REAL TIME MEASUREMENTS INC

INTERIM - MANAGEMENT DISCUSSION and ANALYSIS

1st Quarter, Fiscal 2006

For the period ended April 30 2005

JUNE 22 2005

RTM INC

REAL TIME MEASUREMENTS INC.

First Quarter, Fiscal 2006

Management Discussion and Analysis, June 22 2005

for

the three month period ended April 30 2005

General

This Management Discussion and Analysis of the operational results and financial condition of Real Time Measurements Inc. for the first quarter of fiscal 2006 which is the three month period ended April 30 2005, should be read in conjunction with the corresponding company's interim quarterly financial statements and accompanying notes thereto dated April 30 2005.

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 22 2005. 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. There has been a significant industry wide increase in the level of oil and gas services provision over the past several years and this trend is expected to continue. However, no assurance can be given that current activity levels will be maintained or increase 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 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. At present, oil and gas services activity is at a seasonally adjusted high level relative to recent historical levels. No assurances can be given that this trend will 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 Corporation's revenues 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 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 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 did not make any changes to its accounting policies in this reported quarter.

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 company with its head office in Calgary Alberta. The company was founded in December 1995 to exploit opportunities arising from the creative application of recent technological developments to solving oil and gas upstream measurement problems in more efficient ways. RTM's primary business activity revolves around the commercial 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. To the best of management's knowledge, RTM is the only company in world that offers services using a system like the SDO.

Results of Operations - Overview

For the three month period ended April 30 2005 RTM recorded the highest quarterly revenue in the company's history. Net Q1 revenue increased year over year by 42% from $327,667 to $465,448.

For the three month period ended April 30 2005, expenses increased year over year by 41% from $284,209 to $401,053.

RTM reported net earnings for the quarter of $56,702 ($0.003 earnings per share), a 30% increase compared to last years first quarter net earnings of $43,550 ($0.003 earnings per share).

Cash flow from operations for the first quarter of fiscal 2006 was $93,101 as compared to last years first quarter cash flow from operations surplus of $70,832. When the change in non-cash working capital is taken into account, the company recorded a net negative cash flow for Q1 2006 of -$84,155 (+$109,098 for Q1 last year).

First quarter 2006 closed with a much stronger balance sheet as compared to the same date last year. Working capital (current assets minus current liabilities) on April 30 2005 was $791,890, as compared to $773,520 at the beginning of the quarter on January 31 2005. As at April 30 2004, the company's working capital surplus was $79,852. The significant year over year improvement in working capital results from the January 28 2005 financing and the positive cash flow from operations.

The company has no significant debt with $30,669 in obligations on the current portion of the balance sheet and $5,544 in long term obligations.

Revenue

Total revenue (ref. Table 1) in the first quarter of fiscal 2006 was $472,898 (Q1 fiscal 2005 - $337.090), a 40% year over year quarterly increase. Almost ¾ (74%) of RTM's revenue for the quarter was composed of $352,302 from SDO operations ($225,797 in Q1 fiscal 2005), a 56% year over year quarterly increase. Electronic instrument rentals revenue was $58,811 ($57,435 in Q1 fiscal 2005) a 2% year over year quarterly increase. Revenue was $33,810 from data processing ($19,806 in Q1 fiscal 2005), a 70% year over year quarterly increase and $27,974 from battery and equipment sales which is 18% less than the sales figure for Q1 2005.

Almost all of the company's growth for the quarter was attributed to significantly increased SDO revenue. RTM completed 19 SDO jobs to produce $342,234 (ref. Table 1) in Q1 fiscal 2006. In Q1 fiscal 2005, SDO revenue was $225,797 from 18 jobs. This means that SDO revenue was $18,012 per job in Q1 2006 as compared to $12,544 per job in Q1 2005. This is a 44% increase in quarter over quarter per job revenue. The only explanation management can offer is that this increase is a reflection of stronger demand for SDO services. The trend is even more encouraging given that the average well depth worked on during Q1 2006 was 1,000 meters. In Q1 2005 the average well depth was 1,550 meters. SDO pricing is directly proportional to well depth. Higher revenue per well coupled with lower well depths seems like a contradiction, but RTM customers are demanding more "extras" with each test, price discounts are much less, and the heliportable SDO unit was utilized extensively. In the Management Discussion and Analysis part of the 2005 Annual Report; Management suggested that a lethargic 2% annual SDO revenue growth, despite a 12% increase in SDO job activity, was caused by lower well depths. The results from Q1 2006 defies, but doesn't necessarily negate that notion. The sudden jump in SDO revenue in this quarter should be attributed to high levels of industry activity, the higher rates RTM gets for the heliportable unit, and the heliportable unit being kept busy for the bulk of the quarter.

Table 1

	Total Revenue	SDO Revenue	Electronic Instrument Rental Revenue	Data Processing Revenue	Equipment & Battery Sales
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 $401,053 in the first quarter of fiscal 2006 (Q1 fiscal 2005 -- $284,209) represented a $116,844 (41%) year-over-year quarterly increase in expenses. Quarterly operating expenses increased year over year by 31% from $188,215 to $246,851. This increase is primarily due to increased personnel and operating expenses to support the 56% increase in SDO business and an 8% general salary adjustment that was implemented on April 1 2005. General and Administrative expenses for the quarter increased by 42% from $64,453 last year to $91,821 this year. About 2/3 of this increase was attributed to the payroll costs associated the company bringing onboard a new full time CFO. The balance of the increase was caused by increased expenses and the April 1 general salary adjustment. Year over year quarterly amortization, public company and interest expenses increased by 11% from $31,541 last year to $35,161 this year. Most of the increase is due to a $5,902 (346%) jump in public company expenses. This increase shouldn't be taken to mean that RTM is suddenly spending more on pubco compliance. Rather, the ASC has tightened the deadlines for filing requirements and therefore some of the annual pubco costs which in the past would have showed up in Q2, have moved forward into Q1. On the company's statement of operations is a new expense item called "Business Development" About 70% of the Business Development expenses are associated with overseas business travel related to the company beginning the process of establishing overseas business relationships in a couple of different countries and setting-up a subsidiary in Cyprus. The Cyprus subsidiary is being established in advance of RTM setting-up long term business arrangements with overseas partners and customers to improve RTM's profitability prospects in ventures outside Canada. About 30% of the Business Development expenses are related to future product development.

Cash Flow and Net Income

Total revenue of $472,898, a cost of goods sold of $7,450, interest income of $2,087 and a loss on the disposal of a capital asset (pick-up truck) of $9,780 resulted in RTM reporting net earnings of $56,702 ($0.003 earnings per share) and a positive cash flow from operations of $93,101 in the first quarter of fiscal 2006. This compares to net earnings of $43,550 ($0.003 earnings per share) and cash flow from operations of $70,832 for the same fiscal period last year.

Summary of Quarterly Results

Table 2 below contains selected consolidated financial information, rounded to the nearest $000's for Q1-2006 presented along side the previous eight quarters:

Table 2

	Net Revenue	G & A Expenses	Operating and Other Expenses	Cash Flow from Operations	Amortization	Net Earnings
Q1-2006	465	92	290	83	27	$57
Q4-2005	247	72	217	(42)	30	($72)
Q3-2005	234	71	161	1	24	($23)
Q2-2005	200	72	142	(14)	25	($40)
Q1-2005	328	64	192	70	27	$43
Q4-2004	363	93	174	97	26	$71
Q3-2004	282	82	161	39	23	$15
Q2-2004	166	79	139	(52)	24	($77)
Q1-2004	294	72	245	(23)	24	($47)

To make best use of this table, it is important to understand that the oil and gas service business in Western Canada, where RTM operations are currently focused, is highly cyclical. Historically, RTM's best quarter is usually either Q1 or Q4. In fiscal 2004, Q4 was the strongest quarter, while in fiscal 2005, Q1 was the strongest. These two quarters span the winter months when the ground is frozen and oil and gas activity is generally at its highest level. RTM's weakest quarters are usually Q2 and Q3, which span the spring and summer months when industry activity is generally lower. In both fiscal 2004 and 2005, the weakest quarter was Q2. It is impossible to predict from year to year exactly when the maximum and minimum levels of activity will occur. When looking for financial performance trends in a Canadian service company like RTM, it is critical that the comparison is made between quarters that correspond to each other on a yearly basis, that is, compare Q2 fiscal 2005 to Q2 fiscal 2004. Only confusion will result if trends are looked for by comparing quarters beside each other such as comparing Q3 to Q4.

A few moments spent scanning through the numbers presented in Table 2 yields some potentially meaningful patterns; Over the past 9 quarters RTM's quarterly revenue has bounced between $166K and $465K. This is a 180% swing in quarterly revenue. Expenses on the other hand have remained within a much narrower band. The only notable upward spikes in expenses over the entire nine quarters occurred under Operating and Other Expenses in Q1 2004 and Q4 2005. The Q1 2004 upward spike was caused by an extraordinary bad debt expense while the Q4 2005 upward spike was caused by a $50K expense related to the failed BSR merger. Notwithstanding the two exceptions, when quarterly revenue climbs above about $250,000 the company starts to show positive earnings. Q1 fiscal 2006 is no exception to this trend.

Liquidity and Capital Resources

On April 30 2005 the company ended Q1 fiscal 2006 with a working capital surplus of $791,890, which is an $18,370 improvement over the $773,520 surplus recorded three months previous at year end on January 31 2005. The April 30 2005 working capital surplus is $712,028 higher than the $79,852 working capital surplus a year ago at the end of Q1 2005. The significant year over year increase in working capital is comprised of the proceeds of the January 2005 financing and positive cash flow from operations. Management believes the Company has sufficient working capital to proceed with the current business plan.

As at April 30 2005, the company had a total of $5,411 in obligations under capital leases, net of the current portion. The company's management believes this debt is very manageable within the context of the company's current financial condition and future prospects.

Subsequent Event

On June 1 2005, Mr. Wally Pollock ceased to be employed by the company as the Chief Financial officer. The company will hire a replacement financial control person once a suitable candidate has been found.

Outlook

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

The first area of activity is the continuation of present business activities. This includes the operational and marketing work involved in providing a steadily increasing volume of SDO, electronic equipment rentals, data processing services and equipment sales in Canada. Over the next three to six months, about 1/3 of the current working capital surplus will be invested in upgrading and increasing the capacity of RTM's current fleet of six SDO units, improving the rental equipment inventory, and enhancing the company's data processing capabilities. Management is looking forward to continued growth of all three of these already existing lines.

The second area of activity is the development of DataTrak. DataTrak is the trade name RTM has given to a new technology platform that rests on a modular combination of downhole and surface sensors, wireless communications technology and proprietary secure internet data retrieval software. The basic DataTrak platform will be designed so that it is commercially adaptable to RTM's current lines of business as well as a wide variety of applications beyond what RTM currently offers. Management estimates that the initial stage of the DataTrak development program will consume about 1/3 of the current working capital surplus over the next six to nine months. Management believes that the DataTrak platform coupled to an aggressive marketing plan will place RTM in a stronger competitive position and provide the business prospects RTM needs to fuel future corporate development. Management expects to see the first commercial applications for DataTrak technology being rolled-out in the later months of fiscal 2006.

RTM management believes the company has the resources and capacity to successfully pursue the current intended business plan. In general, RTM management is dedicated to growing the business through the provision of oil and gas well evaluation niche market first class service and technological developments.

Dated : June 22 2005

Signed ______________________ Glenn Boyd, Director, VP Operations, CFO

Signed ___________ Terry Matthews, Director, President, CEO

Real Time Measurements Inc. ***as at June 22 2005 :***

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	Tom Adams : Director, Audit Committee Richard Velhat, P.Geol : Director, Audit and Compensation Committee Robert (Bob) Pollock, P.Eng. : Director, Compensation Committee
AUDITOR	Stan Peloski, MPG Chartered Accounts, Calgary, Alberta
LEGAL COUNSEL	Heighington Law Firm, Barristers & Solicitors, Calgary, Alberta
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