
RMS Systems Inc.



Corporate Presentation – Fall 2011

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Corporate Overview

- RMS Systems Inc. (“RMS”) is a fast growing oil and gas technology provider of real-time electronic drilling data recorders (the “RigManager System”)
 - Product development
 - Design and build
 - Rental and service provider
- The RigManager Electronic Drilling Recorder (“EDR”) allows rig operators, engineers and geologists to monitor drilling progress in real-time
 - In use on virtually every well drilled
- The RigManager System operates over high-speed cellular networks providing faster access to the data gathered during the drilling operation, customizable report generation and the RigManager communication system
 - Higher bandwidth
 - Lower latency
 - Improved IP phone voice quality

RMS Corporate Snapshot

- TSX-V Symbol: RMS

- Shares Issued & Outstanding:
 - Basic Issued: 49.4 MM
 - Fully Diluted: 53.9 MM ⁽¹⁾

- Insider Ownership (diluted): 26%

- Share Price: \$0.89 ⁽²⁾

- Market Capitalization (Basic): \$44.0 MM
 - Working Capital: \$2.5 MM

- Enterprise Value: \$47.9 MM ^(1,3)

(1) Fully diluted shares includes 3,688,333 options at an average exercise price of \$0.54 per share and 757,750 broker warrants at an exercise price of \$0.68

(2) Share price as of October 21, 2011

(3) Net debt is calculated as total debt less cash and option proceeds

RigManager History

- 2005 - C-Data Communications Inc. (“C-Data”) began developing the software that forms the basis of the RigManager System
- Sept. 2008 - C-Data amalgamates with Tiger-Cat Energy Ltd. to form RMS Systems Inc.
- Jan. 2010 - Dave Hall joins RMS as President and CEO
- Q3 / 2010 - Finalized configuration of the RigManager Communication System and began to retrofit units deployed to the field
 - Achieved first positive EBITDA quarter
- Q4 / 2010 - Opened Houston office and began operations in the U.S.
- Q2 / 2011 - Raised \$7,361,000 in bought deal common share offering
 - First installation of RigManager System in the U.S.
- Q3 / 2011 - Field testing the RigManager Auto Digger

Investment Highlights

- Fast growing alternative supplier of EDR systems (Pason controls 95% of market)
- Capitalizing on producers' willingness to use new service provider
 - 28 units deployed in Canada
 - Top customers include CNRL, Angle, Celtic, Donnybrook, Crescent Point, Spur Resources and Laricina
- Established footprint in the U.S. to capture new business
 - Hired well respected industry veteran from Petron Systems
 - First installation in the U.S. completed in May 2011 for ERG Resources
- Inventory of 10 EDR systems ready to be deployed
 - Anticipate additional 5 systems to be installed each month
- Established infrastructure capable of doubling current units in the field
- High margin business with operating margins of ~80%

The RigManager Advantage

- Many producers are welcoming a competitive product and service to Pason
 - Excellent customer service to ensure maximum utilization and repeat business
 - State of the art computer hardware (touch screen monitors, custom casing, etc.)
 - Superior '.net software' product provides the most reliable, flexible and easily customizable product on the market

 - Cellular Based Technology
 - Unique cellular communications system is faster and has greater capacity

 - In house proprietary developed and installed software and products means the RigManager System is easily customizable to any customers' needs

 - Field Service and Customer Support
 - Network of trained, committed and efficient service technicians available 24/7 to install and service equipment
 - Secure networks allow technicians to solve most issues remotely, eliminating the need to wait for a on-site technician

 - Product Development and Innovation
 - Computer hardware and proprietary software that is flexible, customizable and accurate along with the most reliable and trusted sensors in the industry
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RMS' RigManager Product Suite

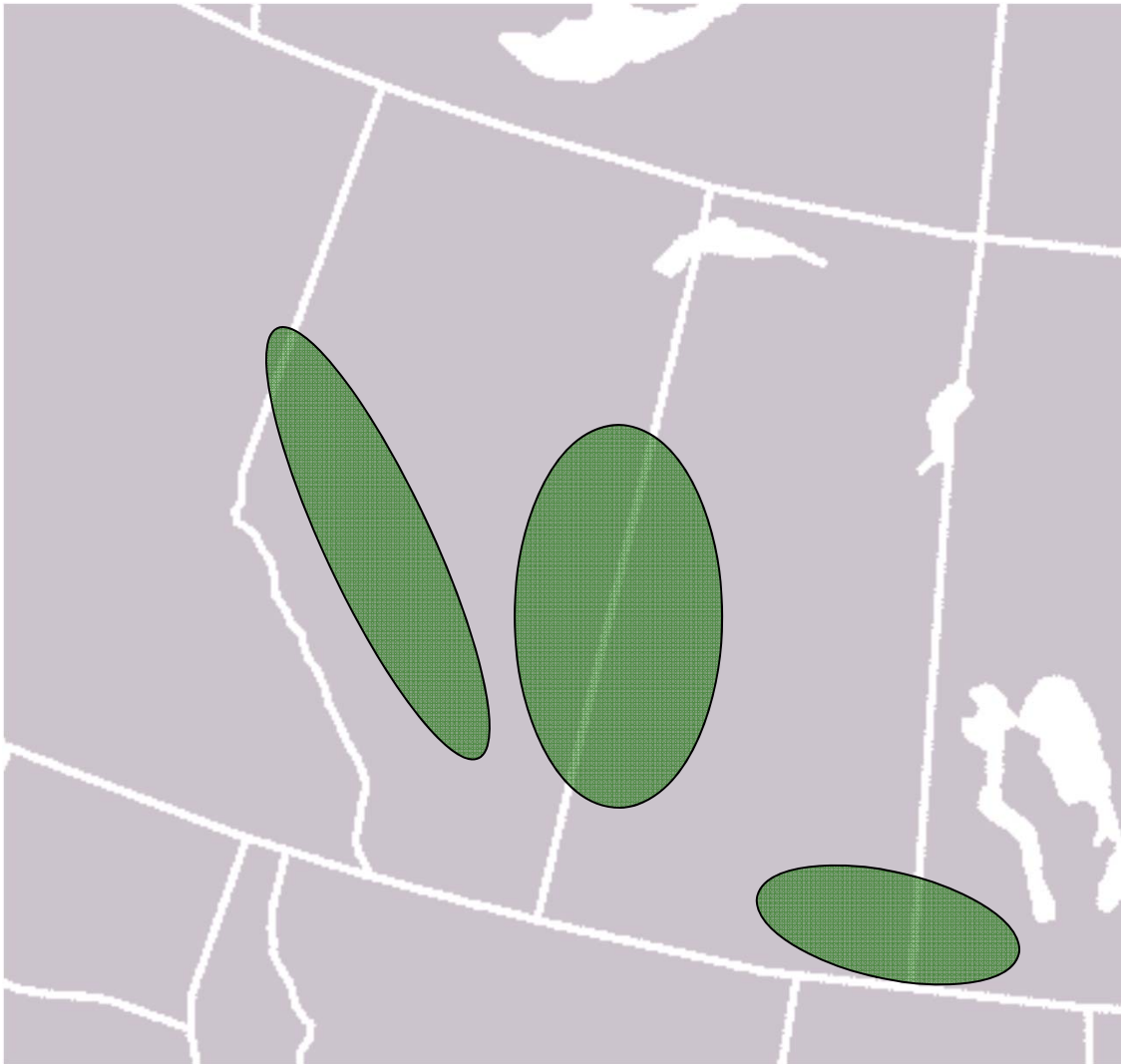
- Electronic Data Recorder (“EDR”)
 - Intuitive interface that offers quick access to drilling data, tour sheets, morning reports, directional survey, tool-face survey, sample catcher and pipe tally
 - Web Portal: Provides near real-time data
 - SiteWatch: Desktop version of the EDR exactly as seen on location running remotely
 - Mobile Site: Mobile website allows any text based internet cell phone access to your data
 - Communications: Custom IP phones and Class 1 Div 2 phones for entire rig communication
 - Pit Volume Totalizer (PVT): Accurately and reliably monitor fluid from the main mud system, trip tank system, return flow system and the mud pumps

- Auto Digger
 - Electronic auto digger maintains a smooth Weight On Bit (WOB) and Rate Of Penetration (ROP) providing less stress to drill string, drill bit and mud motors
 - Expected that 90% of RigManager units installed will utilize an auto digger

- Gas Detection
 - Infrared technology to identify hydrocarbon gases in the most subtle section
 - Developing technology in-house to be available late Q4 / 2011

- Drilling Choke
 - Will develop or acquire its own line of drilling choke (currently provided through third parties)

Customer Base and Canadian Footprint



Top Customers



Rigs Operated On



WCSB Market Overview

- Approximately 800 rigs in the WCSB with 67% operating in August 2011 (~535 rigs)

- Current Market Share



95%



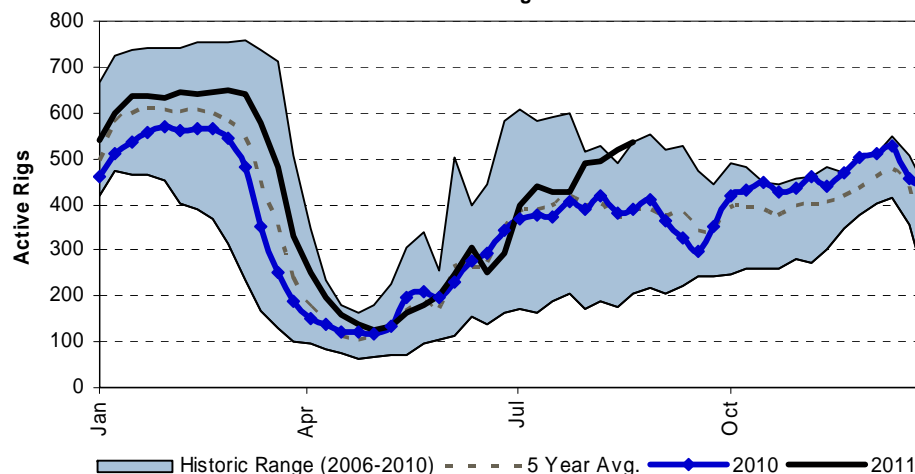
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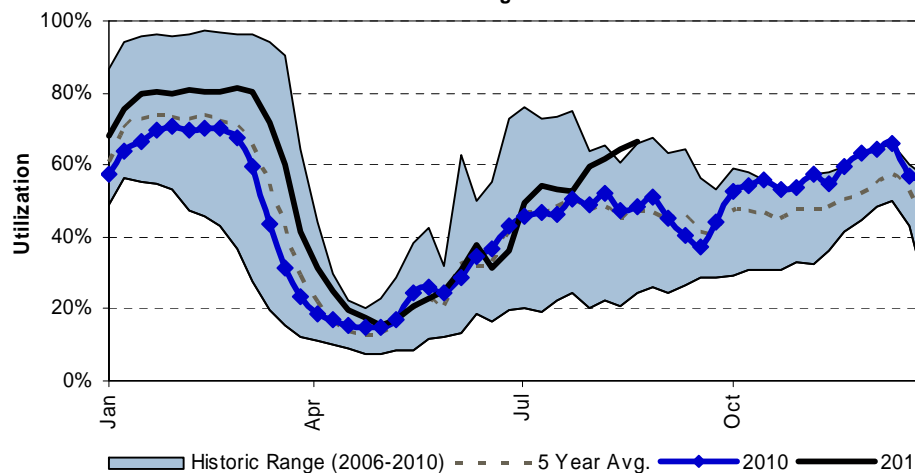
- RMS has the opportunity to capture significant market share

WCSB Active Rig Count



Source: Cormark Securities Inc., Nickles, CAODC.

WCSB Active Rig Utilization



Source: Cormark Securities Inc., Nickles, CAODC.

U.S. Market Opportunity

- Expanded into the U.S. market in Q4 / 2010
 - Hired James Kendrick to build / manage the Houston office
 - Previously was the Manufacturing Manager at Petron Industries Inc., a privately held designer, manufacturer and operator of drilling rig instrumentation systems
 - Pason acquired Petron in September 2009 (15% of market at that time)
 - First system installed during May 2011 for ERG Resources
 - Significant interest by numerous other operators
 - Target growth to 5%-10% of the U.S. market (85-170 units)
 - U.S. operations provide access to a larger market with less seasonality
- Current Market Share

 60%

 40%

 <1%

RigManager System Economics

- RigManager Systems
 - Two unit types – one for shallow, heavy oil and another for deeper rigs
 - Useful life of a unit is 6-10 years depending on its utilization rate
 - Field staff are currently operating 1-3 units per person, with capacity to handle 7-8 units per person

RigManager Unit Economics (per Month)

Revenue ⁽¹⁾	\$20,000
Direct Costs	\$4,500
Gross Margin ⁽²⁾	\$15,500
Gross Margin Percentage	78%
Average Utilization	85%
Capital Cost	\$85,000
<i>Payback Period</i>	<i>~ 6 Months</i>

(1) Blended average includes EDR, PVT, Workstations, Auto Digger, Communications and third party revenue

(2) Before G&A costs

Long Term Strategy

- Build a top quality software technology provider for the oil and gas industry
- Focus on customer service, reliability and continuous product development
- Maintain discipline on cost structure
- Use excess cash flow to fund expansion, market penetration and improve product offering
- High margins and profitability may support a dividend to shareholders over time
- Add complimentary technologies and services that allow us to leverage RigManager's communication system

Management

- David Hall – President, CEO and Director
 - Over 26 years of oil and gas and financial experience in corporate management and operations, exploration and development
 - Previously with Marble Point Energy Ltd., Argo Energy (now part of Daylight Energy), Argonauts Group Ltd. (currently part of Progress Energy)
 - Past director of Norquay Capital Ltd. (now Xtreme Coil Drilling Corp.) and currently a director of Octagon Properties Group Ltd.

- Denny Chow – Chief Financial Officer
 - 11 years of industry experience with corporate finance and financial reporting as a chartered accountant
 - Previously with Marble Point Energy Ltd. and BDO Dunwoody LLP

- John Zang – VP Business Development and Director
 - 13 years of industry experience and practicing lawyer
 - Former President, CEO and director of Tiger Cat Energy Ltd.; previously corporate secretary and corporate counsel of Sequoia Oil and Gas Trust, Norquay Capital Ltd. (now Xtreme Coil Drilling Corp.)

Management (*continued*)

- David Venier – Senior Vice President
 - Over 30 years of architectural and engineering experience
 - Founder of C-Data Communications Inc., a private software development company that was the predecessor of RMS Systems Inc.

- Simon Nunez – VP Equipment and Operations
 - Over 10 years of experience working with drilling instrumentation worldwide, and another 5 years previous to that working on oil and gas rigs and equipment
 - Previously Field Service Manager at Petron Industries Inc. (now Pason Systems)

- Kevin Kulczycki – Vice President Technology
 - Over 5 years as founding technical manager at RMS Systems
 - 16 years of professional industry experience with Bell, Telus, Terago Networks and TransCanada Pipelines

- James Kendrick – General Manager, RigManager Inc. (United States)
 - Over 12 years of experience as Manufacturing Manager from Petron Industries
 - Degree in Electronic Engineering from Southern University
 - Previously with Compaq Computing and Pathfinder (MWD / LWD tools)

Directors

- David Hall – President, CEO and Chairman of the Board

- John Zang – VP Business Development, Corporate Secretary

- Willey Wong
 - Currently VP of Finance of Teine Energy (formerly Marble Point Energy); previously with Tiger Cat Energy Ltd., Sequoia Oil and Gas Trust and Argo Energy Ltd.

- Brian Gorsline
 - Director, Vice President and founder of Clearpass Inc. (private consulting company focused on asset management for the energy sector)

- Kent Peters
 - Currently the Director, Group Risk Management, Commercial Credit and Special Loans based in Calgary for Royal Bank of Canada

RMS Systems Inc.

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