OPEL INTERNATIONAL INC.

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MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED JUNE 30, 2008

The following discussion and analysis of the operations, results, and financial position of Opel International Inc., (the "Company") for the quarter ended June 30, 2008 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 August 25, 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") founded in December of 2000, it is engaged principally in the development and marketing of concentrating solar panels for commercial applications and the development of a gallium arsenide microchip for numerous applications, including solar cells. 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"). Subsequently, on June 26, 2007, the Company's shares began trading under the symbol "OPL" on the TSX Venture Exchange.

Opel designs, manufactures and markets high performance concentrating photovoltaic ("CPV") panels to transform solar energy into electricity for worldwide application. Opel's high performance photovoltaic concentrating panels generate up to 40% more kilowatt-hours than conventional flat plate silicon solar panels, resulting in more cost effective electricity generated from the sun. Opel also markets a complete line of dual axis solar trackers to mount solar panels for the optimum power output. Opel also designs infrared sensor type products for military and industrial applications.

In addition to its solar business, Opel continues to develop 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 and will permit the use of these cells under five hundred times concentration for greatly increased output compared to silicon-based flat plate solar collector designs, as are predominately used in commercial applications. 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. Opel provides this activity through its subsidiary, ODIS, Inc. ("Opel Defense Integrated Systems").

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 ensuing development phase of an Opel multi-junction solar cell 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.

Significant Events in 2008

Opel achieved certain milestones in 2008 which are significant to the development of the Company and are considered necessary foundation achievements to the Company's future success.

1. Opel added a Vice President of Engineering in February 2008 to lead the R&D efforts and the migration of Opel's concentrating solar panels to volume manufacturing.
2. Opel entered into a long-term supply contract with Boeing-Spectrolab, for volume supply of its triple junction high efficiency solar cells.
3. Opel shipped the first trial installations of its high density concentrator systems to Energy 21 in the Czech Republic, the first operational in Central Europe, and to SunPeak Solar in California. These Trial installations have proven to be successful.
4. Opel signed a distribution agreement with Solarfun Power Holding to market their complete line of silicon based solar panels in North America and Brazil.
5. Opel has won the contract to provide power to a Connecticut school based on the use of its patented low profile roof top tracking system. Installation to start in the third quarter.
6. Opel won a contract to install its patented Mk-I concentrating solar panels and dual axis trackers for the City of Medicine Hat, Alberta. Installation to start in the third quarter.
7. Opel successfully transferred the design specifications of its patented Mk-I concentrating solar panel to a contract manufacturer in Mexico. That manufacturer is now running production quantities for delivery in the third quarter.

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:

	Jun. 30/08	**Mar. 31/08**	**Dec. 31/07**	**Sep. 30/07**	**Jun. 30/07**	**Mar. 31/07**	**Dec. 31/06**	**Sept. 30/06**
Sales	110,234	17,557	209,347	233,795	204,340	284,235	191,761	310,080
Research and development	835,885	501,333	409,379	374,763	276,752	299,050	137,096	264,821
Depreciation and Amortization	51,772	31,389	34,552	28,939	27,079	25,836	31,360	25,042
Professional fees	149,581	139,441	188,431	79,249	52,994	57,933	25,785	56,313
Stock-based compensation	430,308	297,115	894,084	463,028	214,020	-	-	-
General and administrative	722,204	777,685	841,660	955,677	683,426	730,813	824,053	323,394
Interest (income) expense	(150,406)	(270,208)	31,567	(114,457)	85,565	40,048	4,055	20,191
Net income (loss)	(1,929,110)	(1,459,198)	(2,190,326)	(1,553,404)	(1,135,496)	(869,445)	(830,588)	(374,665)

Explanation of Quarterly Results

The Company's net loss for the three months ended June 30, 2008 was $1,929,110 compared to a net loss of $1,135,496 for the same period in 2007. The three months ended June 30, 2008 included a non-cash expense of $430,308 related to the valuation of stock options which were granted in a prior year, a portion of which is expensed in the quarter, and is $216,000 higher than the same quarter last year. This expense is necessary to attract and hold highly skilled employees. Opel experienced an increase of $559,000 in materials and consultant labor for our solar product

development and the additional salaries and benefits for six new employees in R&D focused on the transfer of our solar products to contact manufacturing and the testing required for CE certification of the Mk-I solar panel. Our G&A expenses grew by $39,000 year over year.

Explanation of Results for the Six Months Ended

The Company's net loss for the six months ended June 30, 2008 was $3,388,308 compared to a net loss of $2,004,941 for the same period in 2007. The six months ended June 30, 2008 included a non-cash expense of $727,423 related to the valuation of stock options which were granted in a prior year, a portion of which is expensed each quarter, and is $513,000 higher than the six months last year. Opel experienced an increase of $761,000 in materials and consultant labor for our solar product development and additional salaries and benefits for six new employees in R&D focused on the transfer of our solar products to contact manufacturing. Our G&A expenses grew by $86,000 year over year and professional fees grew by $178,000 due to legal activities related to contracts and agreements to help expand our business.

Liquidity and Capital Resources

The Company had working capital of $26,624,008 at June 30, 2008, compared to $29,263,691 at December 31, 2007.

During the six months, the Company received $842,000 from the exercise of 497,840 warrants and broker warrants and 498,000 stock options.

Of the Company's $28,173,825 of assets, $27,418,931 is classified as current assets, which includes $9,369,151 of cash and cash equivalents and $14,726,670 of short-term investments.

The Company is not contemplating any 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.

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 or current market value, 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.

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 initial prepayment is included in prepaids and other current assets.

Opel leases office space and research facilities. The office lease extends to April, 2011. The lease on the research facility expired in September, 2007 and an extension is in process at the University of Connecticut, but due to renovations on that facility it will not be completed until after the renovations are completed. The total obligation to the end of both leases is $161,725.

Adoption of New Accounting Policies

Effective January 1, 2008, the Company adopted the provisions of the following new CICA Handbook Sections:

(i) Inventories:

CICA Handbook Section 3031, Inventories, replaces corresponding Section 3030 and establishes new standards for the measurement and disclosure of inventories. This new section requires inventories to be measured at the lower of cost and net realizable value, provides guidance on the determination of cost and requires the reversal of prior period write-downs when the net realizable value of impaired inventory subsequently recovers. The adoption of this section had no impact on the unaudited interim consolidated financial statements.

(ii) Financial instruments:

CICA Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation, enhance existing disclosure requirements and place greater emphasis on disclosures related to recognized and unrecognized financial instruments and how those risks are managed.

In accordance with Section 3862, the Company is required to disclose the classifications of its financial instruments into one of the following five categories:

- held-for-trading
- held-for-maturity investments
- loans and receivables
- available-for-sale financial assets
- other financial liabilities

The new disclosures required by Section 3862 are included in note 15 of the interim consolidated financial statements for the six months ended June 30, 2008. The adoption of these standards had no material impact on the unaudited interim consolidated financial statements.

(iii) Capital disclosures:

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by the new Handbook section in note 14 of the interim consolidated financial statements for the three months ended June 30, 2008.

The adoption of this standard did not have a material impact on the unaudited interim consolidated financial statements

Future Accounting Pronouncements

(i) 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. This Section is effective in the first quarter of 2009, and the Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

(ii) 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.

Financial Instruments

Opel'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 and Canadian treasury notes, highly rated corporate bonds and Canadian government bonds, held with reputable financial institutions on 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. However, due to the nature of the Company's investments, such changes in interest rate would have limited impact on the Company over the short term.

Liquidity Risk

The Company has limited income and has relied on equity financing 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. Opel 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 the production of Opel’s Mk-I high concentration solar panel to a volume manufacturing facility in Mexico, allowing Opel to be ready to meet production orders in the third quarter of 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 are to begin in Q3 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

There have been no subsequent events to June 30, 2008.

Outstanding Share Data

Common Shares	Number of Shares	Amount
Balance, December 31, 2007	51,471,517	$ 27,450,658
Issued on the exercise of warrants (Note 8)	1,102,340	994,668
Issued on the exercise of stock options	498,000	76,400
Issued on the conversion of special warrants (Note 8)	925,000	370,000
Value assigned to exercised warrants	-	142,063
Value assigned to exercised stock options	-	50,667
Balance, June 30, 2008	53,996,857	$ 29,084,456

Special Voting Share	Number of Shares	Amount
Balance, December 31, 2007 and June 30, 2008	1	$ 100

Outstanding warrant data

As at June 30, 2008 the following warrants were outstanding:

	Number of Warrants	Fair Value ($)	Exercise Price ($)	Expiry Date
	8,501,681	-	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	3,063,951 (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
	2,662,835	560,656	1.00	March 26, 2010
	692,000	146,089	1.00	April 11, 2010
	2,563,000	542,154	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
	30,977,295	7,501,792		

(1) The 660,000 Broker warrants assumed during the RTO were valued at $165,000. These warrants were originally issued by Opel, Inc. and were cancelled and reissued by the Company under the same terms.
(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 June 30, 2008 were as follows:

Value ($)	Exercisable Options	Number of Options	Exercise Price ($)	Expiry Date
-	1,000,000	1,000,000	0.001	March 14, 2010
105,519	310,000	310,000	0.50	March 15, 2011
6,674	20,000	20,000	0.50	June 26, 2011
111,907	300,000	300,000	0.50	Sept 30, 2011

Value ($)	Exercisable Options	Number of Options	Exercise Price ($)	Expiry Date
122,942	305,000	305,000	0.60	April 26, 2012
32,824	200,000	200,000	0.25	May 15, 2012
45,133	275,000	275,000	0.25	May 18, 2012
126,966	315,000	315,000	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
1,500,481	1,580,000	3,163,000	0.94 (1)	Sept 21, 2012
239,423	195,000	390,000	0.94 (1)	Dec 14, 2012
55,819	41,250	165,000	1.18 (1)	Feb 12, 2013
71,220	47,500	190,000	1.46 (1)	April 29, 2013
6,154	6,250	25,000	1.03 (1)	June 19, 2013
2,465,370	4,695,000	6,758,000		

(1) These stock options were issued in Canadian dollars and are exercisable at prices ranging from $0.95 - $1.48 CDN.

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 June 30, 2008 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 June 30, 2008. 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 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.

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 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 or after it brings its products to market which could result in the loss of 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.