

OPEL INTERNATIONAL INC.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 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 quarter ended September 30, 2007 should be read in conjunction with the September 30, 2007 unaudited 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 November 29, 2007. 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 semi-conductor 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 21 have been granted to date.

Significant Events in Q3 of 2007

The Company achieved certain milestones in Q3 of 2007 which are significant to the development of the Company and are considered necessary foundation achievements to the Company’s future success.

1. Opel committed to suppliers the final version of piece parts for the Mk-I concentrated solar panels to support initial customer deliveries in Q4.
2. Pre-production units of the Mk-III low concentration solar panel assembled and in test.
3. Met with solar chip supplier to discuss a volume purchase agreement to secure supply for 2008.
4. Completed a prototype of a low profile roof top tracking system.
5. 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>2006</u>	<u>2005</u>	<u>2004</u>
Sales	\$ 1,100,424	\$ 821,260	\$ 871,985
Research and development	1,091,351	591,807	670,932
Amortization	106,487	72,160	-
General and administrative	1,769,260	252,956	620,995
Professional fees	294,607	48,943	-
Interest expense	65,501	117,113	-
Stock based compensation	81,868	147,709	-
Net loss	<u>\$ (2,308,650)</u>	<u>\$ (409,428)</u>	<u>\$ (419,942)</u>

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:

	<u>Sep.</u> <u>30/07</u>	<u>Jun.</u> <u>30/07</u>	<u>Mar.</u> <u>31/07</u>	<u>Dec.</u> <u>31/06</u>	<u>Sept.</u> <u>30/06</u>	<u>Jun.</u> <u>30/06</u>	<u>Mar.</u> <u>31/06</u>	<u>Dec.</u> <u>31/05</u>
Sales	233,795	204,340	284,235	191,761	310,080	428,640	169,943	178,396
Research and development	374,763	276,752	299,050	137,096	264,821	352,003	337,431	135,577
Depreciation and Amortization	28,939	27,079	25,836	31,360	25,042	32,471	17,614	18,040
Professional fees	79,249	52,994	57,933	25,785	56,313	97,725	114,784	33,872
Stock-based compensation	463,028	214,020	-	-	-	5,017	76,851	147,709
General and administrative	955,677	683,426	730,813	824,053	323,394	289,771	334,550	69,658

	<u>Sep.</u> <u>30/07</u>	<u>Jun.</u> <u>30/7</u>	<u>Mar.</u> <u>31/07</u>	<u>Dec.</u> <u>31/06</u>	<u>Sept.</u> <u>30/06</u>	<u>Jun.</u> <u>30/06</u>	<u>Mar.</u> <u>31/06</u>	<u>Dec.</u> <u>31/05</u>
Interest (income) expense	(114,457)	85,565	40,048	4,055	20,191	20,468	20,787	67,365
Net income (loss)	(1,553,404)	(1,135,496)	(869,445)	(830,588)	(374,665)	(368,815)	(732,074)	(293,824)

Explanation of Quarterly Results

The Company's net loss for the three months ended September 30, 2007 was \$1,553,404 compared with a net loss of \$374,665 for the same period in 2006. The three months ended September 30, 2007 included the consolidated loss of both Companies along with a non-cash expense of \$463,028 related to the valuation of stock options granted within the quarter, the increase of \$110,000 in materials and subcontracted labor to our solar product development and additional employee salaries, office rent, and increased business insurance costs in administration. The granting of options by Opel is necessary to attract and hold highly skilled employees.

Explanation of Results for the Nine Months Ended

The Company's net loss for the nine months ended September 30, 2007 was \$3,558,345 compared with a net loss of \$1,478,062 for the same period in 2006. The nine months ended September 30, 2007 included the consolidated loss of both Companies along with an additional non-cash charge of \$432,000, representing a listing delay penalty for the Company not obtaining a listing on the TSX Venture Exchange until the end June, the non-cash expense of \$677,048 related to the valuation of stock options granted within the quarter, additional employee salaries, office rent, and increased business insurance costs. The granting of options by Opel is necessary to attract and hold highly skilled employees.

Financial Condition

The Company had a working capital of \$8,355,236 at September 30, 2007, compared to working capital of \$(286,849) on December 31, 2006. This positive increase is due to the closing of the private placement in June, 2007.

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). 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 consolidation resulted in a reduction in the number of shares outstanding by 216,000,178. Unless otherwise stated, all information related to common shares, stock options and warrants have been retroactively adjusted to reflect this share consolidation.

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

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 stock options under shareholders' equity. Upon exercise of these stock options, amounts previously credited to stock options under shareholders' equity are reversed and credited to share capital.

Other stock-based payments

The Company accounts for other stock-based payments based on the fair value of the equity instruments issued in exchange for the receipt of goods and services from non-employees by using the stock price and other measurement assumptions as at the measurement date.

Inventory

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 method or market.

Related Party Transactions

Loan Agreement

On October 30, 2006, a Director loaned \$13,220 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 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 matures January 30, 2009, pays interest at the rate of 1% per month (increasing to 1.5% per month if certain events have not occurred by June 30, 2007), and upon completion of a minimum of \$5,500,000 equity financing and listing on a Canadian exchange, will be convertible at the option of the lender into either a special warrant or units at \$0.40 per unit, each unit will comprise 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 \$382,500.

Accrued interest on this debenture totaled \$98,551. Of this amount \$80,078 was converted into 200,196 shares and 100,098 warrants of the Company, and the balance of \$18,473 was paid in cash during the period. 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 \$15,314.

The 2,600,098 warrants were valued using the Black-Scholes option pricing model using the following assumptions; risk-free interest rate of 4.74%, volatility factor of 70%, dividend yield of 0% and an expected life of 3 years.

Financial Instruments

The Company's financial instruments consist of cash, receivables, payables and notes payable. 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.

Strategy and Outlook

The Company is prepared for an exciting 2007. There are a number of projects planned, many of which already began. The short-term and long-term goals of the Company include, but are not limited to the following:

- Produce and test Opel's first prototype solar chip at the CPFC in Ottawa. The first chips were available for testing in the second quarter of 2007.
- Migrate Opel's prototype concentrating solar panel to initial pilot manufacturing for low level production orders to be filled in the second half of 2007, and then, plan the production phase for ramping up for production orders in 2008.
- Deliver Opel's first order for a solar installation in Ontario designed to take advantage of the Ontario government's offer to purchase solar generated electricity at a rate of Cdn \$0.42 per kWh.
- 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 Q4 2007.
- Enter into an agreement whereby Opel will be granted sole distribution and OEM agreement with a well established solar tracker manufacturer in Spain.
- Establish the transfer process steps of the POET technology to the CPFC in Ottawa and/or another qualified fabrication facility. This transfer OPEL believes will then provide a foundation going forward of capacity at CPFC.

Outstanding Share Data

Common Shares	Number of Shares	Amount
Balance, December 31, 2006	11,701,891	\$ 2,368,854
Common shares issued for cash	17,509,965	10,505,979
Issued on conversion of convertible debenture (Note 5)	4,075,000	1,630,000
Issued on the exercise of stock options	200,000	200
Share issue costs	-	(1,794,541)
Value assigned to warrants	-	(2,262,623)
Value assigned to broker warrants	-	(510,493)
Issued on interest conversion (Note 5)	200,196	80,078
Listing delay penalty shares Issued	1,560,000	648,000
Balance, September 30, 2007	35,247,052	\$ 10,665,454

Special Voting Share	Number of Shares	Amount
Balance, December 31, 2006	-	\$ -
Special voting share issued for cash	1	100
Balance, September 30, 2007	1	\$ 100

Outstanding warrant data

	Average exercise price	Number of warrants	Black-Scholes value
Balance, December 31, 2006	\$ 0.73	10,368,021	\$ 232,454
Issued	0.85	13,606,079	2,773,116
Balance, September 30, 2007	\$ 0.75	23,974,100	\$ 3,005,570

As at September 30, 2007 the following warrants were outstanding:

	Number of Warrants	Fair Value (\$)	Exercise Price (\$)	Expiry Date
	9,508,021	-	0.75	Dec. 30, 2008
Broker warrants	660,000	165,000 ⁽¹⁾	0.50	Dec. 30, 2008
Broker warrants	644,530	157,910	0.60	May 11, 2009
Broker warrants	134,430	32,934	0.60	May 28, 2009
Broker warrants	584,070	143,097	0.60	Jun. 5, 2009 ⁽²⁾
Broker warrants	387,967	95,052	0.60	Jun. 5, 2009 ⁽²⁾
Broker warrants	33,333	11,128	0.60	Jun. 5, 2009 ⁽²⁾
Broker warrants	500,000	81,500	0.40	Jun. 5, 2009 ⁽²⁾
	166,667	56,326	0.75	Nov. 20, 2009
	1,347,500	287,018	1.00	Mar. 9, 2010
	2,820,685	600,806	1.00	Mar. 26, 2010
	692,000	147,396	1.00	Apr. 11, 2010
	3,222,650	686,420	1.00	May 11, 2010
	672,149	143,168	1.00	May 28, 2010
	2,600,098	397,815	0.60	Jun. 25, 2010
	23,974,100	3,005,570		

(1) Refer to note 2

(2) During the Period, the expiry dates of some of these warrants were abridged in order to conform with the policies of the TSX Venture Exchange relating to broker warrants. Previously 33,333 warrants expired on November 20, 2009, 500,000 on January 30, 2010, 387,967 on March 26, 2010 and 15,900 on April 11, 2010.

Outstanding Stock options

	Number of stock options	Weighted average exercise price (\$)
Opening Balance	3,045,000	0.16
Options exercised	(200,000)	0.001
Options expired	(15,000)	1.66
Options granted	3,986,000	0.88
Ending balance	6,816,000	0.58

Details of the stock options outstanding at September 30, 2007 were as follows:

Value (\$)	Exercisable Options	Number of Options	Exercise Price (\$)	Expiry Date
-	1,600,000	1,600,000	0.001	Mar 14, 2010
76,906	310,000	310,000	0.50	Mar 15, 2011 (1)
4,962	20,000	20,000	0.50	Jun 26, 2011 (1)
49,237	300,000	300,000	0.50	Sep 30, 2011
60,885	165,000	305,000	0.60	Apr 26, 2012
32,824	200,000	200,000	0.25	May 15, 2012
65,648	400,000	400,000	0.25	May 18, 2012
143,910	390,000	465,000	0.60	May 24, 2012
9,225	25,000	50,000	0.60	Jun 22, 2012
463,028	791,500 (2)	3,166,000	0.95	Sep 21, 2012
906,625	4,201,500	6,816,000		

(1) During the Period, the expiry dates of these options were abridged by 2 years in order to conform with the policies of the TSX Venture Exchange.

(2) Although these options are vested, they can not be exercised until shareholders ratify the new stock option plan. See note 8 of the financial statements.

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 \$129,120.

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 September 30, 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 September 30, 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.