

REAL TIME MEASUREMENTS INC

INTERIM - MANAGEMENT DISCUSSION and ANALYSIS

2nd Quarter, Fiscal 2010

For the three month period ended July 31 2009

SEPTEMBER 30 2009



REAL TIME MEASUREMENTS INC.

Second Quarter, Fiscal 2010

Management Discussion and Analysis, September 30 2009

for

the three month period ended July 31 2009

This Management Discussion and Analysis of the operational results and financial condition of Real Time Measurements Inc. for the second quarter of fiscal 2010, which is the three month period ended July 31 2009, should be read in conjunction with the corresponding company's interim quarterly unaudited financial statements and accompanying notes thereto dated July 31 2009.

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 September 30 2009. Additional information is available about the company on SEDAR at www.sedar.com.

Going Concern Assumption

The Company has incurred significant operating losses and has a working capital deficiency. Management has implemented a plan of action, includes maintaining day to day client relations, finding capital, pursuing material contracts, working with the bank, and undertaking steps to significantly reduce operating costs. In management's opinion, these actions mitigate the conditions that raise doubts about the validity of the going concern assumption used in the preparation of the accompanying unaudited Financial Statements.

The accompanying unaudited Financial Statements do not reflect adjustments which would be necessary if the going concern assumption was not appropriate.

If the going concern assumption was not appropriate to the accompanying Financial Statements, adjustments would be necessary to the carrying values of assets and liabilities, net loss and balance sheet classifications used.

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 July 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 measurement 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 18 of the referenced unaudited 2nd Quarter Fiscal 2010 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 unaudited Financial Statements wherein the timing and impact of New Accounting Policies are discussed and disclosed.

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

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 17 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 July 31 2009.

Financial Instruments

As per Note 15 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 15 in the accompanying unaudited Financial Statements present 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 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 15, 16 and 17 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 has 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's growth efforts are now directed away from further development of the SDO service and toward the development of the technology required to support SDO-like services.

Over the past few years RTM has provided oil and gas electronic measurement services and sold equipment in North Africa, USA and Mexico. The company is continuing to pursue opportunities for growth within and outside Canada.

Results of Operations – Overview

The protracted low activity levels in oil and gas development activity in Western Canada over the past couple of years is continuing to negatively impact RTM's business activity. Negative external industry trends 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 a net loss being reported for this second quarter of fiscal 2010.

Despite the slightly improving but non-the-less fragile state of the worlds leading economies, 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 capable of earning significant industry sector market share within the next year or so. 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 July 31 2009, RTM recorded Q2 revenues of \$131,766 which is 30% less than Q2 revenues of \$187,113 last year. For the first six months this fiscal year, revenue was \$297,475 which is a 2% increase over the \$292,543 in revenue recorded during the same period last year.

For the three month period ended July 31 2009, total expenses shrunk year over year by 46% to \$236,531 as compared to \$436,764 for Q2 last year. For the first six months of fiscal 2010 total expenses decreased by 49% from \$929,701 last year to \$477,870 this year.

The Company reported a net loss for the quarter of -\$104,765 (-\$0.003 loss per share) as compared to last year's Q2 loss of -\$249,651 (-\$0.008 loss per share). Net loss for the first six months of fiscal 2010 was -\$180,395 (-\$0.007 loss per share) which is a substantial improvement over the -\$637,158 (-\$0.021 loss per share) loss reported for the same period last year.

Net cash flow for Q2 fiscal 2009 was -\$23,327 compared to a net cash flow of -\$210,961 last year for the same period. For the first six months the company reported net cash flow of -\$153,684 whereas last year for the same period the net cash flow was -\$285,231.

Second quarter fiscal 2010 closed with a working capital deficit (current assets minus current liabilities) of -\$101,983 on July 31 2009. The working capital deficit was -\$220,095 at the end of the previous fiscal year and the Company had a working capital surplus of \$332,735 at the end of Q2 last year. Working capital is used to support commercial deployment of the KC range of tools.

As of July 31 2009, the company had substantially reduced its term loan debt from \$40,635 (of which \$35,412 was the current portion) at the end of Q2 last year to \$7,662 (of which \$4,996 is current) this year.

On April 14 2009 the Company issued 3,136,000 common shares, 1,568,000 common share purchase warrants and 250,880 finders' warrants pursuant to the first tranche of a non-brokered private placement. The shares and warrants were issued in the form of \$0.03 units, with each unit comprised of one common share and ½ of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share for \$0.06 within 12 months of closing of the financing.

On June 3 2009 the Company issued 3,713,334 common shares, 1,856,667 common share purchase warrants and 297,067 finders' warrants pursuant to the second tranche of a non-brokered private placement. The shares and warrants were issued in the form of \$0.03 units, with each unit comprised of one common share and ½ of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share for \$0.06 within 12 months of closing of the financing.

For more details on the above two-tranche financing program, please refer to Note 12 in the accompanying unaudited Financial Statements.

Revenue

Total revenue in the second quarter of fiscal 2010 decreased year over year by 30%. Quarterly revenue this year was \$131,766 compared to \$187,113 for the same period last year. However in contrast, the revenue of \$297,475 for the first six months of fiscal 2010 is 2% higher than the \$292,543 figure for the same period last year. The modest year over year revenue increase in the first half of fiscal 2010 is a direct reflection of increased business arising from RTM designed and built equipment being sold and rented.

Equipment sales of \$59,756 accounted for 45% of the revenue in Q2 2010. Equipment sales during the first six months of fiscal 2010 were \$123,106 which represents a similar 41% of total revenue for the first six months. During the first six months last year, equipment sales were \$98,022 which represented 33% of total revenue. Given that all the equipment sales this year was RTM designed and built equipment whereas last year more than ¾ of the equipment sold was third party manufactured equipment, it seems reasonable for management to feel confident that

increased RTM equipment sales will most likely be the primary source of revenue growth for the company for at least the next couple of years.

RTM equipment rental revenue was \$41,455 in Q2 2010. This is 16% less than the Q2 equipment rental figure of \$49,393 last year. On the other hand the opposite trend was exhibited by equipment rental revenue during the first six months. This year's first six months rental revenue figure was \$95,782 which is about 5% ahead of the \$91,578 reported last year. The Q2 decrease is likely a reflection of the usual Q2 seasonal decrease whereas the six month trend is more indicative of the long term expected trend for RTM equipment rental revenue as Management prioritizes focus on growth of this part of the business. For the second year in a row, 100% of equipment rental revenue was generated using equipment designed and built by RTM in Calgary.

After disappearing from the revenue picture for almost 3 fiscal quarters, RTM's SDO service secured some work in California. During Q2 the SDO equipment generated \$16,477 in revenue. The SDO work RTM is doing in California is introductory in nature, time will tell whether the California market will embrace the SDO or not.

Last year during Q2 RTM generated \$48,000 (26% of total revenue) by providing sub-contract downhole measurement services overseas. This part of RTM's business became dormant in Q2 this year. There are currently no plans for revitalization of this part of the business in the foreseeable future.

Recognizing that RTM's most reliable revenue generators are Gauge Rentals and Data Processing whereas the most growth is expected in product 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 has significantly decreased spending year over year in response to the entrenched low oil and gas activity levels being experienced in Canada while maintaining its domestic client base by maintaining required equipment and staffing levels. Expanded marketing and distribution efforts will be implemented as revenue grows to support such activities. Management expects the DataTrak product line to lead the way for RTM's growth prospects for the foreseeable future.

Expenses

Total expenses for Q2 decreased year over year by 46% from \$436,764 last year to \$236,531 this year. For the first six months of fiscal 2010 total expenses were \$477,870 which is 49% less than total expenses for the same period last year. These significant decreases stem from deep cuts to operating expenses across the board, termination of spending on development and zero stock-based compensation expenses. However, there were some offsetting cost increases stemming from changing Products Division expenses and much higher interest payments in fiscal 2010 compared to 2009.

Service Division expenses decreased year over year by 61% from \$59,324 in Q2 fiscal 2009 to \$23,020 this year. Service Division expenses decreased by a similar 57% year over year for the

first six months, decreasing from \$137,254 last year to \$58,802 this year. These large percentage decreases reflect the significantly decreased domestic SDO activity this year.

Second quarter 2010 Products Division expenses decreased by 37% from \$37,061 last year to \$22,280 this year. On the other hand, over the first six months of fiscal 2010 Products Division expenses increased year over year by 26% from \$48,532 last year to \$61,043 this year. This increase over the six month period reflects an upswing in activities related to the production of the KC tools. Management expects products division spending to climb as KC tool sales and product line diversity increases.

Second quarter marketing expenses were obliterated from \$43,382 last year to \$0 this year. Year over year marketing expenses for the first six months were chopped by 84% from \$86,789 last year to \$13,654 this year. Marketing is a very important mechanism in business for fueling growth, however, given the availability of working capital, Management had no choice but to chop down these expenses. As revenues climb back, more will be spent on marketing.

Information Technology expenses virtually evaporated in Q2 fiscal 2010 as they decreased by 97% from \$6,386 in Q2 2009 to \$224 in the second quarter this year. The six month results tell the same story.

General and Administrative expenses for the second quarter climbed year over year by about 9% from \$78,635 last year to \$85,774 this year. The \$7K increase is attributed to some deferred wages being paid in the subsequent quarter. In contrast, G & A expenses decreased year over year by roughly 9% from \$147,316 last year to \$134,953 this year. This decrease is attributed to no legal fees being paid during the first six months.

Year over year quarterly public company costs decreased by about 85% from \$34,342 last year to \$5,082 this year. A similar picture emerges for the first six months wherein public company costs were slashed by 79% from \$37,614 last year to \$8,015 this year. These savings are attributed to a late AGM and efficiencies created by the engagement of a more cost effective transfer agent.

Cash Flow and Net Earnings

Cash flow for the second quarter of this year was reported to be -\$23,863. Although far from good news, this years' Q2 cash flow is a significant improvement over the -\$210,961 net cash flow for Q2 last year. For the first six months last year the net cash flow was -\$285,231. Cash flow was -\$153,684 for the same period this year.

A net loss of -\$104,765 was reported for Q2 fiscal 2010. Last year RTM lost -\$249,651 during the same period. After accounting for a \$49,161 loss on the disposal of equipment in Q1, a net loss of \$229,556 was reported for the first six months this year. Last year the company reported a -\$637,158 loss during the same six months.

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 minimize operating costs and forge ahead 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 unaudited consolidated financial information, rounded to the nearest \$000's for Q2-2010 presented alongside the previous 17 quarters:

Table 2, C\$,000

Quarter	Gross Revenue	G & A Expenses	Amortiz'n	Operating and Other Expenses	Stock Based Comp	Net Earnings	Net Cash Flow
Q2-2010	132	86	29	122	0	-105	-23
Q1-2010	166	49	28	239	0	-125	-13
Q4-2009	201	208	60	252	0	-319	-45
Q3-2009	135	95	33	228	0	-222	-228
Q2-2009	187	79	32	325	0	-250	-211
Q1-2009	105	69	37	227	160	-388	-74
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

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 17 quarters since the beginning of 2005, RTM's quarterly revenue has bounced between a low of \$105K in Q1 fiscal 2009 and a high of \$465K in Q1 fiscal 2006. This is a 343% (465/105) swing in quarterly revenue. On the other hand, over the same period, quarterly "Operating and Other Expenses" have remained within a narrower band between a low of \$122K (this Q2 fiscal 2010) and a high of \$361K (Q4 fiscal 2006) which represents a lower (361/122) 296% quarterly swing. In this Q2 fiscal 2010, the company has produced a revenue figure that falls within the lower range of the quarterly revenue band over the past 17 quarters. In contrast however, "Operating and Other Expenses" are at their lowest level seen over the 18 quarter summary period. This demonstrates management's prudent expenditure control given the extended period of low quarterly revenues.

The past 15 months or so have witnessed some of the most significant volatility in commodity markets ever seen, including a dramatic rise, precipitous decline and now a rebound in the price of oil and gas commodities. The worldwide financial community also suffered a massive credit problem which triggered a world economic recession, from which the world economy is struggling to recover. These developments are bigger than Canada's local oil and gas industry and indeed bigger than 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 showing signs of resilience. Armed with a great product, positive customer relationships and market knowledge and despite the current difficulties imposed by a shortage of working capital, management is confident the Company will prevail.

Development

During Q2 2010, the Company spent \$9,050 on development work. This is a 25% year over year decrease in development spending for the three month period. Given that no money was spent on development in Q1 fiscal 2010, development expenses for the first six months of fiscal 2010 were \$9,050 which is an 84% year over decrease compared to the \$54,959 spent on development for the first six months of fiscal 2010. This significant decrease in spending on development work is a cost control measure implemented by management to preserve working capital. When the company gets back to a situation where working capital supports the work, significant product development spending will likely resume.

Liquidity and Capital Resources

RTM working capital is used to support operations, marketing, and the purchase of raw materials and supplies required to build KC products. Working capital is defined by management as current assets less current liabilities. As of July 31 2009 the company had a working capital deficit of - \$101,983. As a general rule management tries to maintain a working capital positive balance not less than \$100,000. At the end of Q2 fiscal 2010 the company failed to maintain a working capital balance consistent with this goal. Management believes that despite difficulties caused by the working capital deficiency, with continued support and patience from suppliers, shareholders and customers, the company will continue to adapt to market conditions and stay on a path to a bright future.

As at July 31 2009, the Company had a total of \$7,662 in term loans outstanding, of which \$2,666 is the current portion. The proceeds from the loan were used to purchase a vehicle. Reference is made to Note 9 in the accompanying unaudited Financial Statements.

The Company is carrying a Convertible Debenture debt payable of \$756,824. In accordance with the provisions of the debenture the Company is obligated to pay interest to the debenture holders on a quarterly basis. The current shortage of working capital has forced the Company to default on its Q2 fiscal 2010 debenture interest payment. The debenture interest is being carried on the Balance Sheets as an account payable. The interest will be settled as soon as the Company can afford it. For more debenture details please refer to Note 11 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.

Management believes the success of the KC downhole electronic memory pressure and temperature recorder will lead to development of a wider range of KC tools which RTM will develop and market at a rate that is supported by revenue.

To ensure the success of the Company, management has made heavy cuts in spending and is working hard to keep current customers satisfied while pursuing equipment sales and rental contracts wherever there is activity.

Dated : September 30 2009

Signed Glenn Boyd, Director, VP Operations, CFO

Signed Terry Matthews, Director, President, CEO



Real Time Measurements Inc. *as at September 30 2009:*

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	WILLIAM GRBAVAC : DIRECTOR, AUDIT COMMITTEE
AUDITOR	Mackay Chartered Accountants, Calgary, Alberta
LEGAL COUNSEL	Heighington Law Firm, Barristers & Solicitors, Calgary, Alberta
TRANSFER AGENT	Alliance Trust Company, Calgary, Alberta
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