. The 100,098 warrants were valued at \$57,182.

Due to the debenture having both a debt and an equity component, the debenture was bifurcated resulting in \$1,684,423, net of issue cost of \$187,158 allocated to debt and \$115,577, net of issue cost of \$12,842 allocated to equity. The interest expense was calculated using the effective interest rate method applied to the debt component. The resulting interest rate was 20.12%. The additional interest expense of \$133,000 was included in the current year's loss with the corresponding value allocated to common shares and warrants. The amount of \$108,395 allocated to common shares and \$24,605 to warrants, represented the pro rata share of the equity component of the debenture.

Contractual Obligations

In December 2007, the Company made an initial prepayment of \$1,000,000 as evidence of its commitment to ensure the available supply of solar cells on a timely basis. The initial prepayment is included in prepaids and other current assets.

Adoption of New Accounting Policy

Financial Instruments, Comprehensive Income (Loss), and Hedges

Effective January 1, 2007, the Company has adopted the provisions of the following new CICA Handbook Sections:

(a) Section 3855 "Financial Instruments – Recognition and Measurement"

This section describes the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Under the new standard, all financial instruments will be classified as one of the following: Held-to-maturity; Loans and receivables, Held-for-trading; or Available-for-sale. Financial assets and liabilities held-for-trading will be measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading, will be measured at amortized cost. Available-for-sale financial instruments will be measured at fair value with unrealized gains and losses

recognized in other comprehensive income. The standard also permits designation of any financial instrument as held-for-trading on initial recognition, provided reliable estimates of fair value are available.

Other accounting implications arising upon the adoption of section 3855 include the use of the effective interest method for any transaction costs or fees earned or incurred for financial instruments measured at amortized cost, and the recognition of the fair value of the obligation undertaken in issuing a guarantee that meets specified criteria.

(b) Section 1530 “Comprehensive Income” and Section 3251 “Equity”

These sections describe standards for reporting and disclosing comprehensive income, its components and related changes in equity. Comprehensive income represents the change in shareholders’ equity from transactions and other events from non-owner sources. Other comprehensive income refers to items that are recognized in comprehensive income but excluded from net income calculated in accordance with generally accepted accounting principles until such time as it is considered appropriate to recognize them in net income. The Company recognized an unrealized gain in currency translation resulting from the use of a reporting currency that differs from the functional currency of the Company.

(c) Section 3861 “Financial Instruments – Disclosure and Presentation”

The Company's financial instruments include cash, accounts receivable, short-term investments, marketable securities, accounts payable and accrued liabilities, notes payable and notes payable to related parties. Upon adoption of these new standards, the Company designated its cash and short-term investments as held-for-trading, its accounts receivable as loans and receivables, and its account payable and accrued liabilities, and notes payable to related parties as other financial liabilities. The fair values of these financial instruments approximate their carrying values because of their short term nature. The Company had no held-to-maturity or available-for-sale financial assets.

Impact Upon Adoption of These Sections

The adoption of this new accounting policy resulted in no material adjustments to marketable securities considered to be held-for-trading.

Financial Instruments

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.

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. Management does not believe that there is significant credit concentration or risk.

Exchange Rate Risk

The Company transacts a significant portion of its business in US currency and is therefore exposed to currency fluctuations.

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.

Liquidity Risk

The Company has no income and relies on equity fund raising to support its R&D program. Management prepares budgets and ensures funds are available prior to commencement of any such program.

Market Risk

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.

Strategy and Outlook

The Company is prepared for growth and the transition from a development stage company to one of sales of commercial solar products is 2008. There are a number of projects planned, many of which have already begun. The short-term and long-term goals of the Company include, but are not limited to the following:

- Enter into a long term supply agreement with a major manufacturer of high efficiency, multi-junction solar cells to secure access to production volumes of this key component.
- Migrate Opel's Mk-I high concentration solar panel to a volume manufacturing facility in Mexico, allowing Opel to be ready to meet production orders by late 2008.
- Fill out key management positions within Opel, ie. VP Engineering, VP Sales, VP Operations, and VP Administration to assist in the Company's growth plans.
- Begin to deliver initial roof top solar installations in Connecticut to take advantage of the State's new solar funding initiative, installations to begin in Q2 2008.
- Work with Opel's initial trial installations in Canada, California and the Czech Republic to ensure they are successful and migrate these customers to larger scale installations.
- Initiate a follow-on program in Canada with the National Research Council for the next generation high efficiency, multi-junction solar cell development and the next generation concentrating solar panel system.

Subsequent Events

Subsequent to December 31, 2007, the Company issued 453,150 common shares for the exercise of warrants at prices ranging from \$0.60 - \$1.00. The Company also issued 246,500 common shares for the exercise of warrants that were classified as shares to be issued. 925,000 common shares were also issued for the exercise of a special warrant.

Opel has hired a VP of Engineering to take control of the R&D function and to help fill out the management ranks.

Opel entered into a five year solar cell supply contract with Spectrolab Inc., securing adequate access to a key component of its high concentrating solar panel product.

Outstanding Share Data

Common Shares	Number of Shares	Amount
Balance, December 31, 2006	11,701,891	\$ 2,368,854
Common shares issued for cash	32,509,965	32,747,972
Issued on conversion of convertible debenture	4,075,000	1,630,000
Issued on the exercise of stock options	530,000	18,500
Issued on the exercise of warrants	894,465	687,367
Share issue costs	-	(3,464,934)
Value assigned to warrants	-	(6,397,244)
Value assigned to broker warrants	-	(1,058,842)
Issued on interest conversion	200,196	81,208
Interest adjustment relating to convertible debenture	-	108,395
Listing delay penalty shares Issued	1,560,000	648,000
Value assigned to exercised warrants	-	69,290
Value assigned to exercised stock options	-	12,092
Balance, December 31, 2007	51,471,517	\$ 27,450,658

Special Voting Share	Number of Shares	Amount
Balance, December 31, 2006	-	\$ -
Special voting share issued for cash	1	100
Balance, December 31, 2007	1	\$ 100

Outstanding warrant data

As at December 31, 2007 the following warrants were outstanding:

	Number of Warrants	Fair Value (\$)	Exercise Price (\$)	Expiry Date
	8,862,371	-	0.75	December 30, 2008
Broker warrants	660,000	165,000(1)	0.50	December 30, 2008
Broker warrants	644,530	138,184	0.60	May 11, 2009
Broker warrants	80,658	17,362	0.60	May 28, 2009
Broker warrants	749,137	159,928	0.60	June 5, 2009
Broker warrants	132,040	28,260	0.60	June 5, 2009
Broker warrants	20,000	6,677	0.60	June 5, 2009
Broker warrants	500,000	71,343	0.40	June 5, 2009
	166,667	56,326	1.00	November 20, 2009
	7,500,000	3,063,95(2)	1.88	December 13, 2009
Broker units	1,500,000	612,790(2)	1.88	December 13, 2009
	1,332,500	280,306	1.00	March 9, 2010
	2,674,835	563,183	1.00	March 26, 2010
	692,000	146,089	1.00	April 11, 2010
	3,046,150	644,355	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
	31,833,135	7,606,520		

(1) The 660,000 Broker warrants assumed during the RTO were valued at \$165,000.

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

Outstanding Stock options

Details of the stock options outstanding at December 31, 2007 were as follows:

Value (\$)	Exercisable Options	Number of Options	Exercise Price (\$)	Expiry Date
-	1,300,000	1,300,000	0.001	March 14, 2010
105,519	310,000	310,000	0.50 (1)	March 15, 2011
6,674	20,000	20,000	0.50 (1)	June 26, 2011
111,907	300,000	300,000	0.50 (1)	Sept 30, 2011
122,942	305,000	305,000	0.60	April 26, 2012
32,824	200,000	200,000	0.25	May 15, 2012
65,648	400,000	400,000	0.25	May 18, 2012
155,182	385,000	385,000	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
1,032,454	791,500	3,166,000	0.94 (2)	Sept 21, 2012
115,159	97,500	390,000	1.48 (2)	Dec 14, 2012
1,788,617	4,209,000	6,876,000		

(1) During the year, the expiry dates of these options were abridged by 2 years in order to conform with the policies of the TSX Venture Exchange. The abridged options were revalued which resulted in additional

compensation expense aggregating to \$93,000. The additional stock option compensation expense was included in general and administration expense in the current year.

- (2) These stock options were issued in Canadian dollars and are exercisable at \$0.95 CDN and \$1.50 CDN respectively.

Contractual Obligations

Opel leases office space and research facilities. The office lease extends to April, 2011 whereas the lease on the research facility ended in September, 2007, and the extension is being signed by the University of Connecticut. The total obligation to the end of both leases is \$186,503.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Disclosure Controls

Based on an evaluation of The Company's disclosure controls and procedures, The Company's Chief Executive Officer and Chief Financial Officer have concluded at December 31, 2007 that these controls and procedures operated effectively.

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. It was concluded that there is a weakness in the Company's ability to adequately segregate the duties of the Chief Financial Officer due its size. Management concluded and the Board of Directors agreed that this weakness has not resulted in any material errors in the financial statements of the Company.

This weakness will be mitigated as the Company grows and increases the staffing levels.

Key Business Risks and Uncertainties

Dependence Upon Key Personnel – Opel depends on its senior management and technical staff. If Opel is unable to attract and retain key personnel, it may have a material adverse effect on the Company.

Product Development - Delays in product development or the transition to production may cause a material adverse effect to the Company.

Financial Liquidity – Opel may not have adequate financial reserved to enable it to grow rapidly enough to serve its customer base.

Production Capability – Opel has no history of product production and must rely on outsourcing its products to other companies for production.

Technology Changes – Opel's products are highly reliant upon keeping pace with technological changes. Opel's products are complex and rely on state of the art design methodologies to optimize them for market. If Opel can not afford to keep pace with these changes, it may have a material adverse effect on the Company.

Major Competitors – Opel may face several competitors before it brings its products to market or after thus losing market share which may have a material adverse effect on the Company.

Additional Information

Additional information relating to The Company is available on SEDAR at www.sedar.com.