

RMS SYSTEMS INC.

MANAGEMENT DISCUSSION and ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2008

The following Management's Discussion and Analysis (MD&A) of the financial results for RMS Systems Inc. (the "Company") should be read in conjunction with the consolidated financial statements for the year ended December 31, 2008. This MD&A was prepared as of April 23, 2009. It contains certain forward-looking statements that involve known and unknown risks and uncertainties, such as changes in commodity prices and government regulations, which are beyond the Company's control. Actual results could differ materially from those expressed here.

Forward-looking Statements

Certain information regarding the Company set forth in this report, including management's assessment of the Company's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks and uncertainties, many of which are beyond the Company's control, include the impact of general economic conditions and specific industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits the Company can derive therefrom. Readers should be aware that historical results are not necessarily indicative of future performance.

The Company's Financial Strategy in the Current Economic Environment

The current economic environment is challenging and uncertain amidst a global recession, low commodity prices, volatile financial markets and limited access to capital markets.

In this environment, the Company is highly focused on the key business objectives of maintaining financial strength, continuing to market the Company's products so as to generate significant free cash flow in the future, and further optimizing capital investments. The Company has entered into a Deed of Variation with Santos Ltd. in regard to the previous sale of the Company's Australian property. As a result the Company has received approximately \$4,895,000 (see "Overall Performance"). This has positioned the Company in a strong financial position with large amount of cash on hand.

The Company has a strong balance sheet and continues to employ a conservative capital structure. The Company has restructured its capital structure by entering into the Amalgamation with Tiger-Cat Energy Ltd. as discussed below in the "Overall Performance" and converted all of its debentures into commons shares of the amalgamated company. The accrued interest on these debentures was also forgiven as a result of the Amalgamation. The Company is currently debt free.

In addition, the Company will continue to monitor expenses and its capital spending. In light of the current market situation, the Company is aggressively pursuing further contracts for its product. The Company also has planned a measured, flexible approach to its 2009 capital spending with the flexibility to adjust expenditures up or down depending upon how economic circumstances unfold during the year.

Overall Performance

The Company was formed through Articles of Amalgamation pursuant to the Alberta *Business Corporations Act* (the "Act") on September 29, 2008. On that date the Company amalgamated with Tiger-Cat Energy Ltd. and changed its name from C-Data Communications Inc. ("C-Data") to RMS Systems Inc. (the "Amalgamation"). The Company is a technology company which commenced business in May, 2005. It has four wholly owned subsidiaries (all incorporated pursuant to the Act): BARB Projects Ltd., CDHM Offshore Ltd., RigManager Services Ltd. and Quatros Communications Ltd. Prior to the amalgamation the Company was a private corporation. Subsequent to the Amalgamation the Common Shares of the Company have traded on the TSX Venture Exchange under the symbol RMS.

The Company has developed a drilling rig data analysis product for the drilling industry (the "RigManager System"). This RigManager System has been designed to provide oil and gas producers with accurate and timely drilling feedback during the drilling of an oil or gas well. The RigManager System developed by the Company is anticipated to be of value to oil and gas producers in Alberta and throughout the world. Since its inception in 2005, the Company has developed the RigManager System and related hardware and software. The Company spent approximately \$1.45 million in the development of the RigManager System. Through this drilling rig monitoring software the RigManager System provides real time data acquisition from the drilling rig to both the drilling site and the oil and gas exploration company's offices through a web portal. The Company is the developer of its software and utilizes licensed industry proven data collection sensors in the RigManager System. The Company licenses the RigManager System to its wholly owned subsidiary, RigManager Services Ltd. RigManager Services Ltd. markets and provides support services to industry clients. The RigManager System will usually be licensed to the oil and gas exploration company and drilling contractor utilizing it. The Company will earn revenue based upon the level of service contracted for by the exploration and drilling company and the days of operation of the drilling rig. In other instances a long term license may be entered into for a one time lump sum fee.

During the first quarter of 2008, the Company entered into a contract with a major oil and gas producer ("the Supply Contract"). The potential of this contract is to place the RigManager System on up to 25 drilling rigs at anticipated revenue of approximately \$10,000 per rig per month. As of December 31, 2008 the Company had delivered and installed 9 RigManager units under the Supply Contract. Each RigManager Unit costs approximately US\$100,000 to manufacture and install. While the Supply Contract is with one producer, management of the Company believes that the RigManager System is very competitive to others in the market place and it believes it will be able to succeed in entering into other significant contracts with other producers. While the economic downturn and related decrease in oil and gas drilling activity has effected the need for producers to use the RigManager System, the availability of idle drilling rigs has provided RigManager the opportunity to demonstrate its system to other major producers.

In addition to RigManager Services Ltd., the Company also is the sole shareholder of Quatros Communications Ltd. ("Quatros") which is a company providing video conferencing service and installations to businesses throughout western Canada. Quatros' business does not form a significant portion of the go forward operations of the Company.

The Company's other two subsidiaries, CDHM Offshore Ltd. and Barb Projects Ltd., own no assets and have no active operations.

On May 26, 2008, the Company completed a private placement through which it raised a total of \$770,000 through the issuance of 3,850,000 Class A common Voting Shares (at the subscription price of \$0.20 per Class A Common Voting Share). The majority of these funds have been used to acquire and install six RigManager Systems on rigs. The capital required for the second phase of the rollout was secured from the amalgamation with Tiger-Cat Energy Ltd. ("Tiger-Cat").

On May 27, 2008, the Company entered into an Amalgamation Agreement pursuant to which the Company and Tiger-Cat Energy Ltd. ("Tiger-Cat") agreed to amalgamate. This Amalgamation Agreement was subsequently amended on July 29, 2008 (together the original agreement and amended agreement are herein referred to as the "Amalgamation Agreement"). Final closing of the Amalgamation took place on September 29, 2008.

Pursuant to the Amalgamation each Tiger-Cat shareholder received one common share ("Amalco Share") of the amalgamated corporation ("Amalco") for each 2.98 common shares of Tiger-Cat held. Each former shareholder of C-Data received one Amalco Share for each one common share of C-Data held. At the same time as the completion of the Amalgamation, the principal amount owing on \$1,529,212 of the Convertible Debentures issued by the Company was converted to common shares resulting in the issuance of 6,920,332 common shares and all interest on these Convertible Debentures was forgiven by agreement of the parties. A total of \$2,500 of the principal amount owed on the C-Data Convertible Debentures (plus accrued interest) was repaid by cash.

Upon completion of the Amalgamation a total of 11,406,655 common shares were issued to the former shareholders of Tiger-Cat and a total of 15,156,060 common shares were issued to the former C-Data shareholders. The Company currently has outstanding 26,562,715 common shares, 100,000 share purchase warrants, and 1,845,000 stock options.

Pursuant to Section 184 of the Alberta Business Corporations Act, as part of the Amalgamation holders of Tiger-Cat common shares were entitled to exercise rights of dissent in respect of the business combination and, provided the combination became effective, to be paid fair value for such shares by Tiger-Cat, such fair value to be determined as of the close of business on the last business day before the day on which the resolution from which the dissent is made. Three shareholders holding an aggregate of 4,070,735 Tiger-Cat common shares (equivalent to 1,366,017 of Amalco Shares) dissented to the Amalgamation. As the dissenting shareholders effectively forfeited their shares pursuant to their dissent action, their shares have been removed from the number of shares issued and outstanding and an amount of \$648,047 was paid for the settlement amount.

On December 1, 2008, the Company entered into a Variation Agreement with Santos Ltd. (the "Variation Agreement") pursuant to which the Company and Santos Ltd. ("Santos") agreed to amend the amounts and time for payment of the remaining performance payments under the previously announced sale agreement entered into between them. In June 2007 Tiger-Cat completed the sale of its wholly owned Australian subsidiary, Bronco Energy Pty. Ltd. ("Bronco") (and thereby the sale of its interests in certain Australian lands) to Santos for a sale price of AUD\$10.53 million. This sale price was made up of three payments. AUD\$2,531,220 (approximately CAD\$2,276,000) was paid on June 25, 2007. Pursuant to the original agreement with Santos, the second payment in the amount of AUD\$3 million was not payable unless and until Santos' share of production of the proven plus probable reserves from its interest in the lands would be 100 PJ (approximately 95 Bcf) and the third payment in the amount of AUD\$5 million was not payable unless and until Santos' share of production of the proven plus probable reserves from its interest in the lands would be 200 PJ (approximately 190 Bcf). Pursuant to the Variation Agreement, the Company agreed to amend the original Agreement with Santos such that the second and third payments (totaling AUD\$8 million) were reduced to AUD\$6.15 million in exchange for the immediate payment of this sum. Payment of the AUD\$6.15 million (CAD\$4,895,375) was received by RMS on December 1, 2008.

The Company has established a stock option plan for its directors, officers, employees, consultants and other personnel. The total number of common shares issuable under the Plan may not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the plan have a term of five years and vest 1/3 on the first anniversary from the date of grant and 1/3 each year thereafter. The exercise price of each option equals or exceeds the market price of the Company's common shares on the date of grant. The Company has currently granted options entitling the holders thereof to a total of 1,845,000 Common Shares.

Overview of Financial Information

Financial Highlights	For the year ended December 31, 2008 \$	For the year ended December 31, 2007 \$
Revenue	380,477	-
Rental services	261,516	-
General and administrative expense	1,031,811	410,576
Net income/(loss)	(1,113,531)	(580,535)
Per share – basic and diluted	(0.10)	(0.14)
EBITDA	(644,083)	(410,576)
Deferred development costs	(155,543)	560,675
Property and equipment expenditures	1,795,029	47,210
Weighted average shares outstanding		
Basic	11,459,359	4,299,703
Diluted	11,459,359	4,299,703
Total assets	6,369,542	1,540,066

Revenue

Revenue for the year ended December 31, 2008 was \$380,477 (no revenue was earned during the year ended December 31, 2007). This revenue is from a total of 5 RigManager Systems (a total of 9 RigManager Systems were deployed by the end of 2008 but 4 of these had yet to earn any revenue). The utilization rate (i.e. the billing days) for the RigManager units deployed during 2008 was 524 days. Company deployed the RigManager System that have been deployed as of December 31, 2008 pursuant to the Supply Contract. Revenue is anticipated to increase as the Company deploys additional RigManager Units under the Supply Contract and as the Company enters into additional contracts for the supply of the RigManager System. However, the economic downturn, weakening of oil and gas prices, and the resulting decrease in oil and gas drilling activity through-out North America is expected to have a negative impact on the Company's revenue in the future. Although the Company believes it will at least maintain the current number of RigManager units deployed, the Company is paid based on the daily usage of the drilling rigs, decreased drilling activity may result in decreased revenues from the deployed RigManager units. The Company is also actively pursuing additional contracts which will increase revenues.

General and Administrative

General and administrative expenses for the year ended December 31, 2008 was \$1,031,811, compared to \$410,576 for the year ended December 31, 2007. General and administrative expenses have increased. This increase is mainly due to the staffing and preparation required in order for the Company to position itself such that it is capable of executing on its obligations under the Supply Contract. As at December 31, 2008, consulting and salaries contributed to 57% of the general and administrative costs, telephone and networked telecommunications contributed 5%, professional fees contributed to 7% to the General and Administrative Costs. General and administrative costs are anticipated to increase as the Company increases the number of RigManager Systems deployed.

With the completion of the Amalgamation, additional expenses associated with the Company being listed on the TSX-Venture Exchange have been incurred. These expenses include the hiring of a Chief Financial Officer and controller, and the salary associated with same.

Liquidity

The consolidated working capital at December 31, 2008 was \$3,531,721 compared to a working capital deficiency of \$213,834 at December 31, 2007. The increase is due mainly to the below factors:

- Cash acquired on the acquisition of Tiger-Cat in the approximate amount of \$1,316,000.
- Cash received from Santos in the approximate amount of \$4,895,000.
- Accounts payable forgiven by a large supplier in the approximate amount of \$186,000.

- Interest on convertible debenture forgiven by the debentureholders in the approximate amount of \$269,000.
- Cash received from private placements in the amount of \$780,000.

Net of:

- The costs spent of further development of the RigManager System in the approximate amount of \$155,000.
- Cost spent on production of additional units in the approximate amount of \$1,795,000, including parts and raw materials.
- Cash outflow from operations, excluding working capital items, in the approximate amount of \$944,000.

Other than the Supply Contract, the Company currently does not have any material contractual obligations at December 31, 2008.

Deferred Development Expenditures

During the year ended December 31, 2008, the Company spent \$155,543 on development expenditures. These costs are mainly consulting fees to develop the technology in the RigManager System. The Company will continue to incur development expenditures in the future as the RigManager System is maintained and improved, however, future development expenditures are anticipated to reduce significantly from those of prior years.

Property and Equipment Expenditures

During the year ended December 31, 2008, the Company spent \$1,795,029 on property and equipment, of which \$803,532 remains as parts and raw materials at year end. These amounts relate to the 9 RigManager Systems which have been deployed pursuant to the Supply Contract. In the future, as additional RigManager Units are deployed, the property and equipment expenditures are anticipated to increase from the units themselves and the purchase of a fleet of trucks needed to service the units. However, it is anticipated that the cost per Unit will decrease due to the development of in-house technology that will replace externally purchased components required on the Units.

The Company's current manufacturer of the RigManager Units is located in the United States. As a result, the recent change in the exchange rate between the United States dollar and the Canadian dollar will have an impact on the Company's cost to supply RigManager Units in the future. In order to decrease this exposure, the Company is exploring other options for the manufacture of its products. The Company has not entered into any currency hedge contracts.

Summary of Quarterly Results

	Oct. to Dec. 2008	Jul. to Sep. 2008	Apr. to Jun. 2008	Jan. to Mar. 2008
	\$	\$	\$	\$
Rental revenue	211,667	148,640	20,170	-
Net loss for period	(555,802)	(82,232)	(321,616)	(153,881)
Basic loss per share	(0.021)	(0.010)	(0.055)	(0.035)
Diluted income (loss) per share	N/A	N/A	N/A	N/A
Weighted average number of shares outstanding	26,562,715	8,434,934	5,866,497	4,374,486

The Company has adopted Section 1751 – "Interim Financial Statements" effective January 1, 2008 and as such, has not disclosed the comparative financial information for 2007.

Off-Balance Sheet Arrangements

The Company does not have any special purpose entities nor is it party to any arrangement that would be excluded from the balance sheet.

Related Party Transactions

During the year ended December 31, 2008, the Company accrued \$100,080 of interest on the convertible debentures of which most amounts were forgiven by agreement of such parties.

During 2007, the Company issued convertible debentures to directors and officers of the Company in the amount of \$616,962. All debentures, except for \$2,500 of debentures, were converted to common shares.

The Amalgamation saw the Company amalgamate with Tiger-Cat Energy Ltd. Tiger-Cat and the Company shared a common director.

Changes in Accounting Policies Including Initial Adoption

Financial Instruments – Disclosures

The Company adopted the new Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862 Financial Instruments – Disclosures which apply to both recognized and unrecognized financial instruments. These disclosures, which include the nature and extent of risks arising from financial instruments, are included in Note 14.

SEDAR

Additional information relating to the Company can be accessed on the Company’s website at www.rigmanager.com and on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

The Company adopted the new CICA Handbook Section 3863 Financial Instruments – Presentation which establishes standards for presentation of financial instruments and non-financial derivatives.

Capital Disclosures

The Company adopted the new recommendations of the CICA Handbook Section 1535 for disclosure of the Company’s objectives, policies and processes for managing capital as discussed in Note 14.

Inventories

The new CICA Handbook Section 3031 is effective. This section provides guidance on the measurement and disclosure requirements for inventories. The Company’s parts and raw materials have been included in property and equipment. The new standard does not have an impact on the financial statements.

General Standards of Financial Statement Presentation

This requirement to assess and disclose the Company’s ability to continue as a going concern under CICA Handbook Section 1400 did not have an impact on the financial statements.

Accounting Pronouncement – Goodwill and Intangible Assets

This new CICA Handbook Section 3064 will be adopted on January 1, 2009. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new Section on its financial statements.

Accounting Pronouncement – Business Combinations

In January 2009, the CICA issued new accounting standards, Section 1582 *Business Combinations* and Section 1601 *Consolidated Financial Statements*, replacing Section 1501 *Business Combinations* and Section 1600 *Consolidated Financial Statements*. The CICA also issued new Section 1602 *Non-Controlling Interests*.

Section 1582 establishes standards for accounting for a business combination and represents the Canadian equivalent to IFRS 3, *Business Combinations* (January 2008). Section 1601 establishes standards for the preparation of consolidated financial statements. Finally, Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination and represents the Canadian equivalent to International Accounting Standard 27, *Consolidated and Separate Financial Statements* (January 2008). These new standards become effective for the Corporation's fiscal year beginning on January 1, 2011 and earlier adoption of all three Sections concurrently is permitted. It is expected that the adoption of this new section will not have a material impact on the Company's financial statements.

Financial Instruments and Capital Management

FINANCIAL INSTRUMENTS

The Company is exposed to financial risk in a range of financial instruments including cash, accounts receivable, accounts payable and accrued liabilities. At December 31, 2008, the fair value of cash, accounts receivable and accounts payable and accrued liabilities approximates their carrying value due to the relatively short term nature. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are:

- a) Liquidity Risk
- b) Credit Risk
- c) Currency Risk
- d) Market Risk

Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset at all.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As variables change, liquidity risks may necessitate the Company to conduct equity issues or obtain project debt financing. Management has assessed this risk as minimal.

Credit Risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. During the year ended December 31, 2008 there was no impairment provision required on any of the financial assets of the Company. The Company does have a concentration of credit risk as 80% of the Company's trade receivables are from one customer. As at December 31, 2008, the Company's receivables consisted of \$129,183 of trade receivables and \$352,000 from the government for investment tax credits.

The Company's accounts receivables are aged as follows:

	Total \$
Current (less than 30 days)	43,686
30 to 60 days	82,494
61 to 90 days	3,118
Over 90 days	352,000
Total	481,298

The maximum exposure to credit risk is represented by the carrying amount on the balance sheet.

The Company assesses quarterly if there has been any impairment of the financial assets of the Company.

During the year ended December 31, 2008, there was no impairment provision required on any of the financial assets of the Company due to historical success of collecting receivables.

Currency Risk

Currency risk will impact the value of the financial assets and liabilities on the balance sheet at December 31, 2008. Currently the RigManager System Unit is deployed only in Canada (and therefore all revenue is in Canadian currency), but the majority of the manufacture of the RigManager System Unit occurs in the United States (and therefore these expenses are in United States currency). Changes in the U.S. to Canadian exchange rate will impact the realization of certain assets and payment of certain liabilities.

Market risk

The major area of uncertainty for the Company is that the demand for its services is directly related to the strength of its customers' capital expenditure programs. The level of capital programs is strongly affected by the level and stability of commodity prices, which can be extremely difficult to predict and beyond the control of the Company and its customers. During periods of uncertainty, oil and gas companies tend to bias their capital decisions on conservative outlooks for commodity prices. In addition to the cyclical nature of its business, the Company is also subject to risks and uncertainties associated with weather and seasonality. In the latter portion of 2008 and early into 2009, the Company has seen significant reductions by oil and gas exploration companies in their drilling activity.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements.

The Board of Directors does not establish quantitative return on capital criteria for the Company; but rather promotes year over year sustainable growth in net income and funds flow. The Company defines capital as total equity plus net debt.

	December 31, 2008	December 31, 2007
	\$	\$
Total debt	-	1,541,534
Less cash	(3,386,313)	(99,584)
Net debt	(3,386,313)	1,441,950
Total equity	5,984,329	(761,312)
Total capital	2,598,016	680,638

The Company is not subject to any externally imposed financial requirements.

Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to fair value and industry credit risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

Fair Value

The carrying values of financial instruments, which include cash, accounts receivable, and accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments.

The carrying value of convertible debentures differs from the fair value due to the convertible debenture interest rate of 8% versus the fair value interest rate of 12%. The fair value of the convertible debenture approximates \$nil (2007 - \$1,363,000).

Credit Risk

The Company is exposed to credit risk to the extent that its customers, operating primarily in the oil and natural gas industry, may experience financial difficulty and would be unable to meet their obligations. However, the Company assesses the credit worthiness of its customers on a continual basis. The credit exposure is effectively monitored as there are a minimal amount of customers.

International Financial Reporting Standards

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for 2010. The International Accounting Standards Board ("IASB") has also issued an exposure draft relating to certain amendments and exemptions to IFRS 1. It is anticipated that this exposure draft will not result in an amended IFRS 1 standard until late 2009. The Company has completed its high-level IFRS changeover plan and established a preliminary timeline for the execution and completion of the conversion project. The changeover plan was determined following a preliminary assessment of the differences between Canadian GAAP and IFRS and the potential effects of IFRS to accounting and reporting processes, information systems, business processes and external disclosures. This assessment has provided insight into what are anticipated to be the most significant areas of difference applicable to the Company. External advisors have been retained and will assist management with the project on an as needed basis. The Company will also continue to monitor standards development as issued by the IASB and the AcSB as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS.

Risks and Uncertainties

An insurance program is maintained to mitigate risks and to protect against significant losses, while maintaining levels of risk within the Company, which management believes to be acceptable. While the Company believes that its liability, property and business interruption insurance is adequate and consistent with industry participants of the Company's size, the Company is unable to obtain insurance to cover all risks within the business or in amounts to cover all possible claims.

The Company's operations may be adversely affected by changes in governmental policies, regulations or taxation concerning the Canadian oil and natural gas industry. Changes in any of these areas may significantly increase the Company's costs or adversely affect its ability to conduct business.

The recent economic downturn has resulted in lower oil and gas prices. It is anticipated that should these lower prices prevail, they will result in lower drilling activity. The Company has begun to see a reduction in planned drilling programs. Such reductions will negatively impact the Company's cash flow from the Supply Contract and will negatively impact the Company's ability to enter into other contracts for the supply of RigManager Units.

The Company's operations are highly dependent on its executive officers and key personnel. The loss of the services of any of these people could have an adverse effect on the Company.

The Company's main competitor is Pason Systems Inc. (TSX: PSI). Pason has a very significant share of the North American market for products such as the RigManager. Pason is a mature company with significantly more financial resources than the Company. In the event that Pason was to materially decrease the costs of its goods and services or were to otherwise attempt to utilize its size to its advantage the Company may not be able to compete with Pason. The ability of the Company to grow in the future will depend significantly on the ability of the Company to compete with Pason.

The financial statements for the period ended December 31, 2008 are incorporated by reference herein and form an integral part of this MD&A.

"signed: Robert Webb"

Robert Webb
Chief Executive Officer

"signed: Denny Chow"

Denny Chow
Chief Financial Officer