

**OPE HOLDINGS LTD.**  
Formerly “VenPath Investments Inc.”  
(the “Corporation”)

**MANAGEMENT’S DISCUSSION & ANALYSIS**

FORM 51-102F1  
--Interim--  
FOR THE QUARTER ENDED MARCH 31, 2008

*This Management Discussion and Analysis (this “MD&A”) is prepared by management of OPE Holdings Ltd. It should be read in conjunction with the unaudited consolidated financial statements of the Corporation for the first quarter ended March 31, 2008 and the accompanying notes contained therein.*

*Certain statements in this MD&A may be forward-looking. Forward-looking statements are subject to risks and uncertainties that may cause the Corporation's actual results to be materially different from any future results expressed or implied by such forward-looking statements. These risks and uncertainties are discussed herein and in other securities regulatory filings. The reader is cautioned against the risk of giving excessive credibility to these forward-looking statements.*

*This document has been approved by the Board of Directors of the OPE Holdings Ltd. The Corporation’s financial statements have been prepared in accordance with **Canadian** generally accepted accounting principles (“GAAP”). **However, all currency references in the ensuing MD&A are in U.S. dollars unless otherwise noted.***

*References to “fiscal 2007” or “fiscal 2008” in this document refer to the financial year ending December 31, 2007 or 2008, as applicable. References to “first quarter”, “second quarter”, “third quarter” or “fourth quarter” in this document refer to the appropriate three month period ending on the last calendar day of each quarter (March 31, June 30, September 30 or December 31) in the relevant fiscal year.*

***As a Venture Issuer, the Corporation has elected to file its Annual Certification of the CEO and CFO on Form 52-109FV1. This “Bare Certificate” does not make any representations relating to the establishment and maintenance of controls, procedures and processes that are required in the full form of certificates under National Instrument 52-109. Investors are therefore cautioned and are advised to read the “Note to Reader” accompanying the certificates filed by the Corporation in conjunction herewith.***

*The financial statements for the first quarter of fiscal 2008 are management prepared. The Company's independent auditor, Deloitte & Touche LLP, have not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.*

## **Special Background to the Corporation's MD&A to March 31, 2008**

This MD&A covers the first quarter of fiscal 2008. During the fourth quarter of fiscal 2007, the Corporation completed the acquisition of OPE, Inc. and OPE International, LP (collectively, the "OPE Entities") effective October 31, 2007, which acquisition constituted a reverse takeover (an "RTO") under applicable securities and accounting regulations. In conjunction with the RTO, the Corporation changed its name from "VenPath Investments Inc." to "OPE Holdings Ltd."

Subsequent to the RTO, the Corporation is a holding company with two directly-owned operating subsidiaries, OPE Inc. and OPE International, LP. Both of these operating entities are based in Houston, Texas and are organized under the laws of the state of Texas.

OPE International, LP has three further subsidiaries: (i) OPE Malaysia SdnBhd; (ii) OPE Offshore International, LP; and (iii) OPE Trinidad and Tobago. The financial statements of the Corporation for the first quarter of fiscal 2008 are presented on a consolidated basis including these five direct and indirectly-owned subsidiaries.

The controlling shareholders of the OPE Entities immediately prior to the RTO became the controlling shareholders of the Corporation after the RTO. As such, the OPE Entities are deemed to be the acquirer and the Corporation is deemed to be the acquired company in the RTO under applicable securities and accounting regulations. The continuing entity for the purposes of the financial statements filed by the Corporation and for this MD&A are the OPE Entities. As such, the comparative financial statements for the first quarter of fiscal 2007 are based upon the results of OPE Entities for that period and not on the financial statements of the Corporation (ie., VenPath Investments Inc.) during the first quarter of fiscal 2007.

OPE Holdings is a public company listed on the TSX Venture Exchange and a reporting issuer in the Provinces of Alberta and British Columbia. As all of the significant operations of the Corporation are recorded in U.S. dollars, the Corporation has elected to report in U.S. dollars. However, the common shares of the Corporation are traded on the TSX Venture Exchange in Canadian dollars.

### **1. Date of Information**

The date of the information contained in this Management Discussion and Analysis ("MD&A") is May 28, 2008.

### **2. Overall Performance**

#### ***Details of OPE Transaction***

The Corporation filed a variety of documents relating to the RTO transaction with the OPE Entities and the associated private placement financing, including (i) a Filing Statement dated August 20, 2007, (ii) a Filing Statement Supplement dated October 12, 2007; (iii) various press releases; and (iv) a material change report. All of these documents are available online at [www.sedar.com](http://www.sedar.com) (which documents are collectively referred to herein as the "RTO Disclosure Documents"). The RTO Disclosure Documents

contains full details with respect to the RTO between the Corporation and the OPE Entities and all shareholders and prospective investors of the Corporation are advised to review the RTO Disclosure Documents in detail.

In conjunction with the acquisition of the OPE Entities, the Corporation issued 32,222,315 treasury common shares to the shareholders of the OPE Group and \$7,825,000 US in cash. The deemed issue price of the common shares issued to the OPE Group shareholders was \$0.462 US per share.

In the private placement completed prior to closing of the RTO, the Corporation issued 22,000,000 treasury common shares at an issue price of \$0.60 US per share. The Corporation also issued 100,000 broker warrants at time of the closing of the private placement to a charitable foundation directed by First Energy Capital Corp., the Agent on the private placement. The exercise price of the warrants is \$0.60 US with an expiry of October 30, 2009.

### ***Overall Performance of the OPE Group***

For the purposes of this MD&A, references to “OPE Group” include (i) the OPE Entities and the three previously-named subsidiaries thereof up to October 31, 2007, plus (ii) the Corporation after October 31, 2007.

### ***SSP® Development***

Subsequent to the completion of the RTO, the Corporation has continued to focus on the commercialization of the SSP® technology. Completion of private placement in October 2007 provided the OPE Group with the working capital that it requires to substantially complete the detailed engineering of the SSP® hull design for the 320 ft. diameter model with anticipated storage of 1.2 million barrels. With the OPE Group’s engineering resources engaged in existing projects and with the most significant areas of internal engineering expertise in the OPE Group concentrated in subsea pipeline and infrastructure area, management of the OPE Group has determined that it is more efficient to sub-contract the majority of this function out to a firm focused in the marine vessel niche than to divert internal engineering resources to the project. Management has contracted most of the actual engineering work on the SSP® 320 hull to Sea Engineering, an internationally-renowned marine vessel engineering design firm. Substantial progress was achieved in the design project in the first quarter of fiscal 2008 and is expected to continue through the second and third quarters of fiscal 2008.

The Corporation has adopted a formal internal project plan for the completion of the detailed hull design phase on the SSP®. A number of internal key technical employees are involved in the project on an ongoing basis, and the Corporation holds regular working meetings between its internal team and the Sea Engineering team to update and guide the process. In the first quarter of fiscal 2008, the Corporation hired an experienced engineer to serve internally as the project manager for the SSP® hull design phase.

The Corporation continues its early marketing efforts with respect to the SSP® technology. In addition to its internal marketing resources, the OPE Group has retained a former senior executive with an international oil and gas service company to market the SSP® platform as a consultant on a commission basis. Management believes that

this consultant's industry contacts at senior levels will enable the SSP® platform to be marketed through a "top-down" strategy that will generate better results in the implementation of this new technology than might be achieved through traditional marketing channels. Marketing efforts and collateral materials have been developed which further enhance the presentation of design to the industry.

### ***Engineering Business***

The first quarter of fiscal 2008 evidenced a slow down in the core engineering business as a result of lower utilization rates arising from delays in the commencement of specific projects to which technical staff (engineers and CAD designers) had been tentatively allocated. A variety of projects that were scheduled to commence during the first and second quarters of fiscal 2008 have been delayed unexpectedly by the Corporation's customers due to a variety of factors, including backlogs in permitting, fabrication availability and project management capacity as a result of high activity levels in the offshore industry.

Management has been advised by its key clients that the projects to which the Corporation has allocated technical staff are currently scheduled to commence within the upcoming weeks and months as internal bottlenecks are dealt with by the customers. As a result, management currently anticipates that revenue and utilization rates will begin to pick up during the latter part of the second quarter of fiscal 2008 and will be improved during the third and fourth quarters of fiscal 2008.

Revenue from the engineering business in the first quarter of fiscal 2008 was \$4,068,743 compared to \$4,419,050 during the first quarter of fiscal 2007. In addition to utilization issues associated with project delays, revenues were also impacted during the first quarter of fiscal 2008 by the time expended by certain senior engineers on the SSP® design project. Although a large component of the detailed engineering design is being outsourced, the Corporation currently has six internal engineers tasked full-time to the SSP® project as well as other individuals who are involved in both the SSP® project and the engineering business. Time spent by these individuals on the SSP® project represents time that cannot be billed as revenue to third party clients on the engineering business.

Despite the temporary slow down during the first quarter of fiscal 2008, management of the Corporation believes that there is opportunity for continued growth of the core engineering business in fiscal 2008. The primary impediment to growth remains the ability to recruit and train qualified technical staff. In order to ensure it has the ability to recruit proficient engineers, management of the Corporation has contracted professional recruitment personnel who commenced working in-house with the OPE Group in October 2007 and continued with the company through the first quarter of fiscal 2008. Recently, the Corporation recruited Michael Buckley to serve in the capacity of VP of Human Resources for OPE, Inc. Mr. Buckley is an experienced human resources executive with extensive contacts in the Houston oil and gas engineering area.

In fiscal 2008, management of the Corporation believes that growth opportunities will continue to be evident in Houston and Malaysia. The Corporation has recently received its basic Petronas license in Malaysia, which entitles the company to bid on all offshore engineering contracts. In addition, the Corporation has identified West Africa as an area of targeted expansion during fiscal 2008. The Corporation has worked to establish

relationships with international producers working in West Africa and anticipates that it will generate increased revenue in this region in the third and fourth quarters of fiscal 2008 as a result of this effort.

With respect to earnings, the Corporation reported a net loss of \$767,608 for the first quarter of fiscal 2008. The most important item contributing to the quarterly loss was research and development expenses of \$677,901 which were fully expensed during the first quarter of fiscal 2008. The significant increase in research and development expenses correlates to the increased focus on the SSP® commercialization. In addition, the Corporation spent approximately \$239,000 in marketing and other related expenses on the SSP® commercialization during the first quarter. These expenditures are ongoing and will increase further during the second and third quarters of fiscal 2008. Management anticipates that it will have the detailed hull design of the SSP® substantially completed by the end of the third quarter of fiscal 2008.

Management anticipates that the first three quarters of fiscal 2008 will continue to evidence an operating loss due to the impact of research and development costs being expensed.

### 3. Selected Annual Financial Information

The following table discloses the selected annual financial information for the last three financial years of the OPE Group for which audited financial statements are available.

<b>Year Ended December 31</b>	<b>2005 (\$)</b>	<b>2006 (\$)</b>	<b>2007 (\$)</b>
Total revenue	11,403,544	16,243,736	24,799,938
Net earnings (loss)	(171,467)	541,132	(334,644)
Net income per share <sup>(1)</sup>	(0.01)	\$0.02	(0.005)
Total assets	6,003,693	6,683,199	15,840,281
Long term debt	13,581	1,708,165	29,028
Dividends per share	--	--	--

1. Based on 32,222,315 shares outstanding, which is the number of shares issued to the former shareholders of the OPE Entities in conjunction with the RTO for the 2005 and 2006 financial years. Based on 61,515,982 shares outstanding for fiscal 2007 after completion the RTO.

### 4. Results of Operations

The OPE Group's operating results reflect the ongoing operations of its engineering and construction management business.

To date, the key proprietary technologies developed by OPE have not contributed any revenue as the SSP® and pipe-in-pipe technologies are in the pre-commercialization stage. Management of OPE has not capitalized the research and development expenses associated with the SSP® and pipe-in-pipe technologies, although it is estimated that in excess of \$5,000,000 have been expended in development over the past several years on technological development of the SSP® alone.

Revenue from the engineering business in the first quarter of fiscal 2008 was \$4,068,743 compared to \$4,419,050 during the first quarter of fiscal 2007, a decrease of 8%.

Gross margin (revenue minus direct expenses), however, increased during the first quarter of fiscal 2008 to \$1,977,894 compared to \$1,938,370 in the first quarter of fiscal 2007. As a percentage of total revenue, gross margin increased to 48.6% in Q1 of fiscal 2008 from 43.9% in Q1 of fiscal 2007. This increase reflects that the Corporation has been able to adequately manage the impact of rising salaries of technical staff year-over-year through implementing increases in billing rates.

Selling, general and administrative (“SG&A”) expenses were \$2,305,320 for the first quarter of fiscal 2008, up from \$1,629,826 during the first quarter of fiscal 2007. This represents an increase of 41.4%. Increases in SG&A are primarily attributable to the following items:

- (i) addition of new management level personnel associated with the SSP® project, and increased expenditure of time by existing management personnel on the SSP® project;
- (ii) ongoing public company disclosure costs as a result of the OPE Group attaining public status in October 2007;
- (iii) increased audit costs associated with the public status of the Corporation and cross-border accounting issues;
- (iv) increased marketing expenses relating to the SSP® marketing program;
- (v) increased costs relating to the ongoing recruitment of technical staff;
- (vi) ongoing legal costs relating to the arbitration scheduled to be held during the third quarter of fiscal 2008; and
- (vii) increased rent costs for new office space dedicated to the SSP® commercialization team.

Further increases in SG&A expenditures are anticipated during fiscal 2008 as the Corporation continues to build the strength of its senior management team to implement the SSP® commercialization strategy. Management anticipates that these increases in SG&A will be at least partially offset by improved utilization rates in its engineering business during the remainder of fiscal 2008.

The Corporation reported a net loss of \$767,608 during the first quarter of fiscal 2008, compared to a net loss of \$508 during the first quarter of fiscal 2007. This differential is principally attributable to the increase in research and development expenditures to \$677,901 in the first quarter of fiscal 2008 from \$32,052 in the first quarter of fiscal 2007 in addition to the impact of increased SG&A costs (of which \$239,000 was expended on SSP® marketing expenses during the first quarter of fiscal 2008).

With respect to ongoing research and development on the SSP®, the existing project plan for the detailed hull design anticipates the expenditure of approximately \$4,100,000 in additional design costs during the last three quarters of fiscal 2008. The engineering division of the Corporation is expected to generate positive cash flow during the remainder of fiscal 2008, but the internally generated cash flow is budgeted to be less than the amount of the ongoing research and development expenditures during the first three quarters of fiscal 2008. As such, the Corporation anticipates that it will continue to be in a net loss position after expensing its research and development expenses during fiscal 2008.

After completion of the detailed hull design by the end of the third quarter of fiscal 2008, the Corporation's ongoing research and development expense is expected to be reduced in the fourth quarter of fiscal 2008. The hull design is the one component of the SSP® that is consistent regardless of the actual production requirements of the vessel and, as such, can be finalized in design prior to determination of what type of production facilities will be placed on the topside.

After completion of the hull design at the end of the third quarter of fiscal 2008, management anticipates that it will be requesting fixed-price fabrication quotations for the SSP® from various potential fabrication partners. The current schedule is for these quotations to be received prior to the end of the fourth quarter of fiscal 2008, with the Corporation evaluating the proposals by the end of January 2009.

Finalization of detailed topside design and internal piping structures will require determination of a particular application with set production parameters given that these design components will vary significantly for each particular project and the demands of the individual clients and offshore field. At the time that the hull design is completed, management of the Corporation will evaluate whether to construct the first SSP® on speculation without an existing client in place. This evaluation will involve a number of factors, including the availability of financing and the state of the FPSO market at the particular time. Obviously, the Corporation's preference will be to construct the first SSP® vessel pursuant to the specifications of an identified client for a particular application. However, management understands that commercializing a new and revolutionary design technology is a significant hurdle and that it may be required to demonstrate its ability to deliver an SSP® on budget and with the actual performance characteristics that it has modeled in tank testing before gaining significant acceptance and visibility in the FPSO market.

## 5. Summary of Quarterly Results

The following information summarizes the financial results of the OPE Group for the past five quarters. As a private company, the Corporation did not prepare quarterly financial statements prior to the 2007 fiscal year.

<b>Quarter Ending</b>	<b>Revenue (\$)</b>	<b>Net Income (Loss) (\$)</b>	<b>Earnings (Loss) Per Share<sup>(1)</sup> (\$)</b>
March 31, 2007	4,419,050	(580)	(\$0.00001)
June 30, 2007	4,926,455	223,475	\$0.007
September 30, 2007	6,662,565	159,246	\$0.005
December 31, 2007	8,791,868	(716,785)	(\$0.012)
March 31, 2008	4,068,743	(767,608)	(\$0.012)
Total			

1. Based on 32,222,315 shares outstanding, which is the number of shares issued to the former shareholders of the OPE Entities in conjunction with the RTO for the quarters up to September 30, 2007. Based on 61,515,982 shares outstanding for the quarters ended December 31, 2007 and March 31, 2008 after the RTO.

## 6. Liquidity

At March 31, 2008, the Corporation had positive working capital (current assets minus current liabilities) of \$6,205,903.

OPE has maintained a \$3,000,000 revolving operating line with its bank with interest payable at prime. The operating line is secured by accounts receivable and is limited at any given time to 80% of eligible domestic receivables. The existing bank line expires at the end of the second quarter of fiscal 2008, but management is currently working on an extension and anticipates the completion of that extension on similar terms to the existing bank line.

The Company has operating lease commitments for their primary offices and office equipment. Future minimum lease payments under non-cancelable operating leases with terms in excess of one year at December 31, 2007 were as follows:

Years Ending December 31	2008	2009	2010	Total
\$	717,595	733,572	539,256	1,990,423

The Corporation has no other long term commitments.

## 7. Capital Resources

The most significant current issue for the Corporation with respect to working capital is whether the Corporation has sufficient existing working capital to complete the detailed SSP® hull design on the timetable currently being pursued. The temporary slow-down in the core engineering business during the first quarter of fiscal 2008 as a result of project initiation delays along with additional costs associated with the arbitration hearing leave the issue of whether the Corporation currently has sufficient capital resources to complete the SSP® design on the current schedule as an open question as at the date of this MD&A. Management is continuing to monitor this issue closely and is evaluating a number of potential financing alternatives to deal with any shortfalls, including the extension of its bank operating line. Although the Corporation possesses the ability to manage its capital resources by slowing the pace of research and development expenditures and SSP® marketing expenditures to match cash flow generated by the engineering business, management and the Board of Directors believe that it is critically important to maintain the current SSP® commercialization schedule to take advantage of current conditions in the FPSO market.

Beyond this initial phase of the detailed SSP® hull design, management anticipates that a limited amount of business development capital will continue to be provided by ongoing operations of the engineering business. This internally-generated cash may be used for ongoing marketing of the SSP® design and continuing development efforts on the SSP®. The amount of cash generated by internal operations will not, however, be sufficient to fund the initiation of the actual construction of the first SSP® unit. In order to move from the design phase to building an actual SSP® unit will require a significant

infusion of additional capital for the Corporation, likely including both debt and equity components. The terms on which this capital can be raised cannot be accurately predicted and will depend on many factors including the state of capital markets, debt markets and, most critically, whether the Corporation has an identified customer for the SSP® and the terms on which such customer will acquire or lease the SSP® from the Corporation.

The availability of capital to finance the ongoing commercialization of the SSP® and the potential initiation of an SSP® project on speculation is one of the most important factors in the future success of the Corporation. There is no assurance that such financing will be available. Even if the financing is available, the terms of the financing may be dilutive to existing shareholders of the Corporation. The Corporation has taken such initial steps as it believes are prudent in preparing itself for the raising of significant additional capital at the appropriate time, including establishing an ongoing relationship with a major energy-focused investment bank based in Calgary, Alberta. In addition, the Corporation will look to pursue U.S. registration of its securities within fiscal 2008 such that the range of potential investors in a new financing is expanded to include more U.S. investors.

The Corporation will not commit itself to any significant fabrication project for an SSP® until it has determined the availability and cost of financing associated with the project.

In addition to the core engineering business and SSP® development, management of the Corporation will continue to evaluate potential acquisition opportunities. Such opportunities will not be pursued unless they are strategically aligned and provide the Corporation with additional expertise and resources to better implement the SSP® commercialization and acquisition financing is available on terms satisfactory to the Corporation.

## **8. Off-Balance Sheet Arrangements**

The Corporation does not have any off-balance sheet arrangements.

## **9. Transactions With Related Parties**

As at March 31, 2008, the Corporation had an accrued payable to a company owned by a director and officer of the Corporation of \$58,800 for consulting fees. These fees relate to management services provided to the Corporation as an officer under a management agreement.

## **10. Changes in Accounting Policy Including Initial Adoption**

The audit of the Corporation for fiscal 2007 was completed in accordance with Canadian GAAP. The audit of the OPE Group for prior financial years was completed in accordance with US GAAP.

The Corporation did not make any further significant changes in accounting policy during fiscal 2007.

It is anticipated that the Corporation will pursue U.S. registration during fiscal 2008. This registration may entail the adoption of additional accounting policies, including the establishment of additional accounting and disclosure controls to be compliant with applicable US requirements.

Management of the Corporation has elected to use the Bare Form of accounting certification by its CEO and CFO for the audited statements associated with the 2007 fiscal year. The Corporation is currently working to improve the bandwidth in its internal accounting and finance department, with the goal of working towards documentation of its processes within the upcoming quarters and being able to certify its financial statements and disclosure controls at a higher level in upcoming financial periods. It is not yet certain when the Corporation will be able to provide the more detailed certification.

## 11. General & Administration Expenses

The following table summarizes the general & administrative expenses, management and consulting fees and professional fees incurred by the OPE Group in the first quarter of fiscal 2008 and the entire year of fiscal 2007:

	Quarter Ended March 31, 2008	Year Ended December 31, 2007
Employee Salaries	814,213	3,510,712
Bad Debt Expense	-0-	475,000
Office leases	199,648	522,528
Insurance	242,895	935,062
Accounting and legal fees	138,023	517,472
Contract Labor	128,846	466,426
Marketing	265,953	416,253
Other	515,742	1,023,183
<b>TOTAL</b>	<b>\$2,305,320</b>	<b>\$7,866,636</b>

## 12. Additional Information

Additional information on OPE Holdings available on the SEDAR web site accessible at [www.sedar.com](http://www.sedar.com). Additional information with respect to the OPE Group is accessible on SEDAR in the Filing Statement.