Interim Consolidated Financial Statements of

RMS SYSTEMS INC.
(Unaudited)

September 30, 2010

In accordance with National Instrument 51-102 released by the Canadian Securities administrators, the Corporation discloses that its auditors have not reviewed the unaudited consolidated interim financial statements for the period ended September 30, 2010.

RMS SYSTEMS INC.
Consolidated Balance Sheets
(Unaudited)

	September 30, 2010 $	December 31, 2009 $
ASSETS		
CURRENT		
Cash	**70,860**	725,077
Accounts receivable	**743,377**	472,034
Prepaid expenses	**71,759**	61,998
	885,996	1,259,109
INTANTIBLE ASSETS (Note 4)	**471,055**	612,073
PROPERTY AND EQUIPMENT (Note 5)	**3,194,708**	2,712,068
	4,551,759	4,583,250
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**775,223**	568,869
Current portion of capital lease obligations	**34,403**	-
	809,626	568,869
CAPITAL LEASE OBLIGATIONS	**91,114**	-
	900,740	568,869
SHAREHOLDERS' EQUITY		
Equity instruments (Note 6)	**9,150,806**	8,319,573
Contributed surplus (Note 7)	**103,478**	75,000
Deficit	**(5,603,265)**	(4,380,192)
	3,651,019	4,014,381
	4,551,759	4,583,250

SUBSEQUENT EVENTS (Note 9)

The accompanying notes are an integral part of these consolidated financial statements.

RMS SYSTEMS INC.

Consolidated Statements of Operations, Comprehensive Loss and Deficit

(Unaudited)

	For the 3 months ended September 30, 2010	For the 3 months ended September 30, 2009	**For the 9 months ended September 30, 2010**	For the 9 months ended September 30, 2009
	$	$	**$**	$
REVENUE				
Rental	**796,534**	446,563	**1,658,999**	830,051
EXPENSES				
Rental services	**267,938**	351,806	**850,101**	667,482
General and administrative	**509,136**	362,995	**1,471,310**	1,209,191
Interest	**499**	-	**1,422**	545
Amortization	**233,663**	151,275	**545,996**	382,451
Stock-based compensation	**16,430**	20,000	**28,478**	56,000
	1,027,666	886,076	**2,897,307**	2,315,669
OTHER				
Other income	**-**	-	**15,235**	-
Gain for forgiveness of debt	**-**	-	**-**	1,041
	-	-	**15,235**	1,041
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(231,132)**	(439,513)	**(1,223,073)**	(1,484,577)
DEFICIT, BEGINNING OF PERIOD	**(5,372,133)**	(3,386,308)	**(4,380,192)**	(2,341,244)
DEFICIT, END OF PERIOD	**(5,603,265)**	(3,825,821)	**(5,603,265)**	(3,825,821)
LOSS PER SHARE (NOTE 6)				
Basic and diluted	**(0.01)**	(0.02)	**(0.04)**	(0.06)

The accompanying notes are an integral part of these consolidated financial statements.

RMS SYSTEMS INC.
Consolidated Statements of Cash Flow
(Unaudited)

	For the 3 months ended September 30, 2010	For the 3 months ended September 30, 2009	**For the 9 months ended September 30, 2010**	For the 9 months ended September 30, 2009
	$	$	**$**	$
CASH FLOW RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net loss	**(231,132)**	(439,513)	**(1,223,073)**	(1,484,577)
Adjustment for:				
Amortization	**233,663**	151,275	**545,996**	382,451
Gain on forgiveness of debt	**-**	-	**-**	(1,041)
Stock-based compensation	**16,430**	20,000	**28,478**	56,000
	18,961	(268,238)	**(648,599)**	(1,047,167)
Changes in non-cash working capital				
Accounts receivable	**(540,467)**	(299,040)	**(271,343)**	72,549
Prepaid expenses	**(30,839)**	(33,995)	**(9,761)**	(25,715)
Accounts payable and accrued liabilities	**69,511**	177,522	**64,232**	(152,126)
	(482,834)	(423,751)	**(865,471)**	(1,152,459)
INVESTING				
Purchase of property and equipment	**(493,192)**	(154,368)	**(758,617)**	(1,093,808)
Proceeds from development expenditure refund	**-**	27,654	**-**	27,654
Changes in non-cash investing activities	**205,218**	59,487	**142,121**	66,824
	(287,974)	(67,227)	**(616,496)**	(999,330)
FINANCING				
Payment of capital lease obligations	**(3,483)**	-	**(3,483)**	-
Proceeds from issuance of share capital	**817,900**	-	**831,233**	-
	814,417	-	**827,750**	-
INCREASE (DECREASE) IN CASH	**43,609**	(490,978)	**(654,217)**	(2,151,789)
CASH, BEGINNING OF PERIOD	**27,251**	1,725,502	**725,077**	3,386,313
CASH, END OF PERIOD	**70,860**	1,234,524	**70,860**	1,234,524

The accompanying notes are an integral part of these consolidated financial statements.

RMS SYSTEMS INC.
Notes to Consolidated Financial Statements
(Unaudited)
September 30, 2010

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

RMS Systems Inc. (the "Company") was formed by an Amalgamation dated September 29, 2008. Pursuant to Articles of Amalgamation dated September 29, 2008, C-Data Communications Inc. amalgamated with Tiger-Cat Energy Ltd. to form the Company. The Company has developed a web-based remote drilling data retrieval software solution. This software allows oil and gas companies to retrieve scientific measurement data in the field and communicate this data in real-time back to a central web-based data warehouse.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The continued success of the Company is dependant on the Company increasing its market share and thereby its revenues, successfully raising equity financings to invest in capital assets, and generating profits from its operations.

The financial statements do not include any adjustments, which could be material, relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of interim consolidated financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. The interim consolidated financial statements contain disclosures, which are supplemental to the Company's annual consolidated financial statements. Certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted. The interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2009. The significant accounting policies follow that of the most recent annual consolidated financial statements, except for the following:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, RigManager Services Ltd. and RigManager, Inc. All inter-company accounts and transactions have been eliminated.

"Business Combinations", Section 1582, replaces the previous business combinations standard. The standard requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair values as of the date of acquisition. In addition, acquisition related and restructuring costs are to be recognized separately from the business combination and included in the statement of earnings. The adoption of this standard will impact the accounting treatment of future business combinations entered into after January 1, 2011.

"Consolidated Financial Statements", Section 1601, which, together with Section 1602 below, replace the former consolidated financial statements standard. Section 1601 establishes the requirements for the preparation of consolidated financial statements. The adoption of this standard had no material impact on the Company's Consolidated Financial Statements.

"Non-controlling Interests", Section 1602, establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest. The adoption of this standard has had no material impact on the Company's Consolidated Financial Statements.

The above CICA Handbook sections are converged with International Financial Reporting Standards ("IFRS"). The Company will be required to report its results in accordance with IFRS beginning in 2011. The Company is currently assessing the impact of the convergence of Canadian GAAP with IFRS on the Company's financial results of operations, financial position and disclosures.

3. 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, and capital lease obligations. At September 30, 2010, the fair value of cash, accounts receivable, and accounts payable and accrued liabilities approximates their carrying value due to their relatively short term nature, and the fair value of capital lease obligations approximates their carrying value as they were entered into with similar terms for other third parties. Subsequent to the period end, the Company entered into convertible debentures which carrying values approximate fair values as they were also with third parties (Note 9). At September 30, 2010, the Company valued cash using level 1 inputs. The Company did not have any assets or liabilities which are valued using level 2 or level 3 inputs. 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 liquidity, credit and market risks.

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.

A maturity analysis for the company's undiscounted financial liabilities, including interest, and contractual maturities is summarized in the following table.

	Accounts payable and accrued liabilities	Capital lease obligations	Office premises
	$	$	$
2010	775,223	41,794	6,828
2011	-	41,794	28,128
2012	-	56,414	28,800
2013	-	-	16,800
	775,223	140,002	80,556

3. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

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. This credit risk is mitigated by the use of approved credit policies to limit the amount of transactions according to the counter party's credit quality. The Company assesses quarterly if there has been any impairment of the financial assets of the Company. During the period ended September 30, 2010, there was no impairment provision required on any of the financial assets of the Company. The Company has a concentration of credit risk as 63% of the Company's trade receivables are from one customer which contributed to $1,113,543 of revenues for the nine months ended September 30, 2010. As such, the Company is economically dependent on this one customer.

The Company's accounts receivables are aged as follows:

	Total $
Current (less than 30 days)	468,795
30 to 60 days	125,932
61 to 90 days	94,445
Over 90 days	54,205
Total	743,377

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

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 is beyond the control of the Company and its customers.

In Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. The spring thaw makes the ground unstable and less capable of supporting heavy weights. Consequently, municipalities and transportation departments enforce road bans that restrict the movement of heavy equipment, thereby reducing drilling and well servicing activity levels. In addition, during excessively rainy periods, equipment moves may be delayed, thereby adversely affecting revenues.

3. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (Continued)

There is greater demand for oilfield services provided by the Company in the winter season when the occurrence of freezing permits the movement and operation of heavy equipment. Activities tend to increase in the fall and peak in the winter months of November through March. However, if an unseasonably warm winter prevents sufficient freezing, the Company may not be able to access well sites and its operating results and financial condition may therefore be adversely affected. Volatility in the weather and temperature can therefore create unpredictability in activity and utilization rates, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

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. Total net debt includes any potential long term debt, bank indebtedness or capital leases of the Company.

	September 30, 2010	December 31, 2009
	$	$
Total debt	**125,517**	-
Less cash	**(70,860)**	(725,077)
Net debt	**54,657**	(725,077)
Total equity	**3,651,019**	4,014,381
Total capital	**3,705,676**	3,289,304

The Company is not subject to any externally imposed financial requirements as at September 30, 2010. Subsequent to the period ended September 30, 2010, the Company will be subject to the financial requirements under the convertible debenture agreement (Note 9).

4. INTANGIBLE ASSETS

Intangible assets are deferred development costs as detailed below:

	September 30, 2010	December 31, 2009
	$	$
Carrying amount, beginning of period	**612,073**	831,571
Adjustment to investment tax credit balance	**-**	(27,654)
Amortization expense for the period	**(141,018)**	(191,844)
Carrying amount, end of period	**471,055**	612,073

5. PROPERTY AND EQUIPMENT

	Cost	**Accumulated Amortization**	**Net Book Value**
	$	**$**	**$**
September 30, 2010			
Parts and raw materials	**665,355**	**-**	**665,355**
Rental equipment	**2,795,480**	**694,874**	**2,100,606**
Vehicles	**384,108**	**136,670**	**247,438**
Computer hardware	**207,071**	**166,964**	**40,107**
Computer software	**131,907**	**50,921**	**80,986**
Office furniture	**27,493**	**6,418**	**21,075**
Leasehold improvements	**62,711**	**23,570**	**39,141**
	4,274,125	**1,079,417**	**3,194,708**
December 31, 2009			
Parts and raw materials	1,051,894	-	1,051,894
Rental equipment	1,746,706	405,768	1,340,938
Vehicles	216,108	64,832	151,276
Computer hardware	180,291	155,556	24,735
Computer software	120,239	31,154	89,085
Office furniture	12,631	2,964	9,667
Leasehold improvements	58,636	14,163	44,473
	3,386,505	674,437	2,712,068

6. EQUITY INSTRUMENTS

Authorized
Unlimited number of common voting shares

Issued

	Number of Shares	Amount $
Common shares		
Balance at December 31, 2009	26,562,715	8,311,873
Private placement	**4,000,000**	**800,000**
Exercise of options	**66,667**	**13,333**
Exercise of warrants	**100,000**	**25,600**
Balance at September 30, 2010	**30,729,382**	**9,150,806**
Common share purchase warrants		
Balance at December 31, 2009	100,000	7,700
No transactions	(100,000)	(7,700)
Balance at September 30, 2010	**-**	**-**
Total equity instruments at September 30, 2010		**9,150,806**
Total equity instruments at December 31, 2009		8,319,573

Private placement
During the period ended September 30, 2010, the Company completed a private placement of 4,000,000 common shares at $0.20 per share for total consideration of $800,000. Directors and officers subscribed to 1,500,000 of these shares for total consideration of $300,000.

Stock options
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 of the two anniversaries thereafter. The exercise price of each option equals or exceeds the market price of the Company’s common shares on the date of grant.

An amount of $28,478 was recorded during the period ended September 30, 2010 ($56,000 – September 30, 2009) for amortization of the value of the options granted. The fair value of the options granted in 2010 of $0.09 to $0.13 per option was estimated using the Black-Scholes option-pricing model with the following assumptions: Dividend yield of $nil, expected volatility of 51%, risk-free interest rate of 2.5%, and weighted average life of 5 years.

6. EQUITY INSTRUMENTS (Continued)

The Company has granted stock options to various officers, directors, and employees of the Company and other parties as follows:

	Number of Shares	Option Price per Share $	Weighted Average Exercise Price $	Weighted Average Grant-Date Fair Value $
Options outstanding, December 31, 2009	1,945,000	0.20	0.20	0.08
Exercised	(66,667)	0.20	0.20	
Expired	(413,333)	0.20 – 0.225	0.21	
Granted	1,290,000	0.20 – 0.28	0.24	0.11
Options outstanding, September 30, 2010	**2,755,000**	**0.20 – 0.28**	**0.22**	**0.10**

The weighted average number of shares used in calculating net loss per share is as follows.

	For the 3 months ended September 30, 2010	For the 3 months ended September 30, 2009	**For the 9 months ended September 30, 2010**	For the 9 months ended September 30, 2009
Weighted average common shares outstanding – basic and diluted	**29,636,991**	26,562,715	**26,562,715**	26,562,715

As the Company is in a loss position, basic weighted average common shares outstanding equals diluted weighted average common shares outstanding. Diluted loss per share has not been disclosed as the effect would be anti-dilutive and as such, 2,755,000 options have been excluded from the diluted weighted average common shares.

7. CONTRIBUTED SURPLUS

	September 30, 2010	December 31, 2009
	$	$
Balance, beginning of period	**75,000**	6,000
Stock based compensation	**28,478**	69,000
Balance, end of period	**103,478**	75,000

8. RELATED PARTY TRANSACTION

Except as disclosed elsewhere in these consolidated financial statements, the Company had the following related party transactions:

- During the period ended September 30, 2010, the Company paid, to a company related by virtue of a common director and officer, the amount of $45,000 (September 30, 2009 – $45,000) for reimbursement of general and administrative expenses.

Revenue and expense transactions are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties and represents the fair value.

9. SUBSEQUENT EVENTS

(a) Subsequent to the period ended September 30, 2010, the Company completed an unsecured convertible debenture financing in the amount of $2,000,000 (“the Debentures”). The Debentures carry interest at a rate of 8% per annum payable each quarter end commencing December 31, 2010. The Debentures are convertible at any time, at the option of the holders, into common shares at a conversion price of $0.30 per common share. The Debentures are redeemable by the Company at any time provided the Company’s common shares are trading at a price in excess of $0.45 per share, or prior to October 15, 2011, upon the Company paying the amount owing on the Debenture plus 4% of the principal amount. The Debentures will mature on October 15, 2012.

(b) Subsequent to the period ended September 30, 2010, the Company issued 90,000 stock options to employees of the Company. The exercise price of these stock options varies from $0.265 to $0.27 per common share.