RESTATED

NOTICE TO SHAREHOLDERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010
(Unaudited and Expressed in US Dollars)

OPEL SOLAR INTERNATIONAL INC.
(formerly OPEL International Inc.)

Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements for Opel International Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been disclosed in the December 31, 2009 audited consolidated financial statements. Only changes in accounting principles have been disclosed in these consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited consolidated financial statements, management is satisfied that these unaudited consolidated financial statements have been fairly presented.

Auditors' involvement

The auditors of Opel International Inc. have not performed a review of the unaudited consolidated financial statements for the three and nine months ended September 30, 2010 and September 30, 2009.

Restatement

The accompanying consolidated financial statements were restated to include segment disclosures about each reportable segment for the periods ended March 31, June 30 and September 30, 2010, in compliance with subparagraph 14(e) of CICA Handbook 1751 *Interim Financial Statements*.

OPEL SOLAR INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited and Expressed in US Dollars)

	September 30, 2010	December 31, 2009
Assets		
Current		
Cash and cash equivalents	**$ 7,158,282**	$ 5,027,892
Short-term investments (Note 3)	**100,989**	1,971,422
Accounts receivables	**290,075**	332,985
Prepaid expenses and other current assets	**545,332**	793,842
Inventories (Note 4)	**7,332,830**	7,462,464
Loan receivable (Note 18)	**485,132**	-
Marketable securities (Note 5)	**411**	403
	15,913,051	15,589,008
Property and equipment	**1,934,434**	1,693,842
Patents and licenses	**201,094**	225,475
	$ 18,048,579	$ 17,508,325
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 1,276,801**	$ 1,856,026
Deferred energy credit (Note 6)	**658,461**	684,921
Asset retirement obligation (Note 7)	**135,975**	130,979
	2,071,237	2,671,926
Shareholders' Equity		
Share capital (Note 8(b))	**34,330,442**	29,939,171
Special voting share (Note 9)	**100**	100
Special warrants and shares to be issued (Note 10)	**276,832**	648,861
Warrants (Note 11)	**6,025,715**	6,842,556
Contributed surplus (Note 12)	**8,459,147**	4,727,888
Accumulated other comprehensive loss	**(2,652,007)**	(2,896,268)
Deficit	**(30,455,556)**	(24,425,909)
Non controlling interest	**(7,331)**	-
	15,977,342	14,836,399
	$ 18,048,579	$ 17,508,325

On behalf of the Board of Directors

"SIGNED" "SIGNED"

Director Director

The accompanying notes are an integral part of these consolidated financial statements.

OPEL SOLAR INTERNATIONAL INC.

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

	Three Months Ended September 30,		Nine months Ended September 30,	
	2010	2009	**2010**	2009
Revenue	**$ 479,141**	$ 156,157	**$ 1,271,891**	$ 546,815
Costs and expenses				
Cost of goods sold	**125,474**	94,475	**256,569**	444,081
General and administration (Note 12)	**1,286,158**	1,226,690	**4,242,631**	4,146,262
Research and development	**1,261,464**	800,384	**2,721,333**	2,912,412
Interest expense	**-**	1,063	**-**	1,751
Foreign currency translation loss	**(87,371)**	(41,996)	**76,235**	(71,065)
Investment income, including interest	**(6,772)**	(19,520)	**(28,471)**	(126,205)
Loss on divestiture of ASM (Note 18)	**-**	-	**40,572**	-
	2,578,953	2,061,096	**7,308,869**	7,307,236
Net loss	**(2,099,812)**	(1,904,939)	**(6,036,978)**	(6,760,421)
Net loss:				
Attributable to non-controlling interest	**(4,244)**	-	**(7,331)**	(2,311)
Attributable to equity shareholders	**(2,095,568)**	(1,904,939)	**(6,029,647)**	(6,758,110)
Net loss	**(2,099,812)**	(1,904,939)	**(6,036,978)**	(6,760,421)
Deficit, beginning of period	**(28,359,988)**	(19,444,083)	**(24,425,909)**	(14,590,912)
Net loss attributable to equity shareholders	**(2,095,568)**	(1,904,939)	**(6,029,647)**	(6,758,110)
Deficit, end of period	**(30,455,556)**	(21,349,022)	**$(30,455,556)**	$(21,349,022)
Basic and diluted loss per share (Note 13)	**$ (0.03)**	$ (0.03)	**$ (0.09)**	$ (0.12)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in US Dollars)

	Three Months Ended September 30,		Nine months Ended September 30,	
	2010	2009	**2010**	2009
Net loss	**$ (2,099,812)**	$ (1,904,939)	**$ (6,036,978)**	$ (6,760,421)
Other comprehensive income, net of income taxes:				
Cumulative translation adjustment	**153,987**	113,829	**244,261**	325,303
Comprehensive loss	**$ (1,945,825)**	$ (1,791,110)	**$ (5,792,717)**	$ (6,435,118)
Comprehensive loss				
Attributable to non-controlling interest	**$ (4,244)**	$ -	**$ (7,331)**	$ (2,311)
Attributable to equity shareholders	**(1,941,581)**	(1,791,110)	**(5,785,386)**	(6,432,807)
	$ (1,945,825)	$ (1,791,110)	**$ (5,792,717)**	$ (6,435,118)

The accompanying notes are an integral part of these consolidated financial statements.

OPEL SOLAR INTERNATIONAL INC.

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

	September 30, 2010	December 31, 2009
Opening balance	**$(2,896,268)**	$(3,335,140)
Cumulative translation adjustment	**244,261**	438,872
Accumulated other comprehensive loss	**$(2,652,007)**	$(2,896,268)

OPEL SOLAR INTERNATIONAL INC.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	**2010**	2009
CASH (USED IN) PROVIDED BY				
OPERATING ACTIVITIES				
Net loss	**$ (2,099,812)**	$ (1,904,939)	**$ (6,036,978)**	$ (6,760,421)
Adjustment for:				
Amortization of property and equipment	**50,397**	48,923	**150,967**	139,414
Amortization of patents and licenses	**8,127**	8,256	**24,381**	24,768
Accretion of asset retirement obligation	**1,621**	1,976	**4,996**	3,156
Loss on divestiture of ASM	**-**	-	**40,572**	-
Stock option compensation (Note 12)	**334,960**	75,518	**549,288**	323,210
Foreign currency translation loss	**(50,039)**	-	**(50,039)**	-
	(1,754,746)	(1,770,266)	**(5,316,813)**	(6,269,873)
Net change in non-cash working capital:				
Accounts receivable	**(77,012)**	(83,083)	**35,993**	53,225
Prepaid expenses and other current assets	**(47,146)**	2,711	**175,204**	(94,295)
Inventories	**75,972**	(410,339)	**129,634**	(1,683,845)
Deferred energy credit	**-**	(5,922)	**-**	462,021
Accounts payable and accrued liabilities	**(247,566)**	(74,389)	**(539,582)**	(890,935)
	(2,050,498)	(2,341,288)	**(5,515,564)**	(8,423,702)
INVESTING ACTIVITIES				
Purchase of property and equipment	**5,375**	7,103	**(418,019)**	(99,192)
Purchase of patents and licenses	**(6,931)**	-	**-**	(750)
Short-term investments	**1,011,066**	3,481,698	**1,435,340**	(159,555)
	1,009,510	3,488,801	**1,017,321**	(259,497)
FINANCING ACTIVITIES				
Issue of common shares for cash, net of issue costs	**6,384,372**	-	**6,384,372**	200,400
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**153,987**	113,829	**244,261**	325,303
NET CHANGE IN CASH AND CASH EQUIVALENTS	**5,497,371**	1,261,342	**2,130,390**	(8,157,496)
CASH AND CASH EQUIVALENTS, beginning of period	**1,660,911**	5,026,137	**5,027,892**	14,444,975
CASH AND CASH EQUIVALENTS , end of period	**$ 7,158,282**	$ 6,287,479	**$ 7,158,282**	$ 6,287,479

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Opel Solar International Inc. is incorporated in the Province of Ontario. Opel Solar International Inc. and its subsidiary, Opel Inc. (collectively, the "Company") principally develop and market concentrating solar panels and solar tracking systems for commercial applications. Additionally, the Company continues to develop a gallium arsenide microchip and the process to produce it. The Company's research and development ("R&D") efforts relate to the commercialization of CPV solar panels, solar trackers and optical laser and infrared detection using planar "opto" electronic technology ("POET"). The Company also provides services under "fixed price" and "cost plus" R&D contracts exclusively with the Department of Defense of the United States of America. Such services are provided to the U.S. Department of Defense through Opel Defense Integrated Systems Inc. ("ODIS"), a subsidiary of Opel Inc.

Additionally, the Company formed OPL Solar Europe, SPRL ("OSE"), a Belgian company, to construct solar grid fields for sale to independent third parties in various parts of Europe, the Mediterranean and Northern Africa.

The Company has working capital of $14,636,250 as of September 30, 2010 compared to $13,732,982 as of December 31, 2009. The Company is in a position to cover its liabilities as they come due. However, the Company has had a history of losses and should such losses continue the Company will need to seek debt or equity financing to fund its operations. Although the Company has been successful in obtaining such financings in the past, there is no assurance that it will be able do so in the future.

2. ACCOUNTING POLICIES

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

Operating results for the nine month period ended September 30, 2010 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2010. The consolidated balance sheet at December 31, 2009 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2009. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended December 31, 2009.

Future Accounting Pronouncements

(a) Business combinations

In January 2009, the CICA approved Handbook Section 1582, "Business Combinations" replacing existing Section 1581 by the same name. It establishes standards for the accounting for a business combination. It provides the Canadian generally accepted accounting principles equivalent to International Financial Reporting Standards IFRS 3 Business Combinations (January 2008). The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. The CICA recommends that entities planning business combinations in the fiscal year beginning on or after January 1, 2010 adopt these new standards early to avoid restatement on transition to IFRS in 2011. Early adoption of the new standard is permitted.

2. ACCOUNTING POLICIES (Continued)

(b) Consolidated financial statements

In January 2009, the CICA approved Handbook Section 1601, "Consolidated Financial Statements" and Handbook Section 1602, "Non-controlling Interests" replacing existing Section 1600, "Consolidated Financial Statements". This Section establishes standards for the preparation of consolidated financial statements. The Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The CICA recommends that entities planning business combinations in the fiscal year beginning on or after January 1, 2010 adopt these new standards early to avoid restatement on transition to IFRS in 2011. Early adoption of the new standard is permitted.

(c) Non-controlling interests

In January 2009, the CICA approved Handbook Section 1602, "Non-controlling Interests". It 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 International Financial Reporting Standards IAS 27 Consolidated and Separate Financial Statements (January 2008). The Section applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The CICA recommends that entities planning business combinations in the fiscal year beginning on or after January 1, 2010 adopt these new standards early to avoid restatement on transition to IFRS in 2011. Early adoption of the new standard is permitted.

3. SHORT-TERM INVESTMENTS

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

		2010	2009
European bank guarantee	**$**	**-**	$ 510,828
Corporate bonds		**-**	98,946
Canadian government bonds		**-**	256,410
US certificate of deposit (Coupon rates between 0.875% and 1.25%)		**100,989**	1,105,238
Balance	**$**	**100,989**	$ 1,971,422

4. INVENTORIES

		2010	2009
Raw materials	**$**	**4,484,706**	$ 4,644,513
Work in process		**557,922**	585,489
Finished goods		**2,290,202**	2,232,462
Balance	**$**	**7,332,830**	$ 7,462,464

5. MARKETABLE SECURITIES

	Shares	2010	2009
Tribute Minerals Inc.	**4,476**	**$ 85**	$ 85
Yangarra Resources Inc.	**3,578**	**216**	208
Titanium Corporation Inc.	**595**	**110**	110
Balance		**$ 411**	$ 403

6. DEFERRED ENERGY CREDIT

The Connecticut Clean Energy Fund, ("CCEF") provided $526,518 in funding cash credits to the Company for its solar energy installation on Linden School, in Plainville, CT. This funding credit was based on the size and performance of the system after it was installed and operational for a period of nine months. In addition, the Company was awarded $179,070 on the same project as a part of the United States Department of the Treasury's grant of cash in lieu of tax credits, on qualified alternative energy projects. This cash payment was a part of the American Recovery and Reinvestment Act of 2009.

Changes to the deferred energy credit are as follows:

	2010
Opening balance	$ 684,921
Amortization	(26,460)
Balance, September 30,	$ 658,461

7. ASSET RETIREMENT OBLIGATION

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

Changes in the asset retirement obligation are as follows:

	2010
Opening balance	$ 130,979
Accretion	4,996
Balance	$ 135,975

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

8. SHARE CAPITAL

(a) AUTHORIZED

Unlimited number of common shares

1 Special voting share, carrying 1,358,000 votes (Notes 9 and 10)

(b) COMMON SHARES ISSUED

	Number of Shares	Amount
Balance, December 31, 2009	58,302,862	$ 29,939,171
Opel Inc. Exchangeable Shares, exchanged into common shares	1,824,987	372,029
Issued on private placements	25,164,665	7,178,965
Share issue costs	-	(794,593)
Value assigned to warrants and compensation warrants	-	(2,365,130)
Balance, September 30, 2010	85,292,514	$ 34,330,442

On July 21, 2010, the Company closed a brokered private placement in the amount of $7,178,964 ($7,549,400 CAD). IBK Capital Corp. acted as the lead agent in respect of the issuance and sale of 25,164,665 units at a price of $0.285 ($0.30 CAD) per unit (the "Offering"). Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.475 ($0.50 CAD) per share until July 21, 2012. The agents received commissions in the aggregate of $635,751 ($668,556 CAD) and 2,476,134 compensation warrants in connection with this Offering. Each compensation warrant entitles the holder to purchase one common share of the Company at $0.285 ($0.30 CAD) per share until July 21, 2014. Additional costs associated with the offering amounted to $158,842 ($167,038 CAD).

The fair value of the warrants and compensation warrants was estimated using the Black-scholes option pricing model with the following assumptions: dividend yield of 0%, interest rate of 1.52% and 2%, volatility of 120.9% and 113.89% and estimated life of 2 and 4 years. The estimated fair value assigned to the warrants and compensation warrants was $1,830,630 and $534,500 respectively.

9. SPECIAL VOTING SHARE

	Number of Shares	Amount
Balance, December 31, 2009 and September 30, 2010	1	$ 100

On June 5, 2007, one (1) special voting share was issued in conjunction with a Support and Trust Agreement entered into amongst Opel International Inc., OPEL Inc. and Equity Transfer & Trust Company. The special voting share carries 1,358,000 votes.

10. SHARES TO BE ISSUED

Pursuant to a RTO agreement, the Company was obligated to issue 5,972,000 shares to common shareholders of Opel Inc. in exchange for their 5,972,000 Exchangeable Shares of Opel Inc. The value ascribed to the 5,972,000 shares to be issued was $1,217,408. During the period, 1,824,987 Exchangeable Shares of Opel Inc. were exchanged for the same number of common shares of the Company. A value of $372,029 was attributed to the Exchangeable Shares exchanged in the period.

10. SHARES TO BE ISSUED (Continued)

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

	Number	Value
Balance, December 31, 2009	3,182,987	$ 648,861
Exchangeable Shares exchanged into common shares	(1,824,987)	(372,029)
Balance, September 30, 2010	1,358,000	$ 276,832

11. WARRANTS

The following table reflects the continuity of warrants:

	Average Exercise Price	Number of Warrants	Historical Fair value
Balance, December 31, 2009	$ 1.31	18,022,582	$ 6,842,556
Issued	0.48	12,582,333	1,830,630
Compensation warrants issued	0.29	2,476,134	534,500
Expired	0.90	(10,522,582)	(3,181,971)
Balance, September 30, 2010	$ 0.93	22,558,467	$ 6,025,715

As at September 30, 2010 the following warrants were outstanding:

Number of Warrants	Historical Fair Value ($)	Exercise Price ($)	Expiry Date
7,500,000	3,660,585 (1)	1.88	December 13, 2011 (2)
12,582,333	1,830,630 (1)	0.48	July 21, 2012
2,476,134	534,500 (1)	0.29	July 21, 2014
22,558,467	6,025,715		

(1) These warrants were issued in Canadian dollars and are exercisable at prices ranging from $0.30 - $1.90 CAD.
(2) The expiry of these warrants was extended to December 13, 2011 from December 13, 2009.

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS

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

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS (continued)

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

	Number of stock options		Weighted average exercise price	
	2010	2009	**2010**	2009
			$	
Opening Balance	**7,596,000**	6,524,000	**0.69**	0.76
Options expired/cancelled	**(65,000)**	(80,000)	**0.35**	0.42
Options exercised	**-**	(400,000)	-	0.001
Options granted	**3,584,000**	1,552,000	**0.31**	0.20
Closing balance	**11,115,000**	7,596,000	**0.57**	0.69

During the period, the Company granted 3,584,000 (2009 - 1,427,000) stock options to officers, employees and consultants of the Company to purchase common shares at an average price of $0.31 (2009 - $0.19) per share.

Of the stock options granted during the period, 1,232,000 (2009 - 603,000) have vested with the remainder vesting at various intervals over 18 months.

The stock options granted in the period were valued $1,053,726 (2009 - $233,137). During the period, $325,616 (2009 - $149,780) relating to vested stock options was charged to stock-based compensation and credited to contributed surplus. The remaining $728,110 (2009 - $83,357) will be charged to stock option compensation over the remaining vesting period.

Stock-based compensation expense includes $9,344 (2009 - $173,430) relating to vested stock options that were granted in prior years.

The stock options granted during 2010 and 2009 were valued using the Black-Scholes option pricing model using the following assumptions;

	2010	2009
Weighted average risk-free interest rate	**3.11%**	2.13%
Weighted average dividend yield	**0%**	0%
Weighted average volatility	**114%**	126%
Weighted average estimated life	**10 years**	5 years

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS (continued)

Details of the stock options outstanding at September 30, 2010 were as follows:

Historical Fair Value ($)	Exercisable Options	Number of Options	Exercise Price ($)	Expiry Date
105,519	310,000	310,000	0.50	March 15, 2011
6,674	20,000	20,000	0.50	June 26, 2011
111,907	300,000	300,000	0.50	September 30, 2011
122,942	305,000	305,000	0.60	April 26, 2012
32,824	200,000	200,000	0.25	May 15, 2012
45,133	275,000	275,000	0.25	May 18, 2012
120,920	300,000	300,000	0.60	May 24, 2012
20,154	50,000	50,000	0.60	May 31, 2012
20,154	50,000	50,000	0.60	June 22, 2012
1,472,016	3,119,000	3,119,000	0.94 (1)	September 21, 2012
239,423	390,000	390,000	1.48 (1)	December 14, 2012
55,819	165,000	165,000	1.18 (1)	February 12, 2013
71,220	142,500	190,000	1.46 (1)	April 29, 2013
6,154	25,000	25,000	1.03 (1)	June 19, 2013
65,080	225,000	225,000	0.44 (1)	July 29, 2013
9,299	110,000	110,000	0.11 (1)	November 6, 2013
9,900	90,000	90,000	0.15 (1)	December 5, 2013
97,812	865,000	865,000	0.13 (1)	February 13, 2014
46,017	196,500	262,000	0.21 (1)	April 16, 2014
28,335	56,250	75,000	0.36 (1)	May 21, 2014
3,534	10,000	10,000	0.45 (1)	June 17, 2014
9,233	11,250	15,000	0.35 (1)	August 20, 2014
16,901	41,250	55,000	0.37 (1)	September 29, 2014
15,275	37,500	75,000	0.31 (1)	November 19, 2014
9,586	25,000	50,000	0.29 (1)	December 19, 2014
351,524	672,000	1,344,000	0.28 (1)	March 17, 2020
702,202	560,000	2,240,000	0.31 (1)	August 19, 2020
3,795,557	8,551,250	11,115,000		

(1) These stock options were were issued in Canadian dollars and are exercisable at prices ranging from CDN $ 0.11 - $1.48.

The following table reflects the continuity of contributed surplus:

	Amount
Balance, December 31, 2009	$ 4,727,888
Stock-based compensation	549,288
Warrants expired	3,181,971
Balance, September 30, 2010	$ 8,459,147

13. PER SHARE AMOUNTS

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Numerator				
Net loss	**$ (2,099,812)**	$ (1,904,939)	**$ (6,036,978)**	$ (6,760,421)
Denominator				
Weighted average number of common shares outstanding	**79,259,519**	57,721,826	**65,509,098**	56,466,426
Weighted average number of common shares outstanding - diluted	**79,259,519**	57,721,826	**65,509,098**	56,466,426
Basic and diluted loss per share	**$ (0.03)**	$ (0.03)	**$ (0.09)**	$ (0.12)

The effect of common share purchase options, warrants, broker warrants and shares to be issued on the net loss in 2010 and 2009 is not reflected as it is anti-dilutive.

14. LEASES

The Company has operating leases for office and research facilities expiring in 2014 and 2013 respectively.

Rent expense under these leases was $176,010 (2009 - $157,279). Remaining minimum annual rental payments to the lease expiration dates are as follows:

2011	$ 179,189
2012	194,714
2013	145,220
2014	67,766
	$ 586,889

15. SEGMENT DISCLOSURE

The Company and its subsidiaries operate in two distinct segments; (1) the manufacture and sale of high efficiency solar panels and multi-axis solar tracking systems and (2) the design of infrared sensor type products for military and industrial applications. The Company's operating and reporting segments reflect the management reporting structure of the organization and the manner in which the chief operating decision maker regularly assesses information for decision making purposes, including the allocation of resources. There are no intersegment sales. The Company's segments and their products and services are summarized below:

Opel Inc.
Opel designs, manufactures and markets high performance concentrating photovoltaic ("HCPV") panels and multi-axis solar tracking systems 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.

15. SEGMENT DISCLOSURE (Continued)

ODIS Inc. (OPEL Defense Integrated Systems)
ODIS designs infrared sensor type products for military and industrial applications. ODIS develops 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, Fibre to The Home

The following segmented information is for the three, six and nine months ending March 31, June 30 and September 30, 2010:

2010

	Three Months Ended September 30,			Nine Months Ended September 30,		
	Opel	ODIS	Three Months Total	Opel	ODIS	Nine Months Total
Revenue	$ 217,808	$ 261,333	$ 479,141	$ 439,451	$ 832,440	$ 1,271,891
Interest income	567	-	567	3,501	-	3,501
Amortization	57,477	1,048	58,525	172,205	3,144	175,349
Non controlling interest	4,244	-	4,244	7,331	-	7,331
Loss on divestiture of asm	40,572	-	40,572	40,572	-	40,572
Segment loss	1,656,483	116,997	1,773,480	5,015,229	283,349	5,298,578
Corporate operations			326,332			738,400
Net loss			$ 2,099,812			$ 6,036,978
Total assets				$ 10,346,833	$ 234,818	$ 10,581,651
Capital expenditures	$ 1,556	$ -	$ 1,556	$ 418,019	$ -	$ 418,019

	Three Months Ended June 30,			Six Months Ended June 30,		
	Opel	ODIS	Three Months Total	Opel	ODIS	Six Months Total
Revenue	$ 157,494	$ 289,938	$ 447,432	$ 221,643	$ 571,107	$ 792,750
Interest income	567	-	567	2,934	-	2,934
Amortization	69,188	1,048	70,236	114,728	2,096	116,824
Non controlling interest	1,232	-	1,232	3,087	-	3,087
Segment loss	1,582,526	114,716	1,697,242	3,358,746	166,352	3,525,098
Corporate operations			251,195			412,068
Net loss			$ 1,948,437			$ 3,937,166
Total assets				$ 10,451,017	$ 312,328	$ 10,763,345
Capital expenditures	$ -	$ -	$ -	$ 416,463	$ -	$ 416,463

15. SEGMENT DISCLOSURE (Continued)

2010

	Three Months Ended March 31, Opel	ODIS	Three Months Total
Revenue	$ 64,149	$ 281,169	$ 345,318
Interest income	2,367	-	2,367
Amortization	45,540	1,048	46,588
Non controlling interest	1,855	-	1,855
Segment loss	1,776,220	51,636	1,827,856
Corporate operations			160,873
Net loss			$ 1,988,729
Total assets	$ 10,559,381	$ 276,518	$ 10,835,899
Capital expenditures	$ -	$ -	$ -

The following comparative segmented information is for the three, six and nine months ending March 31, June 30 and September 30, 2009:

2009

	Three Months Ended September 30, Opel	ODIS	Three Months Total	Nine Months Ended September 30, Opel	ODIS	Nine Months Total
Revenue	$ 86,157	$ 70,000	$ 156,157	$ 192,435	$ 354,380	$ 546,815
Interest income	2,777	-	2,777	28,258	-	28,258
Amortization	58,227	1,048	59,275	163,134	3,144	166,278
Non controlling interest	-	-	-	2,311	-	2,311
Loss on divestiture of asm	40,572	-	40,572	-	-	-
Segment loss	1,574,846	185,534	1,760,380	5,713,176	570,964	6,284,140
Corporate operations			144,559			476,281
Net loss			$ 1,904,939			$ 6,760,421
Total assets				$ 10,344,177	$ 108,502	$ 10,452,679
Capital expenditures	$ -	$ -	$ -	$ 99,942	$ -	$ 99,942

	Three Months Ended June 30, Opel	ODIS	Three Months Total	Six Months Ended June 30, Opel	ODIS	Six Months Total
Revenue	$ 74,921	$ 60,000	$ 134,921	$ 106,278	$ 284,380	$ 390,658
Interest income	10,714	-	10,714	25,481	-	25,481
Amortization	57,911	1,048	58,959	104,907	2,096	107,003
Non controlling interest	22	-	22	2,311	-	2,311
Segment loss	2,122,702	274,894	2,397,596	4,138,330	385,430	4,523,760
Corporate operations			154,167			331,722
Net loss			$ 2,551,763			$ 4,855,482
Total assets				$ 11,609,056	$ 89,106	$ 11,698,162
Capital expenditures	$ -	$ -	$ -	$ 99,942	$ -	$ 99,942

15. SEGMENT DISCLOSURE (Continued)

2009

	Three Months Ended March 31, Opel	ODIS	Three Months Total
Revenue	$ 31,357	$ 224,380	$ 255,737
Interest income	14,767	-	14,767
Amortization	46,996	1,048	48,044
Non controlling interest	2,289	-	2,289
Segment loss	2,015,628	110,536	2,126,164
Corporate operations			177,555
Net loss			$ 2,303,719
Total assets	$ 12,979,828	$ 262,310	$ 13,242,138
Capital expenditures	$ 99,942	$ -	$ 99,942

The Company operates geographically in the United States of America, Canada and Europe.

2010

As of September 30,	**USA**	**Canada**	**Europe**	**Consolidated**
Current assets	**$ 8,446,123**	**$ 6,557,321**	**$ 909,607**	**$ 15,913,051**
Property and equipment	**1,934,434**	**-**	**-**	**1,934,434**
Patents and licenses	**201,094**	**-**	**-**	**201,094**
	$ 10,581,651	**$ 6,557,321**	**$ 909,607**	**$ 18,048,579**
Nine Months Ended September 30,				
Revenue	**$ 1,270,436**	**$ -**	**$ 1,455**	**$ 1,271,891**
Cost of goods sold	**256,240**	**-**	**329**	**256,569**
Research and development	**2,721,333**	**-**	**-**	**2,721,333**
General and administration	**3,467,626**	**738,400**	**36,605**	**4,242,631**
Investment income	**(2,934)**	**(25,331)**	**(206)**	**(28,471)**

2009

As of September 30,	USA	Canada	Europe	Consolidated
Current assets	$ 8,490,553	$ 6,906,127	$ 1,080,111	$ 16,476,791
Property and equipment	1,728,395	-	-	1,728,395
Patents and licenses	233,731	-	-	233,731
	$ 10,452,679	$ 6,906,127	$ 1,080,111	$ 18,438,917
Nine Months Ended September 30,				
Revenue	$ 477,810	$ -	$ 69,005	$ 546,815
Cost of goods sold	376,889	-	67,192	444,081
Research and development	2,912,412	-	-	2,912,412
General and administration	3,461,581	574,228	110,453	4,146,262
Interest income	(19,343)	(97,948)	(8,914)	(126,205)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

The Company has classified financial instruments as follows:

	2010	2009
Financial assets:		
Held-for-trading, measured at fair value:		
Cash and cash equivalents	**$ 7,158,282**	$ 6,287,479
Short-term investments	**100,989**	2,449,272
Loans and receivable, measured at amortized cost:		
Accounts receivable	**290,075**	380,010
Loan receivable	**485,132**	-
Available-for-sale, measured at fair value:		
Marketable securities	**411**	345
	$ 8,034,889	$ 9,117,106

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

Exchange Rate Risk
The functional currency of each of the entities included in the accompanying consolidated financial statements is the local currency where the entity is domiciled. Functional currencies include the US and Canadian dollar and the Euro. Most transactions are conducted in functional currencies. As such, none of the entities included in the consolidated financial statements engage in hedging activities. Currencies in which the Company’s exposure to foreign currencies mainly include the Canadian dollar and the Euro. A 10% change in the Canadian dollar and the Euro would increase or decrease other comprehensive loss and net loss by $121,441 and $20,400 respectively.

Interest Rate Risk
Short-term investments held for trading bear interest at fixed rates, and as such, are subject to risk resulting from fluctuations in interest rates.

Liquidity Risk
The Company currently does not maintain credit facilities. The Company’s existing cash and cash resources are consider sufficient to fund operating and investing activities over the next twelve months.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

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, cash equivalents, 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 $5,049.

17. CAPITAL MANAGEMENT

In the management of capital, the Company includes shareholders equity (excluding accumulated other comprehensive income (loss) and deficit), cash and short-term investments. The capital of the Company was $56,351,507 at September 30, 2010. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value through organic growth and responding to changes in economic and/or market conditions; to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and to safeguard the Company’s ability to obtain financing should the need arise.

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

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

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

18. VARIABLE INTEREST ENTITY

In 2008, the Company's wholly owned subsidiary, OPL Solar Europe SPRL ("OSE"), acquired a 50% interest in the issued and outstanding shares of Alcapi Solartwent Management GmbH ("ASM"), a German LLC. for $19,500 (Euros 12,500). ASM was created for the purpose of developing a grid field project in Spain. OSE analysed its relationship with ASM, and determined that OSE was the primary beneficiary and as such ASM was a VIE. Accordingly, the Company consolidated the results of ASM.

During the period, the Company divested itself of its interest in ASM and recorded a $40,572 loss on divestiture. The Company has a loan receivable of $485,132 due from ASM. The loan will be repaid prior to December 31, 2010.

"SIGNED"

Director