REAL TIME MEASUREMENTS INC

INTERIM - MANAGEMENT DISCUSSION and ANALYSIS

1st Quarter, Fiscal 2008

For the three month period ended April 30 2007

JUNE 29 2007

REAL TIME MEASUREMENTS INC.

First Quarter, Fiscal 2008

Management Discussion and Analysis, June 29 2007

for

the three month period ended April 30 2007

General

This Management Discussion and Analysis of the operational results and financial condition of Real Time Measurements Inc. for the first quarter of fiscal 2008, which is the three month period ended April 30 2007, should be read in conjunction with the corresponding company's interim quarterly financial statements and accompanying notes thereto dated April 30 2007.

The company's financial statements are 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 June 29 2007. Additional information is available about the company on SEDAR at www.sedar.com.

Risk and Uncertainty

Demand for the company's services and products, depends largely on the level of spending by oil and gas companies for exploration, development and production activities worldwide. No assurance can be given that current activity levels will be maintained or increase or decrease or that demand for the company's services will reflect the level of overall activity. As well, oil and gas industry activity levels depend in large measure upon oil and gas commodity prices which may be affected by local or international factors or by Government regulation which cannot be accurately predicted. If oil and gas prices decrease or fail to meet expectations, service activities may be reduced significantly, which can have a material adverse effect on the company's operations and financial condition.

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 Corporation's revenues are 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 are also 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 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 that can significantly adversely affect the company's future prospects.

The company does not have patents on any of its principal technology, services and 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 the company's technologies and services have been operating successfully in the oil and gas industry for over eight years, it has done so with only six Smart Drop Off (SDO) units in productive capacity with a relatively small number of oil and gas companies. If and when additional SDO units are manufactured 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 SDO services.

The Company is party to a Statement of Claim and Amended Statement of Claim, by one of its suppliers. In the claim, the plaintiff alleges that the Company, its President, Mr. Terry Matthews, and others conspired to utilize the plaintiff's confidential information in unlawful competition against it. There are also allegations that the defendants engaged in conduct that amounted to unlawful interference in the plaintiff's economic relations, improper solicitation of the plaintiff's employees and customers and usurping of the plaintiff's corporate opportunities. The Statements of Claim make certain allegations against all the defendants jointly and severally, and it also makes other allegations that are specific to individual defendants or groups of defendants.

The claims for joint and several liability against all defendants include, but are not limited to, $1 million in general damages, $1 million for interference with economic conditions, $1 million for punitive or exemplary damages, $1 million for usurping corporate opportunities, $1 million in special damages and costs plus prejudgment interest. The additional claims against the Company and Mr. Matthews include a further $1 million for general damages plus the disgorgement of any profits arising from the alleged conduct, plus costs, plus interest.

A statement of defense has been filed which denies the allegations made by the plaintiff and denies that the plaintiff suffered any damages arising from any alleged conduct by the defendants. Management believes the Claim is frivolous and groundless and that the potential exposure to the Company is limited to legal costs which may exceed $100,000. It is expected that resolution of this Claim may require a lengthy period of time.

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 favorable 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.

Changes in Accounting Policies

The company has made some changes to the way the companies' financial activity will be reported from now on;

Arising from the Fiscal 2006 Audit, the company has begun to record a fair value estimate of the compensation cost with respect to options granted. This expense is being recorded during the period when the corresponding stock options are granted or expire unexercised. The effect of this change will shows-up in the quarterly results summary in Table 2 and any associated discussions.

Prior to the Q3 Fiscal 2007 reporting quarter, the company consolidated the costs of providing services, product support, marketing, international, information technology and research all under the expense category called "Operating". As of Q3 2007 the company is reporting services, product support, marketing, international, information technology and research expenses under separate expense headings. For comparative purposes, the company will break operating expenses into the same corresponding new categories for the preceding four quarters using the same expense classification criteria as accurately as possible.

Forward-looking 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.

Nature of Business

Real Time Measurements Inc. is an independent Canadian oil and gas service and technology development company with its head office in Calgary Alberta. The company was founded in December 1995 to exploit opportunities arising from the creative application of technological developments to solving oil and gas upstream measurement problems in more efficient ways. RTM's primary business activities have revolved around the commercial introduction and development of a premium quality downhole pressure survey system which is used primarily, although not exclusively, in oil and gas wells. The service 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 management has become aware of at least two other Canadian service companies that have begun to offer a service that appeals to the same customer requirement as the SDO. Since the beginning of 2005, the Company has been investing in the development of a brand new technological platform called DataTrak. DataTrak encompasses several components, each of which will be stand-alone products as well as enhancements to RTM's current SDO technology platform.

Results of Operations - Overview

For the three month period ended April 30 2007 RTM recorded a 39% increase in net Q1 revenue from $278,824 last year to $399,700 this year.

For the three month period ended April 30 2007, total expenses decreased year over year by 41% from $592,514 to $351,137.

RTM reported net earnings for the quarter of $48,563 ($0.002 earnings per share), a $362,253 net earnings increase compared to last years first quarter net loss of $313,690 ($0.016 loss per share).

Cash flow surplus from operations for the first quarter of fiscal 2008 was $92,535 as compared to last years first quarter cash flow deficit from operations of $81,199. When the change in non-cash working capital is taken into account, the company recorded a net cash flow surplus in Q1 2008 of $10,347 ($1,272 net deficit in Q1 last year).

First quarter 2008 closed with a working capital balance (current assets minus current liabilities) of $263,898 on April 30 2007, as compared to $74,281 at the beginning of the quarter on January 31 2007. At the end of Q1 last year on April 30 2006, the company's working capital surplus was $293,343. Working capital has been consumed as RTM invests in DataTrak development and as the company supported itself through the seasonally low revenue period through fiscal 2007.

As at April 30 2007, the company had $111,218 in term loans payable, of which $38,840 is the current portion. The proceeds from this debt was used to buy the equipment being used in North Africa.

Revenue

Total revenue in the first quarter of fiscal 2008 was $399,724 (Q1 fiscal 2007 - $280,977), a 39% year over year quarterly revenue increase. For the first time since 2001, RTM's largest quarterly revenue segment (ref. Table 1) was not SDO operations. SDO operations have taken second place behind International operations this quarter. RTM's largest revenue share in Q1 2008 comes from International operations which generated $207,759. In Q1 last year, RTM had no overseas operations. SDO operations produced $104,600 in revenue this quarter which is 44% lower than the SDO revenue figure of $182,535 in Q1 last year. This decrease in SDO revenue is a reflection of the continued slow-down in Western Canadian oil and gas field activity. Electronic instrument rentals revenue was nearly flat year over year with $59,356 representing a 1% increase over last years $58,600. Q1 revenue from Data Processing dipped year over year by 34% from $36,162 to $24,025.

The $207,759 in new quarterly revenue from International operations is responsible for all of the $118,747 year over year growth in Q1 revenue. Consolidated Q1 2008 revenue from RTM's traditional domestic business lines decreased year over year by about 31% from $280,977 last year to $191,965. The decrease in domestic revenue is indicative of a domestic activity slowing trend that began five quarters ago in December 2005 during Q4 Fiscal 2006. When management saw the slowing trend on the horizon, the plans to hunt for business opportunities outside Canada and develop DataTrak were hatched. RTM has begun International operations and the first DataTrak product, the KC1, is being introduced on a careful limited commercial basis. The relatively flat rental revenue suggests that RTM is maintaining its customer base, although there is a lower activity level as evidenced by the decreased Data Processing revenue figure.

Management intends to support current domestic operations by maintaining current equipment and staffing levels. Overseas operations expansion and continued development of the DataTrak product line will lead the way for RTM's growth prospects for the foreseeable future.

Table 1

C$	Total Revenue	SDO	Rentals	Data Processing	Equipment Sales	International
Q1 fiscal 2008	$399,724 (39%)	$104,600 (-44%)	$59,356 (+1.0%)	$24,025 (-34%)	$3,485 (-2.6%)	$207,759
Q1 fiscal 2007	$280,977 (-41%)	$182,535 (-48%)	$58,700 (-0.2%)	$36,162 (+8%)	$3,580 (-87%)	-
Q1 fiscal 2006	$472,898 (+40)	$352,302 (+56%)	$58,811 (+2%)	$33,810 (+70%)	$27,974 (-18%)	-
Q1 fiscal 2005	$337,090	$225,797	$57,435	$19,806	$34,052	-

Expenses

Total expenses of $351,137 in the first quarter of fiscal 2008 (Q1 fiscal 2007 - $592,514) represented a $241,377 (41%) year-over-year quarterly decrease in total expenses. If the $203,150 Stock Based Compensation component of last year's Q1 expense total is eliminated from the comparison, year over year Q1 expenses decreased by about 10% from $389,364 last year to $351,137 this year.

Quarterly Service Division operating expenses decreased year over year by 28% from $188,760 to $136,331. This decrease is primarily due to decreased personnel and operating expense requirements to support the 44% decrease in SDO activity. First quarter Products Division expenses decreased by 47% from $83,595 last year to $44,409 this year. This decrease is a reflection of lower staffing levels as the company adjusted to the lower revenues while maintaining a reasonable pace of progress in the development of a production facility. First quarter marketing expenses climbed by about 10% from $18,370 last year to $20,120 this year. This increase represents the additional effort being allocated to marketing. International operating expenses for Q1 2008 were recorded as $30,151. No year over year comparison is possible given that RTM had no International operations in Q1 last year. Information Technology expenses are being reported in Q1 2008 as $2,736 which is a 32% decrease over last years $4,048 IT expense figure.

General and Administrative expenses for the first quarter climbed year over year by 27% from $58,168 last year to $74,117 this year. Although most G&A expenses remained reasonably level year over year, and even though management wages decreased by 14% year over year, a 20% increase in general insurance, 51% increase in employee health insurance and a 390% increase in legal fees conspired to drive up G&A expenses year over year.

Year over year combined quarterly amortization, public company and interest expenses increased by about 10% from $36,424 last year to $40,354 this year. Increased amortization and interest expenses were offset by decreased public company expenses.

Cash Flow and Net Earnings

Total revenue of $399,724, a cost of goods sold of $24 and total expenses of $351,137 resulted in RTM reporting net earnings of $48,563 ($0.002 earnings per share) and a cash flow surplus from operations of $92,535 in the first quarter of fiscal 2008. This compares to a net loss of $313,690 ($0.016 loss per share) and an $81,199 cash flow deficit from operations for the same period last year.

Summary of Quarterly Results

Table 2 below contains selected consolidated financial information, rounded to the nearest $000's for Q1-2008 presented along side the previous sixteen quarters:

Table 2

C$,000	Net Revenue	G & A Expenses	Amort…	Operating and Other Expenses	Stock Based Comp	Net Earnings	Cash Flow from Operations
Q1-2008	400	74	35	242	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
Q4-2004	363	93	26	174	0	71	97
Q3-2004	282	82	23	161	0	15	39
Q2-2004	166	79	24	139	0	77	52
Q1-2004	294	72	24	245	0	47	23

Throughout its history RTM has been like most Canadian oil and gas companies involved in the service sector. In western Canada the highest quarterly revenues and earnings are generally experienced in Q1 or Q4. In fiscal 2004 RTM's Q4 was the strongest quarter whereas in fiscal 2005, 2006 and 2007 Q1 was strongest. Q1 and Q4 span the winter months when the ground is frozen and oil and gas service activity is generally at its highest levels. RTM's weaker quarters are usually Q2 and Q3, which span the spring and summer months. In both fiscal 2004 and 2005, the weakest quarter was Q2. Fiscal 2006 broke the pattern when Q4 turned out to be the weakest quarter. This anomaly is most likely due to the market slowdown that began in December 2005. Will the revenue in Q1 2008 be the high water level for quarterly RTM revenue in fiscal 2008? Given continued growth on the international scene where the seasonal variations are not the same as in Canada, and the introduction of DataTrak products, it seems unlikely that as time rolls forward RTM will continue to exhibit past patterns.

Analysis by management of the figures Table 2 yields some interesting patterns; Over the past 13 quarters RTM's quarterly revenue has bounced between $166K and $465K. This is a 280% (465/166) swing in quarterly revenue. On the other hand, 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 for a narrower band of about 186% (444/239) in variability. Operating expenses and SDO revenue follow each other quite close. Fiscal 2006 was the busiest year for SDO services, which is reflected in the higher operating expense totals throughout the same period.

Research and Development

During Q1 2008, development costs totaling $81,729 were accumulated and will be deferred pending production. Last year in Q1 2007, $64,096 in development costs were deferred. Cumulative deferred DataTrak development costs now total $316,635. In Q1 2008 RTM received $31,053 in IRAP grant money from the Canadian National Research Council. This compares to $29,102 in Q1 last year. If the $44,409 in Q1 2008 Products Division operating costs are included, it can be said that RTM invested a total of $157,191 on DataTrak development in Q1 2008. This represents 39% of RTM's total revenue for the quarter. In the first quarter of fiscal 2006, RTM spent 42% of quarterly revenue on DataTrak development. This significant investment in DataTrak development is evidence of RTM management's determination to successfully develop and commercialize DataTrak.

Liquidity and Capital Resources

On April 30 2007 the company ended Q1 fiscal 2008 with a working capital surplus (current assets – current liabilities) of $263,898. This is $189,612 more than the $74,281 surplus recorded three months previously at the end of fiscal 2007 on January 31 2007. The working capital surplus at the end of Q1 fiscal 2008 was marginally lower than the $293,343 working capital surplus a year ago at the end of Q1 fiscal 2007. RTM's working capital surplus during fiscal 2007 was eroded by the need to purchase some new equipment, refurbish some old equipment, support DataTrak development and make-up for the cash flow deficit triggered by decreased revenues. In Q1 2008 the surplus was shored-up by cash flow from International operations and the Private Placement that was completed at the end of April 2007. Management is holding the line on spending at current levels with the expectation that domestic revenue will start growing this year thanks to the introduction of DataTrak products and International developments. Given the current state of the companies balance sheet, and the prospects for growth, management believes the Company presently has sufficient working capital to continue on the present course.

As at April 30 2007, the company has one term loan outstanding. The loan 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 operations. The current portion of the loan is $38,840. The long term portion of the loan is $72,378. Total debt is therefore $111,218 at the end of Q1 2008.

Private Placement

On April 28 2007, the Company completed the sale of 4,000,000 common shares in a non-brokered Private Placement at a price of $0.05 per common share for gross proceeds of $200,000. The proceeds are being used for general working capital requirements. A total of 340,000 Finders Warrants were also issued pursuant to the Private Placement. Each Finder Warrant entitles the holder to purchase on Common Share for $0.10 within 12 months of closing of the Private Placement.

Quality Control – ISO 9001-2000

As a bold statement of RTM's dedication to quality performance, in April 2007, RTM engaged quality control consultants IMSM and ASQ to work with the company to achieve an ISO 9001-2000 Quality Control Certificate. Management expects to achieve ISO certification before the end of fiscal 2008.

Subsequent Event – Shareholder Rights Offering

On June 18 2007, the company submitted a draft Rights Offering Circular with the applicable securities commissions and the TSX Venture. Further details regarding the Rights Offering will be provided once the company has cleared all comments of the securities commissions on the rights offering circular and received the approval of TSX Venture. RTM expects the proceeds of the Rights Offering will be used for working capital purposes.

Outlook

The company's current business plan encompasses three general areas of activity:

The first area of activity is the continuation of current domestic operations. This includes the operational and marketing work involved in providing SDO, electronic equipment rentals, data processing services and equipment sales in Canada.

The second area of activity is the development of DataTrak. The first DataTrak product, the KC1, is currently under limited commercial release and extensive field testing operations are underway by a select group of RTM customers. The results have been encouraging and plans are to increase the number of tools in commercial service by the end of Q3 2008.

RTM is providing production logging and surface readout downhole electronic measurements services in North Africa. Management is striving to capitalize on expansion opportunities in the current location as well as other overseas jurisdictions.

RTM's three general areas of activity will eventually converge into one. The common thread to all business activities will be DataTrak. As the DataTrak line of products expands, the products will become the backbone of services provided and product sales domestically and overseas. As the sensor-to-desktop based DataTrak range of products develop, RTM will continue to strengthen its hold in a new growing sector of the oil and gas industry.

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

Dated : June 29 2007

Signed ______________________ Glenn Boyd, Director, VP Operations, CFO

Signed ___________ Terry Matthews, Director, President, CEO

Real Time Measurements Inc. ***as at June 29 2007:***

STOCK EXCHANGE	TSX Venture Exchange
SYMBOL	RTY
MANAGEMENT TEAM	Terry Matthews, P.Eng. : Director, President, Chief Executive Officer Glenn Boyd, P.Eng. : Director, V.P Operations, Chief Financial Officer
INDEPENDENT DIRECTORS	Kaan Camlioglu, CFA : Director, Audit Committee William Grbavac : Director, Audit Committee
AUDITOR	Stan Peloski, MPG Chartered Accounts, Calgary, Alberta
LEGAL COUNSEL	Heighington Law Firm, Barristers & Solicitors, Calgary, Alberta
TRANSFER AGENT	Computershare Trust Company of Canada, Calgary, Alberta
HEAD OFFICE	Real Time Measurements Inc. 4500 50th 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