OPEL INTERNATIONAL INC.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2009

The following discussion and analysis of the operations, results, and financial position of OPEL International Inc., (the "Company") for the year ended December 31, 2009 (the "Period") should be read in conjunction with the Company's December 31, 2009 audited consolidated financial statements and the related notes thereto. Such financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The effective date of this report is March 24, 2010. All financial figures are in United States dollars (USD) 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 in achieving 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 is incorporated under the laws of the Province of New Brunswick. Through its subsidiary, OPEL Inc. ("OPEL") founded in December of 2000, it is engaged principally in the development and marketing of concentrating solar panels and single and dual axis solar tracking systems for commercial applications and the development of a gallium arsenide microchip for numerous applications, including solar cells. The Company's shares trade under the symbol "OPL" on the TSX Venture Exchange.

OPEL designs, manufactures and markets high performance concentrating photovoltaic ("HCPV") panels to transform solar energy into electricity for worldwide application. OPEL's HCPV panels can generate up to 40% more kilowatt-hours than conventional flat plate silicon solar panels, resulting in more cost effective electricity generated from the sun. With its unique design and high efficiency, OPEL strives to become the leader in HCPV solar panels. OPEL is working on a product roadmap to lower the cost of its HCPV panels to grid parity in 2011. OPEL also markets a complete line of single and dual axis solar trackers to mount solar panels for the optimum power output. These solar trackers can improve the performance of all types of solar panels from 20-40% over a fixed installation. Moving to increase OPEL's presence in Europe, OPEL and two partners formed Alcapi Solartwent Management GmbH ("ASM"), a German limited liability company. ASM was formed for the initial purpose of developing a grid field installation of 712kW in Spain, know as Segovia 1 SL which will be sold to a third party, once completed, and selling electricity to the grid. OPEL looks for partners that are solar integrators or other parties interested in building solar grid fields. OPEL formed OPL Solar Europe SPRL ("OSE"), a Belgium-based subsidiary, to better address other ASM-like opportunities in Europe. The second such opportunity was Betasol Energias Alternativas, S.L. ("Betasol"), a Spanish limited liability company formed to install solar grid fields to be sold to third parties once completed. The first project with Betasol is for 440kW and 330kW is now installed in northwestern Spain, connected to the grid and generating power. The second project identified is a 2.375MW solar farm, also in Spain.

OPEL, through OPEL Defense Integrated Systems ("ODIS"), designs infrared sensor type products for military and industrial applications. ODIS continues to develop gallium arsenide-based processes and semi-conductor microchip products having several potential major market applications: infrared sensor arrays for Homeland Security monitoring and imaging along with the unique combination of optical lasers, and electronic control circuits on the same microchip for potential applications in various military programs and potentially telecom, for Fiber To The Home ("FTTH"). The use of gallium arsenide is a key material in ODIS's Planar Opto-Electronic Technology ("POET") process development for these products. OPEL/ODIS has been awarded several U.S. Department of Defense projects since 2000. These have been and continue today to support ODIS's POET process development, infrared sensing technology, optical/laser development and the combination of electronic circuits and lasers on the same microchip. ODIS remains active in this area with several recent projects underway with the U.S. Department of Defense and two major U.S. defense contractors.

Industry Outlook

Alternative energy has attained a position of heightened awareness due to the high cost of oil over the past few years as well as the world wide concern over the pollution caused by the use of fossil fuels and the resulting global warming. Still, widespread adoption and installation of alternative energy sources, like solar and wind, require a financial subsidy or feed-in tariff to make them competitive with fossil fuels. We have seen the average selling price "ASP" of top quality silicon solar panels drop from $4.50 per watt in early 2008 to $2.00-2.20 per watt today, which aids in the adoption of solar and demonstrates its ability to approach grid parity with other fossil fuels.

In the current economic environment, the worst in decades, many planned funding sources for renewable solar energy projects worldwide were suspended or cancelled which has resulted in a difficult environment to secure loans, credit lines, or raise funds for small to large solar projects. OPEL recognized this environment towards the end of 2008 and implemented a strategy to move forward but at the same time preserved cash, a strategy that has continued thru 2009, and will continue into the foreseeable future. However, OPEL chose not to postpone its development programs and to make customer headway during this difficult period so that when the economic situation improves, OPEL will emerge with a strong customer base and a growing momentum. In doing so, OPEL has worked to install its first fully operational and revenue producing HCPV solar grid field in Spain. This grid once fully completed, will be sold to an independent power provider who will receive the generous solar feed-in tariff issued by the Spanish Government. This strategy has allowed OPEL to step up its production capability and to start to reduce the costs of its HCPV solar panels to ensure OPEL is competitive as the market for larger HCPV projects in its backlog start up in late 2010 and 2011. This strategy has also allowed OPEL to show potential customers working solar grid fields of its HCPV solar panels, to demonstrate their functionality and output as compared to silicon based solar panels, which are more prevalent in the industry.

OPEL is actively cultivating high profile customers and projects in several European countries that have active feed-in tariffs. OPEL believes that the financing of solar projects is starting to pick up and that the U.S. alternative energy stimulus package, individual State incentive programs, as well as the revised Ontario Standard Offer, will stimulate growth. OPEL has also worked to grow its customer base in all of these locations which should yield projects from those relationships and to continue to build its backlog of business for 2010 and 2011.

Significant Events in 2009

OPEL continued to make great strides in 2009. Following are some significant events in the development of the Company which add to the foundation for the achievements of the Company's future success:

1. OPEL, through OPL Solar Europe ("OSE") has entered into a partnership with Fuerza Solar S.L., a Spanish solar integrator, forming Betasol Energias Alternativas, S.L. OSE acquired a 50% interest in Betasol, amounting to $2,210 (Euros 1,750). The Betasol partnership is installing a 440kW solar grid field in Spain. As of December 31, OPEL has delivered 363kW of panels to this project representing approximately $1,000,000 in revenue that will be recognized once this grid field is sold to a third party. A 330kW portion of this installation was already producing power to the grid at the end of the Period, and potential customers are being hosted at the site. The Spanish government is due to announce the approved feed-in tariff for this installation in 2010, which will allow a customer the ability to bill for power at that rate for the next 25 years. Commencement of the fourth and final section of this 440kW installation will await customer funding.
2. On March 20, 2009, OPEL completed Connecticut's first rooftop solar tracker system. The 131kW solar system was installed on the Linden Street School in Plainville, CT and is supplying a significant portion of the school's electricity. The system will also eliminate 79 tons of carbon emissions over the next 20 years. OPEL retains ownership of this $1.1M system and will receive payment for the electricity generated from this installation through a power purchase agreement ("PPA") with the Plainville School System over the next twenty years. OPEL received a cash reimbursement of $526,500 from the Connecticut Clean Energy Fund. As a part of the new American Recovery & Reinvestment Act ("the Stimulus Package"), OPEL

received an additional cash payment, in lieu of a tax credit, from the U.S. Federal Government for 30% of the net cost after the above mentioned funds, amounting to about $179,000 in the fourth quarter.

3. OPEL started the UL certification process for its Mk-I HCPV panels with the delivery of several panels to the Underwriter Labs for evaluation. OPEL completed Phase I of its UL certification program for the Mk-I HCPV panel in the second quarter and is working on Phase II.
4. OPEL, through its Spanish partner Betasol, has agreed to install an additional 2.375 megawatt (MW) of solar power using OPEL's HCPV panels and dual axis trackers at a new location in Spain. A local Spanish bank, with its own funds, has provided the US$1,500,000 Aval or guarantee for the project, which is scheduled to begin installation in late 2010. Once installation is complete, this solar field will be sold to a third party that will provide electrical power to the Spanish grid.
5. OPEL has made a strong commitment to Asia with the addition of a new Director of Asian Business Development. This position will address the rapidly expanding markets in Korea, China and India.
6. OPEL has entered a new European marketplace the June quarter with an initial delivery of HCPV panels and dual axis trackers to Portugal.
7. The ODIS group has continued to work with various U.S. military agencies and two large defense contractors in identifying two new products they will support through funding to ODIS.
8. OPEL introduced two new tracker systems to be manufactured in the USA. One can be ground or roof mounted, and the second is larger and best suited for larger, utility scale installations.
9. OPEL has delivered an installation of HCPV panels and dual axis trackers to a second location in Italy.
10. OPEL added another Regional Director of Sales to cover the Eastern portion of the USA and Canada.
11. OPEL began strengthening its Public & Government Relations efforts, resulting in CPV Technology related wording being proposed for U.S. Federal legislation and proposed financial incentives to be submitted to the U.S. House and Senate for adoption as The Solar Technology Roadmap Act ("STRA"). These activities greatly expand OPEL's public recognition and future project quoting opportunities.

<u>Fourth Quarter</u>

12. OPEL has started a small pre-production level run of its Mk-I HCPV panels at a large contract manufacturer, in keeping with its planned cost reduction goals. This will also allow OPEL to meet the volume required to fill its orders for 2010 delivery.
13. OPEL has signed up a Korean Distributor, SOLYPAC Technology Co., Ltd, to handle the distribution of all of its product in the South Korean market.
14. OPEL has completed another 110kW section of its solar field in Spain with its partner Betasol, bringing the total installation providing electricity to the grid to 330kW. The Spanish Government is due to confirm the feed-in tariff applicable to this installation in early 2010.
15. Through OPEL's public relations program, OPEL management was asked to participate as CPV industry experts at various solar conferences. The Company's recognition has been raised because of numerous press interviews and articles written quoting OPEL management as influencing the CPV industry.

Selected Annual Information

The following are the summary profit and loss financial data of the Company for the most recent three years which have been prepared in accordance with Canadian generally accepted accounting principles:

	2009	2008	2007
Sales	$ 608,545	$ 1,516,838	$ 931,717
Cost of goods sold	812,158	808,907	-
Research and development	3,745,488	2,978,382	1,359,944
Amortization and accretion	240,658	148,440	116,406
Professional fees	609,863	535,779	378,607
Stock-based compensation	378,239	1,397,982	1,571,132
General and administrative	4,248,503	3,139,238	3,211,576

	2009	2008	2007
Revalued warrants	596,634	-	-
Investment income	(131,770)	(2,314,193)	42,723
Foreign currency translation gain	(54,021)	(84,465)	-
Loss before non-controlling interest	(9,837,207)	(5,093,232)	(5,748,671)
Non-controlling interest	2,210	18,391	-
Net loss	$ (9,834,997)	$ (5,074,841)	$ (5,748,671)

During 2009, the Company generated sales of $608,545 as compared to sales of $1,516,838 in 2008. This decrease is due to the effort OPEL placed on its 330kW installation of HCPV panels and dual axis trackers in Spain. The revenue from this project will be realized in 2010, and has allowed OPEL to demonstrate the viability of its concentrating panels. Cost of goods sold is high relative to the 2009 revenue, because it includes inventory write-offs of $275,000 to reflect current realizable market value in the fourth quarter of the year and a $170,000 prototype and pre-production usuable inventory in the second quarter as we moved to limited production. Our research and development expenses grew by $767,106 in 2009 due to prototyping activities related to our new trackers and the cost reduction efforts on our HCPV panels. Some of the R&D costs were related to several outside subcontractors which aid in the finalization of our commercial solar products, UL testing, and the start-up of low level production, all non-recurring activities. The 2009 R&D activities have placed our products in a stable state to address 2010 revenue. Our headcount has been stable for several quarters. Professional fees were higher in 2009 by $74,084 in legal expenses related to our subsidiary formation and joint ventures relationships. Amortization of property and equipment was higher in 2009 by $100,000, predominately due to the Connecticut solar installation owned by OPEL. Stock based compensation is lower by $1,000,000 as fewer options were granted at a lower price per share, however, a series of warrants were extended which were valued at $596,634. Amortization, stock compensation, and the revalued warrants were all non-cash expenses. G&A expenses were higher by $1,100,000 in 2009 due to increased sales and marketing activities and travel related to our Spanish installation. Both activities have created greater revenue possibilities for 2010. Investment income in 2009 was less than that of 2008. The negative reaction to the global economic crisis resulted in fewer investment opportunities that would provide strong yields similar to those of 2008 while staying within the guidelines of the Company's investment policy. Additionally, operational and capital funding requirements limited the amount of cash that could be invested by the Company.

Summary of Quarterly Results

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

	Dec. 31/09	**Sep. 30/09**	**Jun. 30/09**	**Mar. 31/09**	**Dec. 31/08**	**Sep. 30/08**	**Jun. 30/08**	**Mar. 31/08**
Sales	$ 61,730	$ 156,157	$ 134,921	$ 255,737	$ 939,440	$ 449,607	$ 110,234	$ 17,557
Cost of goods sold	368,077	94,475	291,563	58,043	808,907	-	-	-
Research and development	833,076	800,384	1,244,154	867,874	592,735	1,048,429	835,885	501,333
Depreciation and amortization	74,500	59,155	58,959	48,044	5,177	60,102	51,772	31,389
Professional fees	143,712	130,309	108,886	152,872	164,936	81,821	149,581	139,441
Stock-based compensation	55,029	75,519	103,700	143,991	306,848	363,711	430,308	297,115
General and administrative	1,057,173	961,707	1,006,811	1,294,686	942,625	678,333	722,204	777,685
Revalued warrants	596,634	-	-	-	-	-	-	-
Investment (income) expense	(24,082)	(18,457)	(62,531)	(44,154)	(1,843,161)	(50,418)	(150,406)	(270,208)
Foreign exchange (loss) gain	34,498	(41,996)	(64,880)	35,811	(84,465)	-	-	-
Net (loss) income	$(3,076,887)	$(1,904,939)	$(2,551,741)	$(2,301,430)	$ 45,838	$(1,732,371)	$(1,929,110)	$(1,459,198)

Explanation of Quarterly Results

In the fourth quarter, revenue was lower by $880,000 over the fourth quarter of 2008. The Company's sales efforts in the third and fourth quarters of 2009 were on the completion and hosting potential customers at our 330kW HCPV installation in Spain. This is a key demonstration of OPEL's HCPV panel viability and is leading to more revenue in 2010. The cost of goods sold is high relative the fourth quarter revenue, but it includes a $275,000 write down of materials in inventory to the current realizable market value. The three months ended December 31, 2009 included the non-cash expense of $55,029 related to stock options, some of which were granted in a prior year and a one-time non-cash charge of $596,634, relating to the estimated fair value of 7,500,000 warrants that were extended on December 13, 2009 to December 11, 2011. Stock-based compensation is $252,819 lower than the same quarter of 2008. The Company believes it is necessary to grant incentive stock options to attract and hold highly skilled employees. OPEL increased its R&D expenses by $240,341 when compared to the same quarter of 2008, related to subcontracting expenses used to support manufacturing start-up and to ultimately reduce the cost of the next generation solar panels and trackers. OPEL's G&A expenses were higher by $114,548 year over year due to additional marketing and sales activities in the quarter ended December 31, 2009.

Liquidity and Capital Resources

The Company had working capital of $13,732,982 at December 31, 2009, compared to $21,157,130 at December 31, 2008.

During 2009, there were 900,000 warrants, broker warrants or stock options exercised.

The Company continues to have good liquidity, even during times of economic uncertainty and instability. Of the Company's $17,508,325 of assets, $15,589,008 is classified as current assets, which includes $5,027,892 of cash and cash equivalents, and $1,971,422 of short-term investments. Opel's current annual operating cash needs for 2010 approximate $6.8 million dollars. OPEL now has several significant orders on its backlog to deliver in 2010 and 2011, a fully commissioned solar installation in Spain with an approved tariff rate to be sold to a customer in 2010, and two new SBIR grants to fund the activities of ODIS, which collectively provide the Company with sufficient cash and revenue growth to support itself over the next twelve months and beyond even if the economic down-turn should continue.

Management is satisfied that the current cash balances and other liquid resources are sufficient to fund the Company's expansion, inventory purchase commitments and research programs for the foreseeable future.

Critical Accounting Estimates

Stock-based Compensation

The Company uses the fair value method to account for stock options granted. Under the fair value method, the Company recognizes estimated compensation expense for stock options granted over the vesting period with the related credit to contributed surplus. Upon exercise of these stock options, amounts previously credited to contribute 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, solar trackers, and the components necessary to produce the Company's solar products. Inventory is stated at the lower of cost determined by first-in, first-out basis or current market value.

The finished goods portion of OPEL's inventory includes $1,000,000 related to the solar panels currently installed and being installed in the Spanish grid field which will be relieved once sold to a third party and revenue will be recognized. Additionally, OPEL has $4,800,000 in Boeing-Spectrolab solar cell assemblies to provide the additional solar panels necessary to fill current backlog.

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.

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 from its supplier, Boeing-Spectrolab. The unapplied balance of this prepayment is included in prepaids and other current assets.

OPEL leases office space and research facilities. The office lease for the Shelton, CT facility extends to June, 2014. The lease on the research facility at the University of Connecticut was extended in 2009 to June 30, 2010. The total obligation to the end of both leases is $400,999.

Adoption of New Accounting Policies

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

<u>Sections</u>:

(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. The new requirements are effective in the first quarter of 2009.

(c) International Financial Reporting Standards

The accounting framework under which financial statements are prepared in Canada for all publicly accountable enterprises 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 financials liabilities, including derivative instruments. The Company adopted EIC 173 in the quarter.

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.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash, short-term investments, accounts receivable, marketable securities, and 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.

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 December 31, 2009, accounts receivable balances were concentrated among a limited number of customers.

Exchange Rate Risk

The functional currency of Opel International Inc. is the Canadian dollar. The Company’s operations in the United States and Germany are considered to be self-sustaining. Operations in foreign markets are exposed to the risk of foreign currency fluctuations for transactions denominated in a currency other than the functional currency of the Company’s foreign operating unit. Currencies in which the Company is exposed to foreign currency risk are mainly 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 $51,753 and $11,405 respectively. Since the Company’s operations predominantly transact their sales and purchases in their respective domestic currencies, the exposure is reduced. Therefore, the Company typically does not hedge accounts receivable and accounts payable that are 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.

Liquidity Risk

The Company currently does not maintain credit facilities, and relies on previous equity funding for liquidity 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 latest reporting date.

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. A 5% change in fair values of short-term investments and marketable securities would decrease or increase net loss by $7,461 and other comprehensive income (loss) by $516 respectively.

Environmental and Climate Change Issues

OPEL faces few, if any, of these issues directly as it uses contract manufacturers and the inherent characteristics of its products are not environmentally hazardous. However, OPEL’s products allow its customers to make great contributions to climate change. Each 1MW of OPEL’s HCPV panels installed by a customer avoids 600 tons of CO_2 from being discharged into the atmosphere each year, the equivalent of planting 93 acres of trees.

Strategy and Outlook

The Company made the transition from a development stage company to one of sales of commercial solar products in 2008. In 2009 OPEL made two significant installations to demonstrate its capability to deliver on commercial installations of both trackers and HCPV panels. One installation proves its rooftop tracking systems can increase the kWh production and the second demonstrates the viability of its HCPV panels for a utility scale installation in Spain. For 2010, there are a number of projects planned which will address the short-term and long-term growth plans of the Company including, but not limited to the following:

- Continue to work on a series of phased cost reductions geared at lowering the cost of our Mk-I HCPV solar panels by up to 40%, while continuing to increase their efficiency.
- Ramp up U.S. production for its single and dual axis tracking system for both roof and ground mounting.
- Identify a U.S. based contract manufacturer to allow increased manufacturing capability for OPEL's HCPV solar panels.
- Fill out key management positions within OPEL, ie. VP Sales and VP Operations.
- Establish dealer and representative networks for our solar products in Mexico, Canada and the U.S..
- Identify and cultivate relationships with several Solar EPC's to be able to provide turn-key solar installations for larger customers with utility scale installations in mind.
- Transfer the patented POET technology to a fabrication facility that can prove its viability and product potential through OPEL Defense Integrated Systems ("ODIS").
- Heighten prospects of U.S. Solar Legislation favoring HCPV incentives and other solar related financial opportunities, like feed-in tariffs or State and Federal grants.

Significant Events Since January 1, 2010

1. ODIS was awarded a $750,000 SBIR contract to continue the development of infrared sensor technologies for use by the United States Air Force and the Space Missile Command.
2. OPEL has signed an Agreement with one of the largest construction companies in the world for jointly bidding OPEL's HCPV panels and tracking systems.
3. The Spanish Government just announced the feed-in tariff 0.281 Euro to be used for the sale of electricity produced at OPEL's 330kW solar grid installation in Vilalba, Spain. This rate can now be charged for all electricity feed to the grid over the next 25 years.
4. OPEL and its installation partner Tecneira have been awarded a 1MW installation in Portugal by the Government. Opel will use its HCPV panels and dual axis trackers while Tecneira will handle the balance of the system installation. The installation will take place in 2010 and end in 2011.

Outstanding Share Data

Common Shares

As at December 31, 2009 and March 24, 2010, there were 58,302,862 and 58,668,336 outstanding common shares of the Company at those dates respectively.

Special Voting Share

Additionally, there was one (1) special voting share which carries 3,182,987 and 2,817,513 votes at December 31, 2009 and March 24, 2010 respectively. These votes are for the benefit of the holders of 3,182,987 and 2,817,513 exchangeable shares of OPEL, Inc. at December 31, 2009 and March 24, 2010 respectively. The exchangeable are convertible into common of the common shares of the Company on a one for one basis.

Stock Options and Warrants

As at December 31, 2009 and March 24, 2010, the Company had 18,022,582 warrants outstanding for the purchase of common shares priced between US$0.60 and $1.88.

Total stock options outstanding at December 31, 2009 and March 24, 2010 were 7,596,000 shares, of which 88% are exercisable between CA$0.13 and 1.48 per common share.

Additional detailed share data information is available the Company's Consolidated Financial Statement.

Off-Balance Sheet Arrangements

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

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, 2009 that these controls and procedures were effective.

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, 2009. It was concluded that there is a weakness in the Company's ability to adequately segregate the duties of the Chief Financial Officer due the Company's current size and limited number of employees. 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 staffing levels.

Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards (IFRS) over a transitional period to be complete by 2011. The official changeover date from Canadian GAAP to IFRS is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. As the International Accounting Standards Board currently has projects underway that should result in new pronouncements and since this Canadian convergence initiative is very much in its infancy as of the date of these statements, the Company has not yet assessed the impact of the ultimate adoption of IFRS on the Company.

The Company is assessing the potential impacts of this changeover and is developing its IFRS change over plan, which will include project structure and governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Company will disclose key elements of our plan and processes as the information becomes available during the transition period.

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 commercial scale production may cause a material adverse effect to the Company.

Financial Liquidity – OPEL may not have adequate financial reserves to enable it to grow at the pace required to serve its customer base, if substantial orders were received and were backlogged.

Ability to Reach Profitability **-** OPEL has no history of profitability and may not be able to sell enough products at a high enough margin to cover its costs of operation on an ongoing basis.

Lack of Project Financing **-** OPEL's customers may not be able to find adequate financing to support the build-out of larger solar projects using OPEL products.

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

Market Acceptance of New Products **-** OPEL's HCPV solar panels are a new technology which as yet little installed base and may not be embraced for large scale installation.

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 or after it brings its products to market which could result in the loss of market share thereby having a material adverse effect on the Company.

Additional Information

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