REAL TIME MEASUREMENTS INC.

INTERIM FINANCIAL STATEMENTS, 1st Quarter Fiscal 2008

April 30 2007

RTM INC

REAL TIME MEASUREMENTS INC.
Balance Sheets
As at April 30, 2007 (Unaudited) and January 31, 2007 (Audited)

	Note	April 30 2007	January 31 2007
		$	$
Assets			
Current Assets			
Cash		**39,374**	-
Accounts receivable		**396,862**	245,316
Inventory		**49,979**	72,792
Prepaid expenses and deposits		**22,544**	20,435
		508,759	338,543
Equipment and Leaseholds	3	**1,046,424**	1,052,910
Deferred Development Costs	4	**316,635**	275,084
		1,871,818	1,666,537
Liabilities			
Current Liabilities			
Operating overdraft		**-**	35,123
Accounts payable and accrued liabilities		**206,021**	191,243
Term loans payable, current portion	6	**38,840**	37,896
		244,861	264,262
Term Loans Payable, net of current portion	6	**72,378**	82,451
		317,239	346,713
Contingent Liability	9		
Shareholders' Equity			
Share Capital	7	**3,033,800**	2,854,708
Contributed Surplus	8	**469,300**	462,200
Deficit		**(1,948,521)**	(1,997,084)
		1,554,579	1,319,824
		1,871,818	1,666,537

On Behalf of the Board

"signed"
Director

"signed"
Director

REAL TIME MEASUREMENTS INC.
Statements of Operations
For the Periods Ended April 30 (Unaudited)

	Note	2007	2006
		$	**$**
Revenue			
Services, rentals and sales		**399,724**	280,977
Cost of Goods Sold		**24**	2,153
		399,700	278,824
Expenses			
Operating - Services Division		**136,331**	188,760
Operating - Products Division	**4**	**44,409**	83,594
Marketing		**20,120**	18,370
International		**30,151**	-
General and administrative		**74,117**	58,168
Information technology		**2,736**	4,048
Amortization		**34,847**	29,341
Interest on long term debt		**2,882**	244
Public Company costs		**2,625**	6,839
Stock-based compensation	**8**	**-**	203,150
		348,218	592,514
Income (loss) before the undernoted		**51,482**	(313,690)
Foreign Exchange		**(2,919)**	-
Income (loss) before income taxes		**48,563**	(313,690)
Income Taxes		**-**	-
Net Income (Loss) for Period		**48,563**	(313,690)
Deficit, beginning of period		**(1,997,084)**	(1,329,408)
Deficit, end of period		**(1,948,521)**	(1,643,098)
Net Income (Loss) per Share			
Basic and diluted	**7**	**0.002**	(0.016)

REAL TIME MEASUREMENTS INC.

Statements of Cash Flows

For the Periods Ended April 30

	Note	2007	2006
		$	$
Operating			
Net income		**48,563**	(313,690)
Non-cash items			
Amortization of equipment and leaseholds		**34,847**	29,341
Amortization of deferred development costs	**4**	**9,125**	-
Stock-based compensation		**-**	203,150
Cash flow from operations		**92,535**	(81,199)
Change in non-cash working capital		**(82,188)**	79,927
		10,347	(1,272)
Financing Activities			
Payments on term loans		**(9,129)**	-
Payments on obligations under capital leases		**-**	(7,938)
Issuance of share capital		**200,000**	-
Share issuance costs		**(13,808)**	-
		177,063	(7,938)
Investing Activities			
Purchase of equipment and leaseholds		**(28,361)**	(6,467)
Deferred development costs incurred	**4**	**(81,729)**	(64,096)
Government funding received	**4**	**31,053**	29,102
Change in non-cash working capital		**(33,876)**	(47,629)
		(112,913)	(89,090)
Increase (decrease) in cash for period		**74,497**	(98,300)
Cash (operating overdraft), beginning of period		**(35,123)**	358,782
Cash, end of period		**39,374**	260,482
Supplemental Cash Flow Information			
Interest paid		**2,882**	244

1. NATURE OF OPERATIONS

Real Time Measurements Inc. ("the Company" or "RTM") was incorporated on December 7, 1995 under the Business Corporations Act (Alberta). The Company provides electronic measurement equipment and services to the oil and gas industry.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim financial statements conform to those used in the Company's annual audited financial statements. These interim financial statements do not include all of the disclosures included in the annual financial statements and accordingly, these interim financial statements should be read in conjunction with the annual financial statements.

3. PROPERTY AND EQUIPMENT

	April 30, 2007			January 31, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	$	$	$	$	$	$
Field equipment	**1,632,965**	**751,464**	**881,501**	1,606,294	724,716	881,578
Office equipment	**170,096**	**112,873**	**57,223**	169,569	108,999	60,570
Lab equipment	**67,342**	**13,978**	**53,364**	67,342	9,732	57,610
Shop equipment	**42,741**	**11,173**	**31,568**	41,578	13,029	28,549
Automotive equipment	**17,308**	**1,898**	**15,410**	17,308	649	16,659
Leaseholds	**11,725**	**4,367**	**7,358**	11,725	3,781	7,944
	1,942,177	**895,753**	**1,046,424**	1,913,816	860,906	1,052,910

At April 30, 2007, field equipment having a cost of $21,837 was under development and therefore not available for use. This equipment was not subject to amortization.

4. DEFERRED DEVELOPMENT COSTS

The Company is developing electronic equipment which is intended to be used in the provision of services to the Company's customers and is also intended to be sold to other users. Management anticipates that the equipment will be in commercial production and use during the forthcoming year. Costs to date total $496,518.

A portion of the Company's costs for this project are being funded by contributions from the National Research Council Industrial Research Assistance Program. At April 30, 2007, $170,759 of such assistance has been applied to the cost of the project.

Effective with the current quarter, the deferred development costs are being amortized over the first 1,000 units placed into service. The amortization expense is included in Operating Expenses – Products Division.

5. Bank Credit Facilities

The Company has a the following credit facilities with HSBC Bank Canada:

- An operating loan to a maximum of $225,000. The loan bears interest at prime plus 1.25% (7.25% at April 30, 2007) and also carries a monthly administration fee of $75. This facility has a sublimit of $70,000 available for the Company's use in processing payroll runs using the bank's electronic funds transfer system.

  The Company's operating overdraft is an advance against this facility.

- A $100,000 letter of credit facility.

- A $30,000 SEDAR filing facility available for the Company's use in its filings with securities regulatory agencies.

As security for these facilities the Company has provided a general security agreement by way of a fixed and floating first charge over all of its assets, assignments and postponements of claim by shareholders and directors and assignment of insurance.

6. Term Loans Payable

The Company is indebted pursuant to term loan arrangements as follows:

	April 30 2007	**January 31 2007**
	$	**$**
Abbet International Ltd., a related party. The loan was arranged to finance the purchase of equipment. This loan bears interest at 10% per annum, is repayable in blended monthly installments of $3,547 and matures October 31, 2009. As security, the lender holds title to the equipment, which has a carrying value of $93,673 at April 30, 2007.	**93,806**	101,966
Chrysler Finance, vehicle loan. This loan bears interest at 8.89% per annum, is repayable in blended monthly installments of $456 and matures January 23, 2011. As security, the lender holds title to the vehicle, which has a carrying value of $15,410 at April 30, 2007.	**17,412**	18,381
	111,218	120,347
Less current portion	**38,840**	37,896
	72,378	82,451

7. EQUITY INSTRUMENTS

Authorized

Unlimited number of common shares
Unlimited number of preferred shares
Unlimited number of common share purchase warrants

Issued	**#**	**$**
Common shares		
Balance, January 31, 2006 and April 30, 2006	19,874,406	2,659,535
Issued for cash pursuant to private placement	1,500,000	193,500
Transfer upon expiry of warrants		3,332
Costs of issuance		(3,159)
Balance, January 31, 2007	21,374,406	2,853,208
Issued for cash pursuant to private placement	**4,000,000**	**200,000**
Costs of issuance		**(20,908)**
Balance, April 30, 2007	**25,374,406**	**3,032,300**
Common share purchase warrants		
Balance, January 31, 2006 and April 30, 2006	3,333,200	3,332
Issued for cash pursuant to private placement	750,000	1,500
Expired	(3,333,200)	(3,332)
Balance, January 31, 2007 and April 30, 2007	**750,000**	**1,500**
		3,033,800

Common share purchase warrants

During the year ended January 31, 2007, the Company issued 1,500,000 “units” at a price of $0.13 per unit. Units consisted of one common share and one-half of one common share purchase warrant. Each full common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.25 per share until May 31, 2007. The Company has valued each full common share purchase warrant at $0.002.

On April 27, 2007, the Company issued 340,000 finders’ warrants in connection with the private placement referred to above. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.10 per share until April 26, 2008. The value of these warrants was determined as described in Note 8 and has been charged to share issuance costs.

7. EQUITY INSTRUMENTS, continued

Stock Option Plan

The Company has established an Incentive Stock Option Plan for directors, officers, employees and consultants. The maximum number of common shares which may be reserved under the Plan may not exceed 20% of the outstanding common shares at that time. Options granted under the plan generally have a term of five years and vest on the date of grant. The exercise price of each option equals or exceeds the market price of the Company's common shares on the date of grant. A summary of the Plan is as follows:

Outstanding and exercisable	Shares	Weighted Average Price
Balance, January 31, 2006	1,664,000	$0.209
Granted	1,923,708	$0.120
Expired	(1,017,708)	($0.250)
Forfeited	(240,000)	($0.150)
Balance, April 30, 2006	2,330,000	$0.124
Granted	300,000	$0.120
Expired	(100,000)	($0.120)
Balance, January 31, 2007 and April 30, 2007	**2,530,000**	**$0.124**

Expiry	Exercise Price	Outstanding and Exerciseable	Weighted Average Remaining Life (years)
February 16, 2010	$0.15	306,292	2.80
February 13, 2011	$0.12	1,623,708	3.79
March 14, 2011	$0.12	300,000	3.87
May 15, 2011	$0.12	300,000	4.04
	$0.12 to $0.15	2,530,000	3.71

Per Share Amounts

Per share amounts are calculated using the weighted number of shares outstanding, as follows:

	April 30 2007	April 30 2006
Basic	**21,554,181**	19,874,408
Diluted	**21,554,181**	19,980,689

8. STOCK-BASED COMPENSATION

The fair value of the compensation cost recorded with respect to options and finders' warrants granted was estimated, on the date of grant, on the following basis:

	2007	2006		
	April 27	**February 13**	**March 14**	**May 15**
Number of options or warrants	**340,000**	1,623,708	300,000	300,000
Risk free interest rate	**4.16%**	4.11%	4.11%	4.24%
Dividend yield	**-**	-	-	-
Expected life	**1 year**	5 years	5 years	5 years
Volatility	**73.73%**	174.22%	174.22%	164.04%
Fair value per share	**$0.0209**	$0.1242	$0.1242	$0.1128
Compensation cost	**$ 7,100**	$ 201,700	$ 37,250	$ 33,850

Contributed surplus comprises the following:

Balance, January 31, 2006	225,200
Compensation cost (recovery) related to	
Issuance of options under incentive stock option plan	238,950
Options forfeited	(35,800)
Balance, April 30, 2006	428,350
Compensation cost related to	
Issuance of options under incentive stock option plan	33,850
Balance, January 31, 2007	462,200
Compensation cost related to	
Issuance warrants as finders' fees re private palcement	**7,100**
Balance, April 30, 2007	**469,300**

9. Contingent Liabilities

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 that 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.

10. Subsequent Events

Rights Offering

On June 18, 2007, the Company announced it will be proceeding with a rights offering. A draft circular has been filed with the applicable regulatory agencies and the Company is awaiting their approval. It is expected that the net proceeds of the offering will be used for working capital purposes.