

REAL TIME MEASUREMENTS INC

INTERIM - MANAGEMENT DISCUSSION and ANALYSIS

3rd Quarter, Fiscal 2009

For the three month period ended October 312008

DECEMBER 30 2008



REAL TIME MEASUREMENTS INC.

Third Quarter, Fiscal 2009

Management Discussion and Analysis, December 30 2008

for

the three month period ended October 31 2008

This Management Discussion and Analysis of the operational results and financial condition of Real Time Measurements Inc. for the third quarter of fiscal 2009, which is the three month period ended October 31 2008, should be read in conjunction with the corresponding company's interim quarterly unaudited financial statements and accompanying notes thereto dated October 31 2008.

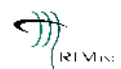
The company's unaudited financial statements were prepared in accordance with Canadian General Accepted Accounting Principles and the reporting currency is Canadian dollars, unless otherwise indicated. The date of this Management Discussion and Analysis is December 30 2008. Additional information is available about the company on SEDAR at www.sedar.com.

Forward Looking Information and Statements

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Although new material developments will continue to be press-released as they are experienced, the company undertakes no obligation to publicly release any revision to these forward-looking statements, in order to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are referred to the following Management's Discussion and Analysis, including discussions of potential risks and uncertainties affecting the company's business, financial condition and liquidity, and results of operations that could cause actual results to be materially different from such forward-looking statements.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurances that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), and that management has evaluated the effectiveness of the Corporation's disclosure controls and procedures as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators and has concluded that such disclosure controls and procedures are effective. However, they do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors or fraud. An economically feasible control system, no matter how well conceived or



operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Controls over Financial Reporting

The CEO and CFO of Real Time Measurements Inc. are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The company assessed the design of its internal control over financial reporting ended October 31 2008.

Management and the board of the directors work to mitigate the risk of a material misstatement in financial reporting. However, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

Risk and Uncertainty

Demand for the company's products and services, depends largely on the level of spending by oil and gas companies for exploration, development and production activities worldwide. There have been significant industry wide and local increases and decreases in the level of spending by oil and gas companies in the past and this trend is expected to continue. No assurance can be given that any activity level will be maintained, increase or decrease or that the demand for the company's products and/or services will reflect the level of overall spending by oil and gas companies. As well, oil and gas company spending levels depend in large measure upon oil and gas prices which are affected by local and/or international factors or by Government regulations which cannot be accurately predicted. If oil and gas commodity prices decrease or fail to meet expectations, or increase and exceed expectations, oil and gas company spending and therefore oil and gas service company activity levels may increase or decrease or stay the same, any of which may have a material adverse effect on the company's operations and financial condition. At present, traditional oil and gas service activity in Canada is in a no or slow growth trend, relative to recent historic levels. No assurance can be given that this trend will or will not continue.

The company's operations are subject to the seasonal nature of oil and gas service company activity in Western Canada and the rest of the world. Accordingly, the company's revenue may be impacted by its inability to conduct operations due to seasonal weather conditions. Oil and natural gas operations are subject to extensive legislative and regulatory controls imposed by various levels of government which may be amended from time to time. The company's operations may also be subject to compliance with federal, provincial and local laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment.

Oil and gas well service and testing activities involve risk of loss from causes such as fires and accidental explosions, blow-outs, cratering, petrochemical spills, storm damage and the like, any of which can cause personal injury and/or loss of life and/or damage to property and/or damage

to the environment. The company carries available insurance against certain commercial risks that management considers prudent. The company may not, however, be able to obtain insurance against all possible losses. Interruptions and delays caused by adverse weather conditions, equipment failures and other events can also significantly adversely affect the company's future prospects.

The company does not have patents on any of its principal technology, services or products and in some instances relies primarily on trade secrets and unpatented know-how to maintain its competitive position. There can be no assurance that others may not become privy to such trade secrets and know-how or independently develop the same or similar technologies, services and products.

While some of the company's equipment and services have been operating successfully in the oil and gas industry for over ten years, the company has done so with limited equipment capacity with a relatively small number of customers in Canada and abroad. If and when additional equipment is built or purchased and utilized by various oil and gas clients of the company, and notwithstanding managements optimistic viewpoint, there is no way to express the level of certainty as to whether or not future clients will be satisfied with the quality of future RTM products or services.

RTM was named as the defendant in a civil lawsuit three years ago in July 2005. The lawsuit was filed against RTM by Spartek Systems of Sylvan Lake Alberta. Since the statement of claim was filed, management has taken all necessary prudent and diligent steps to ensure the company's best interests are looked after in this matter. RTM management believes the company will prevail in the legal action. Management also believes the lawsuit will not have a material impact on the future prospects of the company. Additional details regarding the lawsuit are disclosed in Note 15 of the referenced unaudited 3rd Quarter Fiscal 2009 Financial Statements.

The company may require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms.

Any expansion of the company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the company will be able to manage growth successfully. Any inability of the company to manage growth successfully could have a material adverse effect on the company's future prospects.

Critical Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The statements have, in management's opinion, been properly prepared using

careful judgement within reasonable limits of materiality and within the framework of the significant accounting policies.

With regards to revenue recognition, revenue is recognized and invoiced as services are performed or when title to products is transferred to the customer.

Development costs are expensed in the period in which they are incurred except when a specific set of criteria are met as set out in Notes 2 and 6 of the accompanying unaudited Financial Statements. When a development project meets the criteria for deferment, the development costs are deferred to the extent that their recovery can reasonably be regarded as assured. Amortization of development costs deferred to future periods commences with commercial production or use of the product or process and is charged as an expense on a systematic and rational basis by reference, where possible, to the sale or use of the product or process.

Accounting policies regarding Inventories, Equipment and Leaseholds, Impairment of Long-Lived Assets, Measurement Estimates, Research and Development, Income Taxes, Revenue Recognition, Per share Amounts, Stock Based Compensation and Foreign Currency are described in Note 2 of the accompanying Financial Statements.

Changes in Accounting Policies

Reference is made to Note 2 in the accompanying Financial Statements wherein New Policies are disclosed. The new policies which went into effect on February 1 2008 reflect the adoption by the company of CICA Handbook recommendations that are pertinent to the reporting of Capital Disclosures, Financial Instruments, General Standards of Financial Presentation and Inventories.

Over the course of the next few years, Canadian listed issuers like RTM will be subjected to various new accounting standards requirements. Reference is made to Future Accounting Changes in Note 2 of the Financial Statements for details. The future changes to accounting and disclosure policies will be required in order for the company to remain compliant as the current GAPP standards are replaced with internationally recognized IFRS standards. The company is assessing the impact of these new standards and will implement the required changes as needed to maintain regulatory compliance while maintaining meaningful information disclosure to stakeholders.

Off Balance Sheet Arrangements

Real Time Measurements Inc. does not employ any off balance sheet arrangements.

Related Party Transactions

The Company is indebted pursuant to a term loan arrangement with Abbet International Ltd. (“Abbet”), as described in Note 14 of the accompanying unaudited Financial Statements. Abbet is controlled by an individual who is a director and officer of the Company, and his spouse, who is

an employee of the Company. Management believes that the terms of the loan are consistent with third party arrangements involving similar risk.

Interest of \$4,194 was paid during the period ended October 31, 2008 (\$6,822 – October 31 2008) and is included in interest on long term debt on the statements of operations and loss and deficit.

During the second quarter of fiscal 2009, the Company entered into a License Agreement with a non-resident corporation of which an officer and director of the Company is a shareholder. The Agreement is perpetual and relates to technologies developed by the non-resident corporation (Note 5 of unaudited statements). Consideration for the Agreement is US\$50,000. The Agreement provides for the Company to pay a royalty of 4% of net revenues arising from the use of the licensed technology. No royalties are payable as of October 31 2008.

Financial Instruments

As per Note 13 in the accompanying unaudited Financial Statements the Company's financial instruments consist of cash (operating overdraft), accounts receivable, accounts payable, accrued liabilities and term loans payable. Management has utilized valuation methodologies available as at the year-end and has determined that the carrying amounts of such financial instruments approximate their fair value in all cases.

The Company has exposure to credit risk, liquidity risk, market risk and foreign exchange risk as a result of its use of financial instruments. Note 13 in the accompanying unaudited Financial Statements presents information about the Company's exposure to these risks and the Company's objectives, policies and procedures for measuring and managing the risks.

The Company is not exposed to interest rate risk as interest on its term loan obligations as these are calculated using pre-determined fixed rates.

Capital Management

The Company's objective is to maintain a strong capital base and financial flexibility to maintain investor, creditor and market confidence while sustaining the future development of the business. As such, the Company's credit facilities are in compliance with all regulatory requirements as described and outlined in Notes 12 and 13 in the accompanying unaudited Financial Statements.

Nature of Business

Real Time Measurements Inc. is an independent Canadian company with its head office in Calgary Alberta. The company provides various services and products to the oil and gas industry in Canada and abroad. The company was founded in December 1995 to exploit opportunities arising from the creative application of recent technological developments to solving selected oil and gas upstream measurement problems in more efficient ways. For most of its history, RTM's primary business activity has revolved around the commercial development of specific

applications of a sensor-to-desktop data platform called DataTrak which is used primarily in oil and gas wells.

RTM is investing significant effort and capital in the continued development of the DataTrak technology platform. DataTrak represents a range of RTM products and services. For the past couple of years DataTrak product development efforts have been focused on the innovative KC range of downhole electronic instruments. The technically advanced and unique features of the KC range of tools offer customers unprecedented value.

The earliest application of the DataTrak platform is called Smart Drop Off (SDO). SDO provides customers with a secure internet based data port that links them to a high precision electronic pressure gauge downhole in a well. The SDO sensor-to-desktop system dramatically improves well test operational efficiency and quality. RTM was the first company in the world to offer a service like SDO.

The company is pursuing growth opportunities outside Canada. Last year RTM offered surface readout (SRO) pressure surveying and production logging (PL) services on a sub-contract basis to major oil and gas operators in North Africa. This year the company has done similar work in Mexico. In addition to oil and gas services, RTM has also supplied the Mexican oil and gas industry with some equipment. In the past six months particular emphasis has been placed on developing the US market for RTM products and services. RTM management believes the future of the company lies in the pursuit of exciting business growth opportunities outside Canada.

Results of Operations – Overview

A departure from conventional oil and gas development activities in Western Canada over the past couple of years due to legislated changes in the Alberta Royalty Program, decreased petroleum commodity prices, the credit crunch and the general global economic slowdown have all negatively impacted RTM's business activity. These negative external factors coupled with a re-focusing of the company's efforts from a primarily service based operation to an original equipment manufacturer based business have resulted in relatively low quarterly revenues and a net loss being reported for this third quarter.

Despite the dire news being produced by almost every sector of the economy, there is still a global hunger for oil and gas. The improvement that RTM's line of KC electronic tools represent when compared to the status-quo is significant enough to make RTM management highly confident that RTM is on the cusp of gaining significant global market share in the next year. This confidence translates into RTM being a vibrant focused and determined group of people who are committed to development, production and marketing efforts in Canada, USA and abroad. RTM's people strength will pave the way for renewed corporate growth in the coming years.

For the three month period ended October 31 2008, RTM recorded Q3 revenues of \$134,573 which is 51% less than Q3 revenues of \$274,646 last year. For the first nine months this fiscal year, revenue was \$427,116 (\$965,597 last year).



Total expenses for Q3 decreased year over year by 5% from \$376,881 last year to \$356,193 this year. For the first nine months this year total expenses increased by 21% from \$1,060,961 last year to \$1,285,894 this year.

The Company reported a net loss for the quarter of \$221,620 (-\$0.007 loss per share) as compared to last year's Q3 loss of \$102,235 (-\$0.004 loss per share). Net loss for the nine month period was \$858,778 which is significantly more than \$95,364 net loss for the same period last year.

The cash flow deficit from operations for Q3 last year was \$61,321 as compared to a Q3 cash flow deficit from operations of \$188,432 this year. When the change in non-cash working capital is taken into account, the company recorded a net cash flow deficit in Q3 2009 of \$228,413 (\$103,397 net deficit in Q3 last year). For the first nine months last year the company reported a cash flow surplus from operations of \$28,270 whereas this year the Company is reporting a cash flow deficit of \$595,551.

Third quarter fiscal 2009 closed with a working capital balance (current assets minus current liabilities) of \$68,825 on October 31 2008, as compared to a working capital balance of \$23,696 at the end of the previous fiscal year and \$59,731 at the end of Q3 last year. Working capital is being consumed as RTM management focuses on full commercial deployment of the KC range of tools.

As of October 31 2008, the company has outstanding term loans of \$51,477 of which \$45,020 is the current portion. The primary use of this debt was the purchase of the equipment used to provide services in North Africa and Mexico.

Revenue

Total revenue in the third quarter of fiscal 2008 was \$134,573 as compared to Q3 revenue of \$274,646 for the same period last year. Revenue for the first nine months of fiscal 2009 was \$427,116 as compared to \$965,597 for the same period last year. A substantial slowdown in the oil and gas business in Alberta is in part responsible for RTM's depressed revenue condition. The other factor negatively impacting revenue is the refocusing of the Companies efforts away from a service company model towards an original equipment manufacturing model. Given the expected service activity slowdown two and a half years ago, management re-directed the Company's efforts on business opportunities outside Alberta and on development of the DataTrak product line which will be sold globally. Management expects the new direction to rejuvenate and support growth of RTM's revenue base.

RTM's Gauge Rental business has been a steadfast revenue generator for the Company representing 41% of total revenue or \$55,763 in this quarter as compared to the \$59,356 which represented 22% of total revenue in Q3 of the previous year.

A more important indicator of what's happening in RTM with regard to gauge rentals is the contribution of gauges manufactured by RTM to total gauge rental revenue. In Q3 last year, about

30% of RTM's gauge rental revenue was generated by the KC tools designed and built by RTM. By contrast, in Q3 this year, 100% of the quarterly gauge rental revenue was produced by KC tools. This is a significant development for RTM.

A similar picture emerged during the first nine months when it comes to revenue produced by KC tools. During the first nine months last year gauge rental revenue was \$176,170, of which about 20% was produced by KC tools. During the first 9 months this year gauge rental revenue was down year over year by 16% to \$147,340, but 100% of the revenue was produced by KC tools. This represents a significant year over year increase in KC rental revenue of about 320%.

Data Processing also proved to be a mainstream revenue generator for RTM, accounting for roughly 19% of total revenue or \$25,265 in Q3 2009 as compared to \$25,530 in Q3 of 2008. During the first nine months of this Q3 data processing revenue was \$65,624 compared to \$78,595 for the same period last year. Gauge rental and Data Processing services reflect the consistent and valued relationships RTM have developed with its loyal client base.

RTM had foresaw and subsequently witnessed a decline in its domestic SDO service revenue from \$73,441 in Q3 2008 to zero in Q3 2009. During the first nine months of fiscal 2009 SDO services produced \$41,500 in revenue as compared to \$260,101 for the same period last year. To put these numbers in true perspective and underline how significant the slowdown has been, SDO revenue three years ago during the first nine months of fiscal 2006 was \$865,381 and accounted for 68% of RTM's total revenue for the nine month period. Despite 8 solid years of steady growth and development of the SDO service up to 2006, the precipitous drop in SDO revenue has forced RTM management to pursue re-deployment of the equipment in the USA.

In Q3 fiscal 2009, equipment sales revenue was \$28,356 compared to \$640 in Q3 last year. Armed with the understanding that the Canadian Oil and gas business is in for a long period of low activity, RTM is concentrating efforts in growing sales through increased marketing activity of the KC tools in markets outside Canada.

Services revenue from International sources during Q3 fiscal 2009 were responsible for \$25,189 in revenue. This stems from PL (Production Logging) work done in Mexico. This is the same service that generated \$73,189 during Q3 last year in North Africa. Last year during Q3, International service operations accounted for 17% of total revenue. This year it accounted for a similar 19%. RTM's PL service package is quite easy to transport on short notice and can go to work as soon as it arrives at a new location. It can go anywhere in the world where it is needed.

Recognizing that RTM's most reliable revenue generators are Gauge Rentals and Data Processing whereas the most growth is expected in KC sales, RTM management is continuing to develop the DataTrak range of equipment with emphasis on the KC family of tools. Management is working diligently to use the KC products to opening up market opportunities in various parts of the world.

Management intends to support current loyal domestic client base by maintaining current equipment and staffing levels. Expanded marketing and distribution efforts and continued



development of the DataTrak product line will lead the way for RTM's growth prospects for the foreseeable future.

Expenses

Total expenses for Q3 decreased year over year by 5% from \$376,881 last year to \$356,193 this year as RTM pushed forward enhancing its DataTrak product line and expanding market development outside Canada. A significant increase in interest paid on long term debt, marketing and development expenses was offset by lower operating, public company and cost of goods sold expenses.

For the first nine months this year total expenses increased by about 21% from \$1,060,961 last year to \$1,285,894 this year. Roughly 71% of the \$224,933 increase was chocked-up to \$159,750 in Stock-based Compensation. Other significant increases were recorded for cost of goods sold, marketing, development and interest on long term debt.

Cash expenses in Q3 2009 decreased year over year by \$21,437 (6%) from \$344,442 to \$323,005. Non-Cash expenses of \$33,188 in equipment and debenture issuance cost amortization were recorded for the quarter.

Q3 Service Division expenses decreased year over year by 50% from \$109,285 to \$54,246. This large percentage decrease reflects the significantly decreased domestic SDO activity. Service Division expenses decreased similarly by 46% year over year for the first nine months, decreasing from \$355,682 last year to \$191,501 this year.

Third quarter Products Division expenses decreased by 53% from \$46,953 last year to \$22,232 this year. Over the first nine months of fiscal 2009 Products Division expenses decreased year over year by 41% from \$119,618 last year to \$70,027 this year. This significant decrease reflects increased efficiencies in production of the KC tools implemented by RTM production staff. Management expects to be increasing products division spending as KC tool sales and the product line diversity increases.

Third quarter marketing expenses more than doubled from \$21,174 last year to \$46,897 this year. Marketing expenses for the first nine months jumped year over year by a similar 116% from \$61,828 last year to \$133,668 this year. Although increasing any expense during a climate of low revenue seems counterintuitive, RTM's path out of the low revenue slump is increased sales of the DataTrak products and that will only happen if marketing efforts are stepped-up. Management intends to continue to support increased marketing efforts and therefore marketing expenses will grow as revenue and geographic coverage grows.

Third quarter International Operating expenses decreased by 41% from \$31,357 to \$18,522 this year. This decrease is a reflection of the decreased PL work that was done by RTM in Q3 fiscal 2009.

Information Technology expenses rose by \$4,672 in Q3 2009 from \$378 a year ago to \$5,050 in the third quarter this year. This amount, which represents 1.4% of total expenses for the quarter, is the current market cost of maintaining and updating web based information systems.

General and Administrative expenses for the third quarter increased year over year by \$20,696 (28%) from \$73,806 last year to \$94,502 this year. This is the highest quarterly General and Administrative expenses ever recorded by RTM. The \$21K jump is accounted for by an \$8K increase in insurance premiums, \$11K in management consulting fees and a \$4K quarterly increase in legal fees. For the first nine months of fiscal 2009 General and Administrative increased year over year by 9% from \$222,705 to \$241,817. Most of the up and down ripples in General and Administrative expenses are caused by fluctuations in consulting, insurance and legal expenses.

Year over year quarterly public company costs decreased dramatically from \$44,377 last year to \$2,712 this year. For the first nine months of fiscal 2009 public company costs decreased by 28% from \$56,164 to \$40,326. The decrease is attributed to the financing activities conducted so far in fiscal 2009 being simpler than those attempted last year in fiscal 2008.

To support RTM's growth plans, management is continuing to focus on the development of the KC line of DataTrak tools. As a result the Company incurred a Development expense of \$44,717 for Q3, and a development expense of \$99,676 for the first nine months of fiscal 2009, both of which are without comparison from the previous year.

Cash Flow and Net Earnings

Cash flow deficit from operations for the third quarter of the previous year was \$61,321 as compared to third quarter cash flow deficit from operations of \$188,432 this year. When the change in non-cash working capital is taken into account, the company recorded a net cash flow deficit in Q3 2009 of \$228,413 (\$103,397 net deficit in Q3 last year).

The Company reported a net loss of \$221,620 for Q3 fiscal 2008 compared to a net loss of \$102,235 for the same period last year. A net loss of \$858,778 was reported for the first nine months of fiscal 2009 (\$95,364 net loss in 2008).

As painful as it is for shareholders and management to endure these losses, this cash flow and net earnings pattern is representative of a growth company caught in a state of transition and re-focusing while operating during the down part of an activity cycle in the cyclical oil and gas industry. Management's determination to maintain the Company's present course, despite expenses being higher than revenue, is spurred on by encouraging results from marketing efforts directed at widening RTM's market penetration with the KC line of tools in Canada and abroad.

Summary of Quarterly Results

Table 2 below contains selected consolidated financial information, rounded to the nearest \$000's for Q3-2009 presented alongside the previous 18 quarters:

Table 2

| C\$,000 | Net Revenue | G & A Expenses | Amortiz'n | Operating and Other Expenses | Stock Based Comp | Net Earnings | Cash Flow from Operations |
|----------------|-------------|----------------|-----------|------------------------------|------------------|--------------|---------------------------|
| Q3-2009 | 135 | 95 | 33 | 228 | 0 | -221 | -188 |
| Q2-2009 | 187 | 79 | 29 | 329 | 0 | -250 | -216 |
| Q1-2009 | 105 | 69 | 37 | 227 | 160 | -388 | -190 |
| Q4-2008 | 173 | 79 | 32 | 293 | 0 | -256 | -188 |
| Q3-2008 | 258 | 74 | 32 | 255 | 0 | -102 | -6 |
| Q2-2008 | 291 | 75 | 39 | 219 | 0 | -42 | -3 |
| Q1-2008 | 400 | 74 | 35 | 239 | 0 | 49 | 93 |
| Q4-2007 | 240 | 78 | 33 | 201 | 0 | -72 | -38 |
| Q3-2007 | 226 | 74 | 33 | 239 | 0 | -120 | -87 |
| Q2-2007 | 220 | 62 | 29 | 257 | 34 | -162 | -99 |
| Q1-2007 | 279 | 58 | 29 | 302 | 203 | -313 | -81 |
| Q4-2006 | 323 | 43 | 40 | 361 | -54 | -68 | -91 |
| Q3-2006 | 357 | 75 | 28 | 299 | -54 | 9 | -16 |
| Q2-2006 | 424 | 70 | 26 | 313 | 37 | -22 | 41 |
| Q1-2006 | 465 | 81 | 27 | 302 | 152 | -95 | 93 |
| Q4-2005 | 247 | 72 | 30 | 217 | 0 | 72 | 42 |
| Q3-2005 | 234 | 71 | 24 | 161 | 0 | 23 | 1 |
| Q2-2005 | 200 | 72 | 25 | 142 | 0 | 40 | 14 |
| Q1-2005 | 328 | 64 | 27 | 192 | 0 | 43 | 70 |

Throughout its history, RTM has been like most Canadian oil and gas manufacturing and service companies, in that, the Company has had to endure dramatic oscillations in quarterly revenues

resulting in material swings in earnings, cash flow and access to working capital. Over the past 18 quarters since the beginning of 2005, RTM's quarterly revenue has bounced between \$105K and \$465K. This is a 343% (465/105) swing in quarterly revenue. Corollary, combined G&A plus amortization plus operating and other expenses (excluding stock based compensation) floated between a low of \$239K in Q2 2005 and a high of \$444K in Q4 2006 within a narrower band of about 186% (444/239) in variability. Although RTM has been significantly impacted by the current low revenue dip, the combined expenses of \$356K in Q3 2009 falls within the pattern. This demonstrates management's prudent expenditure control with regards to proportional spending in G&A, amortization, operating and other expenses while minimizing the negative impact on the future prospects of the Company.

Very recently, the world has witnessed remarkably volatile commodity markets, including a dramatic rise and precipitous decline in the price of oil and gas. During the same period the world has witnessed a massive credit problem which has triggered a deep world recession. These developments are bigger than Canada's local oil and gas industry and indeed the entire global petroleum industry. However, despite this rapidly changing global economic situation which was foreshadowed by a significant decrease in RTM's revenue base, the Company is resilient and armed with its development team, market knowledge and new product line, management is confident the Company will prevail.

Research and Development

During Q3 2009, development expenses of \$44,717 plus deferred development costs totaling \$4,479 were incurred while the company continues with development of the KC tool part of the DataTrak product range. Cumulative deferred development costs now total \$485,394. In Q3 fiscal 2009 \$4,829 in deferred development costs were amortized.

Liquidity and Capital Resources

RTM's working capital is being used to support operations, marketing, product development and purchase raw materials that are used to build KC tools. Working capital is defined by management as current assets less current liabilities. As of October 31 2008 the Company's working capital balance was \$68,825. In addition to the \$68,825 in working capital, the Company is also carrying \$95,397 (refer to Note 4 in accompanying unaudited Financial Statements) in raw materials inventory. This inventory will be used to make KC tools which will be either sold or deployed into RTM's rental fleet. Management is holding the line on spending at current levels with the expectation that revenue will grow as the KC tools get commercialized and business developments take shape. Given the current state of the Company's balance sheet, and the prospects for growth, management believes the Company presently has sufficient working capital to continue on the present course.

As at October 31 2008, the Company had two term loans outstanding. One of the loans was supplied to RTM by a non-arms length party. The proceeds from the loan were used to purchase the equipment required to support International PL operations. The current portion of the loans is

\$45,020 (Year end 2008: \$41,816). The long term portion of the loans is \$6,457 a reduction from \$40,635 at the end of fiscal 2008.

The Company is carrying \$742,338 in Convertible Debentures payable. For more details please refer to Note 9 in the accompanying unaudited Financial Statements.

Outlook

On the domestic front, RTM will maintain a loyal client base for its KC gauge rental and data processing services which are rendering a consistent revenue base.

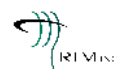
The success of the KC downhole electronic memory pressure and temperature recorder has lead to development of a wider range of KC tools which RTM has begun to market. The Company is building-up an inventory of KC tools to minimize customer wait time when orders are placed for the tools. Development will continue on more variations of the KC theme and other DataTrak products.

To ensure the success of the Company, management is investing heavily in product development and the pursuit of new contractual opportunities worldwide to fuel growth.

Dated : December 30 2008

Signed Glenn Boyd, Director, VP Operations, CFO

Signed Terry Matthews, Director, President, CEO





Real Time Measurements Inc. *as at December 30 2008:*

| | |
|------------------------------|--|
| STOCK EXCHANGE | TSX Venture Exchange |
| SYMBOL | RTY |
| MANAGEMENT TEAM | Terry Matthews, P.Eng. : Director, President, CEO Glenn Boyd, P.Eng. : Director, V.P Operations, CFO |
| INDEPENDENT DIRECTORS | Kaan Camlioglu, CFA : Director, Audit Committee William Grbavac : Director, Audit Committee |
| AUDITOR | MackKay Chartered Accountants, Calgary, Alberta |
| LEGAL COUNSEL | Heighington Law Firm, Barristers & Solicitors, Calgary, Alberta |
| TRANSFER AGENT | Alliance Trust Company, Calgary, Alberta |
| HEAD OFFICE | Real Time Measurements Inc. 4500 50 th Avenue SE Calgary Alberta T2B 3R4 ph 403-720-3444, fx 403-720-3319 www.rty.ca |
| PRIMARY CONTACT | Terry Matthews ph 403-720-3444, terry@rty.ca |

