



2007 Annual Information Form
November 19, 2007

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Date of information

All information contained in this Annual Information Form is dated August 31, 2007 unless otherwise stated. All documents incorporated by reference in this Annual Information Form are available on SEDAR at www.sedar.com.

Forward Looking Statements

In order to provide our investors with an understanding of our current results and future prospects, our communications often include written or oral forward-looking statements. This annual information form and other materials filed with the Canadian securities regulators contain statements that are forward-looking. These statements are made pursuant to the “safe harbor” provisions of applicable Canadian securities legislation. These statements represent Matrikon’s intentions, plans, expectations and beliefs and are based on our experience and our assessment of historical and future trends and the application of key assumptions relating to future events and circumstances. These statements may include, but are not limited to, comments about our objectives and priorities for 2008 and beyond, strategies and targets, expectations for our financial condition, and the outlook for our operations and external factors that may impact results, including global economies and industry trends.

Forward-looking statements require assumptions and involve risks and uncertainties related to our business and the general economic environment, many beyond our control. There is significant risk that the predictions, forecasts, conclusions or projections we make will not prove to be accurate and that our actual results will be materially different from the targets, expectations, estimates or intentions expressed in the forward-looking statements. We caution readers of this annual information form not to place undue reliance on our forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic conditions in the countries in which we operate; currency fluctuations; market demand for our products and services; our ability to execute projects and deliver solutions; our ability to execute our strategic plans and to complete and integrate acquisitions; the degree of competition in the geographic and business areas in which we operate; our ability to attract and retain qualified employees and contain payroll costs; our ability to contain expenses; technological changes and research and development; the length of the sales cycle required to close larger solution contracts; availability of financial resources to carry out our strategy; our ability to protect our intellectual and intangible properties; legal claims; critical accounting estimates; the possible effects on our business of war or terrorist activities; disease or illness that affects local, national or international economies; and disruptions to public infrastructure, such as transportation, communications, power or water supply. We caution that this list is not exhaustive of all possible factors.

Other factors could adversely affect our results. For more information, please see the discussion on the principal risks that could affect our results, beginning on page 44 of Matrikon’s 2007 annual report.

When relying on forward-looking statements to make decisions with respect to Matrikon, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Unless required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the company or on its behalf.

Corporate Structure

Name and Incorporation

Matrikon Inc. (“Matrikon” or the “Corporation”) was incorporated on May 27, 1999 under the *Business Corporations Act (Alberta)*, amalgamated with TigrSoft Inc. on March 31, 2001 and is the continuing operation of Matrikon Consulting Inc., a privately held corporation that was incorporated on September 21, 1988.

Head Office:

Matrikon Inc.
1800, 10405 Jasper Avenue
Edmonton, AB T5J 3N4

Registered Office:

2900 Manulife Place
10180 - 101 Street
Edmonton, AB T5J 3V5

Intercorporate Relationships

As of November 19, 2007, Matrikon's corporate structure of major subsidiaries was as follows:

Matrikon owns all of the issued and outstanding shares of Matrikon International Inc., incorporated on April 14, 1999 under the laws of the state of New Jersey. Business in the United States is conducted through this corporation.

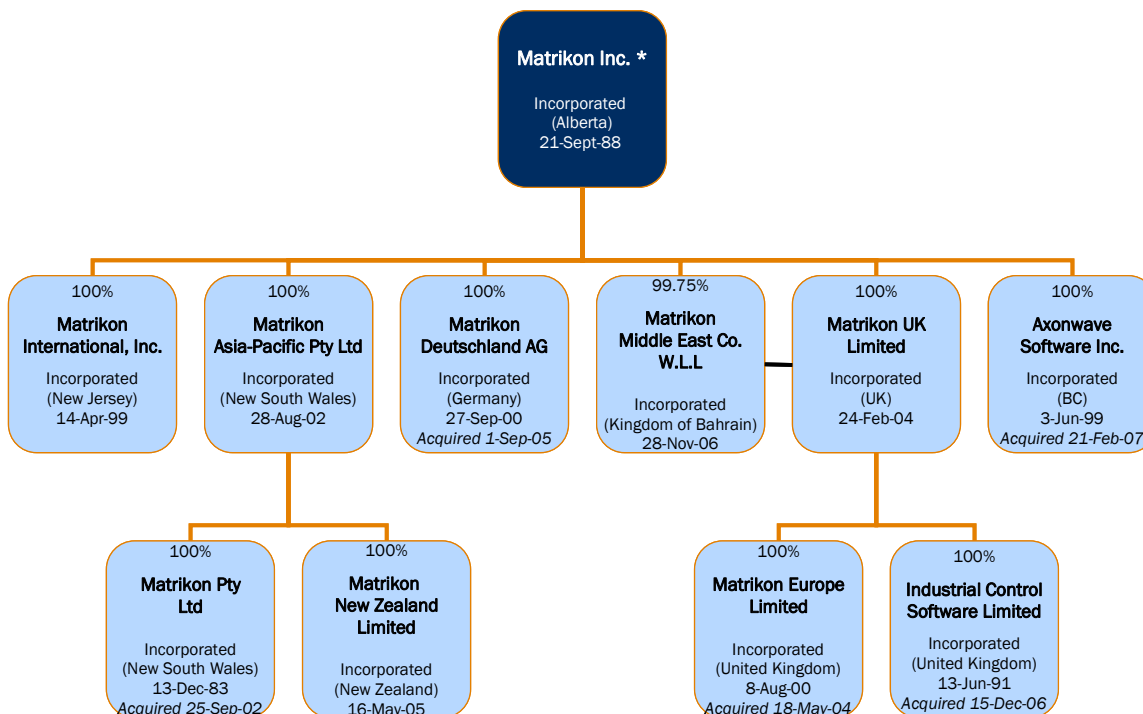
Matrikon Inc. incorporated Matrikon Australia Pty Limited on August 28, 2002 under the *Corporations Act 2001* (Australia). Matrikon Australia Pty Limited changed its name to Matrikon Asia-Pacific Pty. Limited on

February 6, 2007 and is a wholly owned holding company which carries on no active business.

Matrikon Pty Ltd. was originally incorporated as Rombix Pty Limited on December 13, 1983 pursuant to the Companies (New South Wales) Code. On February 22 of 1984, Rombix Pty Limited changed its name to Hunter Control Pty Ltd. On September 5, 2002, Matrikon Australia Pty Limited acquired all issued and outstanding shares of Hunter Control Pty Ltd., a corporation incorporated under the *Corporations Act 2001* (Australia). On November 1, 2002 Hunter Control Pty Ltd. changed its name to Matrikon Pty Ltd. Business in Australia is conducted through this wholly owned corporation. Business in New Zealand was also conducted through Matrikon Pty. Ltd. but since September 1, 2005 Matrikon New Zealand Limited, a corporation incorporated under the laws of New Zealand, has conducted the business in New Zealand.

Matrikon UK Limited was incorporated under the *Companies Act 1985* (United Kingdom) as Alphaneer Limited on February 26, 2004. Matrikon Inc. acquired Alphaneer Limited to facilitate the acquisition of PI Automation Limited in 2004 (now known as Matrikon Europe Limited). Alphaneer Limited, a wholly owned holding company with no active business of its own, changed its name to Matrikon UK Limited on May 14, 2004.

Matrikon Europe Limited was originally incorporated under the *Companies Act 1985* (United Kingdom) as Performance Improvements (PI) Systems Limited on August 8, 2000 and changed its name to PI Automation



* Matrikon Consulting Inc. was originally incorporated 21-Sept-88. On 1-Sept-01, Matrikon Management Inc., Matrikon Applications Inc., Matrikon Consulting Inc. and Matrikon Inc. were amalgamated to form Matrikon Inc.

Limited on October 12, 2000. PI Automation Limited was acquired by Matrikon UK Limited on May 18, 2004 and subsequently changed its name to Matrikon Europe Limited on May 26, 2004. Matrikon Europe Limited is wholly owned by Matrikon UK Limited.

Matrikon Deutschland AG (MDAG) was originally incorporated under German laws as Best Solutions AG. Best Solutions became an exclusive Matrikon distributor on July 1, 2004 and changed its name to Matrikon Deutschland AG on August 4, 2004. On September 1, 2005, MDAG was acquired by Matrikon Inc.

Matrikon Middle East Co. W.L.L. was incorporated on November 28, 2006 under the applicable companies legislation in the Kingdom of Bahrain. Matrikon Middle East Co. W.L.L. is owned by Matrikon Inc. (99.75%) and Matrikon UK Limited (0.25%).

Industrial Control Software Limited (ICS) was originally incorporated on June 13, 1991 under the *Companies Act 1985* (United Kingdom). ICS was acquired by Matrikon UK Limited on December 15, 2006.

Axonwave Software Inc. (Axonwave) was originally incorporated as Gavagai Technology Incorporated under the *Company Act (British Columbia)* on June 3, 1999 and changed its name to Axonwave on June 18, 2003. Axonwave was acquired by Matrikon Inc. on February 20, 2007.

General Development

General Description

Matrikon Inc. is engaged in the industrial information technology ("IT") industry. Matrikon provides plant level IT consulting services and software solutions to industrial clients and focuses on the following core industries: oil & gas, petrochemicals & refining, power & utilities, pulp & paper, and mining & minerals.

In May 2007, we renamed our product offering to be more meaningful and easier for our clients to understand.

ProcessSuite and Resolution products were given descriptive names that define what they do. The following table shows the original to new names.

Original Name	New Name
ProcessGuard™	Alarm Manager
ProcessDoctor™	Control Performance Monitor
ProcessACT™	Control Performance Optimizer
ProcessNet™	Operational Insight
ProcessMORe™	Downtime Reporter Production Manager
ProcessMonitor™	Equipment Condition Monitor Process Performance Monitor
Resolution™	Resolution Production Accounting Materials Manager Plan Manager Performance Manager
MI3™	Matrikon Suite

MI3 is now Matrikon Suite, which is organized into three main solution sets as described below.

Products

Matrikon Suite consists of complementary technologies that solve some of the biggest challenges that industrial enterprises face: production management, asset effectiveness and operations optimization. Matrikon Suite bridges the gap between plant instrumentation and business systems to capture, analyze and present the intelligence contained in existing plant data. Role-based presentation of integrated operational data allows plant personnel to make informed, effective decisions in real-time.

Matrikon Suite consists of three solution sets:



Production Management

The Production Management solution set integrates the planning, logistics and execution of all aspects of material flow.

Production Accounting

A complete set of balancing and reconciliation tools integrated with an intelligent plant model that enables consolidation of and access to all plant data sources.

Materials Manager

Provides production managers and operations staff with visibility into all material transactions, qualities and inventories across the entire supply chain.

Plan Manager

Continuous, online comparison of plans and schedules to actual production.

Performance Manager

A comprehensive reporting application that combines planned, scheduled, actual, reconciled and accounting information to calculate key performance indicators.

Asset Effectiveness

The Asset Effectiveness solution set maximizes the return on capital employed (ROCE) by addressing the security, reliability and performance of all production assets.

Equipment Condition Monitor

Predicts and prevents equipment failures to reduce unscheduled downtime and maintenance spending.

Process Performance Monitor

Predicts and prevents process failures to reduce variability and improve control over product quality. Helps to ensure environmental and regulatory compliance.

Downtime Reporter

Analyzes the cause and total cost of production delays and disruptions to support maintenance and operations decisions.

Network Security Manager

A complete security tool set for managing risk and compliance and improving the security of plant networks to guard against attacks.

Operations Optimization

The Operations Optimization solution set addresses the everyday activities of execution: compliance, operator effectiveness and process control performance optimization.

Alarm Manager

A comprehensive product for optimizing process alarm performance for improved plant safety.

Operations Logbook

A repository for operator instructions, incident reviews and operator knowledge.

Control Performance Monitor

Monitors, diagnoses and remedies control asset issues to sustain control and process performance.

Operational Insight

Provides web access to real-time plant information and key performance indicators.

MatrikonOPC™

MatrikonOPC is the glue of Matrikon's products and professional services, enabling communication between plant floor hardware, software and devices. These products are based on OPC, the industry standard for plant floor communication.

MatrikonOPC is the world's largest OPC developer, with a collection of over 500 interfaces. Boasting more than 30,000 users and over 100,000 installations around the world, MatrikonOPC provides connectivity to every major control system and application on the market.

Industry Applications

Matrikon has developed industry-specific applications based on Matrikon Suite and the technical and industry expertise of our Solutions staff. Applications identified to date are:

Well Performance Manager (Oil & Gas)

Well Performance Manager (WPM) is our on-line oil field monitoring tool. It provides a hierarchical and prioritized view of the real-time health and productivity of the wells in an oil field. WPM is able to detect changes in well behaviour, identify potential production losses and opportunities for improvement, and provide overall field surveillance.

WPM allows engineers to focus on problem wells through its hierarchical and prioritized field views. Engineers can quickly drill down to well-specific graphs and trends to aid in the well diagnostics.

WPM has been rolled out to 45 wells at a Middle East oil company.

WPM is based on Matrikon's well optimization solution, which is in various stages of deployment at a variety of off-shore oil producers.

Production Manager (Oil Sands)

Production Manager tracks product volumes throughout the hydrocarbon supply chain in oil sands operations and provides a fully auditable, seamless reconciliation. Reconciliation is a key challenge in oil sands because it is difficult to measure something that is continually transforming as it progresses through different stages of the mining, extraction and upgrading processes.

Matrikon Production Manager provides a single platform audit trail to streamline industry, environmental and regulatory reporting. It integrates disparate processing methods and applications and provides personnel with information in the correct context for their role. As a result, oil sands developers are able to achieve improvements in efficiency and production, improved decision making and significantly reduced back-end effort to aggregate information from a variety of applications.

Production Manager has been deployed by four Alberta oil sands producers.

Mobile Equipment Monitor (Mining)

Mobile Equipment Monitor enables mine operations to remotely monitor the performance of their large mobile equipment in real-time. The diagnostic data available on mining trucks and shovels is collected from the on-board electronics and transmitted wirelessly to central data bases. Mobile Equipment Monitor analyzes this transmitted performance data in real time and:

- provides graphs and trends of equipment performance
- tracks Key Performance Indicators on key vehicle systems
- provides alarms when things start to go wrong

- predicts potential and developing problems with equipment.

This information allows the subject matter experts monitoring the equipment to react immediately to developing problems, instruct the operator of the appropriate corrective action, and schedule any needed maintenance before a major failure occurs. The result is a considerable reduction in operating and maintenance costs, and increased equipment availability.

Building on 5 years of experience with real-time monitoring of haul trucks in the oil sands, we are currently piloting Mobile Equipment Monitor with two mining companies.

Mine to Port™ (Mining)

Mine to Port integrates the planning, scheduling, tracking and management of materials movements through the mining supply chain. Comprehensive modules include: Plan Manager, Ore Source Manager, Materials Manager, Inventory Manager, Train Manager and Marine/Port Manager. These modules allow quantity, quality, genealogy and ownership of ore to be managed from the mine source to the customer. Mine to Port interfaces with other mine systems, including planning, fleet management, laboratory systems and plant historians to deliver information in real-time. Mine to port provides decision support for improved equipment scheduling and quality control decisions.

Matrikon Mine to Port has drawn interest from mining companies in Australia, South Africa, and the Americas. It has not been deployed commercially at the date of this document.

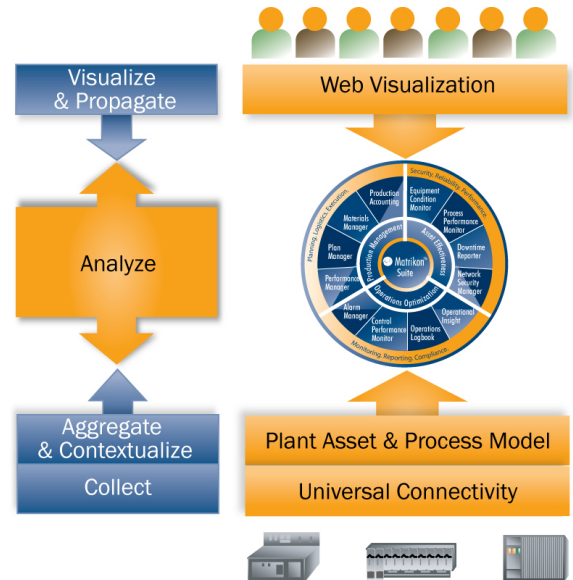
SCADANet™ (Midstream Oil & Gas)

SCADANet benefits the midstream supply chain, from well head to production and marketing. It provides data acquisition, storage, analysis and presentation for well site data. Producers get real-time access to well flow data and production information. Operations staff are able to proactively manage well sites and are notified instantly when well production falls outside preset parameters. Marketing staff can access real-time information about the volume of oil or gas that is being produced.

SCADANet is delivered via the Application Service Provider (ASP) model where the solution is 'leased' rather than sold to clients. Matrikon supplies and maintains the infrastructure, which enables smaller companies to benefit from our solutions than would otherwise be possible.

Matrikon Technology Platform

The Matrikon Technology Platform is the foundation of Matrikon Suite products and the industry specific applications that we develop.



The Technology Platform consists of:

- Universal Connectivity via MatrikonOPC, which enables the connection to various plant hardware, software and devices.
- Plant Asset & Process Model, which enables the physical characteristics and real-world constraints of the operating environment to be applied to a digital model of the plant.
- Web Visualization, which enables role-based access to information so that the right operating decisions can be made.

Consulting

Our integration and consulting services deliver value to our clients by ensuring that the operating infrastructure is in place to achieve optimal performance, providing customized applications to meet specific needs, and integrating Matrikon Suite products as well as third party hardware and software.

Our industry domain expertise resides within our consulting staff, thus industry-specific applications are developed within the consulting group.

Three Year History

In 2005 and 2006, Matrikon's strategic focus continued to evolve from products to solutions: the combination of products with strategic consulting to deliver solutions that address specific client goals related to productivity, efficiency and reliability.

Highlights of fiscal year 2005 include:

- Pilot of Matrikon's Well Performance Manager solution with three clients.
- In April 2005, Matrikon acquired the assets of Resolution Integration Solutions, Inc. (Resolution), a technology company based in Cleveland, Ohio. This technology acquisition provides the foundation for Matrikon Suite (formerly MI3).

Highlights of fiscal year 2006 include:

- In September 2005, Matrikon completed the acquisition of our distribution partner, Matrikon Deutschland based in Köln, Germany.
- Matrikon's users conference, MVP, was held in North America for the third year, and for the first time, an international MVP was held in Australia.
- The Matrikon Suite platform was launched to customers at both MVPs; two clients purchase Matrikon Suite-based solutions in fiscal year 2006
- In January 2006, Matrikon formalized its Reseller Partner Program; 16 distribution partners are enrolled in the program to date. These partners leverage Matrikon's internal sales force and consulting capability in new geographic regions.

In fiscal 2007, we completed two acquisitions. In December 2006, we acquired Industrial Control Software Limited (ICS), a private company based in Matlock, England. ICS provides process control software and alarm monitoring and analysis solutions. The addition of ICS' alarm product in conjunction with Matrikon's own Alarm Manager product, makes Matrikon the largest alarm management company in the world by installed base. This acquisition was not considered significant under National Instrument 51-102 Part 8.

In February 2007, we acquired Axonwave Software Inc., a private company based in Vancouver, British Columbia. Axonwave grew out of the natural language laboratory at Simon Fraser University in British Columbia. Axonwave developed a Content Intelligence System (CIS) with the ability to analyze unstructured data, such as word processing documents, email and PDF files.

The Axonwave CIS performs advanced information retrieval and analysis by locating information based on context and meaning and can analyze massive volumes of unstructured information sources through the use of patent-pending natural language processing technology. This capability adds to the sophistication of our existing technology. We believe this technology will be useful in facilitating the development of high value solutions for our clients. This acquisition was not considered significant under National Instrument 51-102 Part 8.

Other highlights of fiscal year 2007 include:

- Continued development of Matrikon's Reseller Partner Program, with an additional 9 partners added to the program in fiscal 2007.
- Four sales of Matrikon Suite-based solutions.
- Commercial deployment of Matrikon Production Manager at four oil sands developers.
- Matrikon founder Nizar J. Somji returned to the company as President & CEO in June 2007.

Externally, several factors impacted Matrikon's operating results in 2007:

- The continued strength of the Canadian dollar relative to other currencies in which we do

business. To operate profitably in this environment, we are focusing each office on being self sustaining (ability to complete projects locally, without use of resources from other areas). In addition, we continue to focus on high value solutions, which deliver significant return on investment to our customers, and therefore command higher rates.

- Offsetting the currency impact, the price of oil continued to be strong throughout 2007 and the commodity markets also remained strong. Oil sands development continues at a rapid pace in northern Alberta. 70% of Matrikon's business comes from the oil & gas, mining and refining sector.

Today Matrikon provides services around the world through 17 offices (as of November 19, 2007):

Canada: Edmonton, Vancouver, Calgary, Ft. McMurray, Toronto

United States: Houston, Cleveland

Bahrain: Al Hidd

Australia: Newcastle, Brisbane, Gladstone, Perth, Townsville

Singapore: Singapore

Europe: Aberdeen, Scotland; Köln, Germany; Matlock, England

Matrikon's employee base decreased from 569 on August 31, 2006 to 530 on August 31, 2007.

Description of Matrikon's Business

We have six reportable business segments based on how we monitor and assess performance and make operating decisions. Our reportable segments are Canada, United States, Asia-Pacific, EMEA (Europe, Middle East and Africa), Products, and Corporate. These segments were changed for fiscal 2007 to reflect the structure of our organization. In fiscal 2007, the Australia and Europe segments were renamed to reflect our expansion in these regions. In prior years, the Products segment was combined with the Canada segment. Corporate is a non-revenue earning segment that captures expenses and reflects activities not related to a specific segment.

The elements common to all segments are described below.

Principal Markets

In addition to the specific geographic and industry focus of each segment described in the table on the next page, the principal market for Matrikon's products and services are the continuous process industries worldwide. Continuous process industries include our core markets of oil & gas, petrochemicals & refining, power & utilities, pulp & paper, and mining & minerals, and to a lesser extent, other non-continuous (discrete or batch process) manufacturing industries including automotive, pharmaceutical and food and beverage.

Distribution Methods

Our products are sold through a combination of direct sales and product distribution partners. Product distribution partners are typically located in areas where Matrikon does not have a direct sales force or operating presence. We currently have distribution partners in Brazil, Chile, Columbia, Quebec, South Africa, Spain, Norway, Korea, China, and Malaysia.

Consulting services are sold through direct sales.

Competitive Conditions

Matrikon's overall competitive condition is described on page 30-31 of the 2007 annual report, incorporated herewith and filed on SEDAR at www.sedar.com.

Our key competitive advantages are:

- Vendor independent products, which enable large enterprises with distributed operations to bring data from different hardware and software platforms together
- Matrikon Technology Platform, which ties together all aspects of plant operations to drive high value solutions
- Industry-specific solutions, which deliver significant return on investment

Specialized Skill and Knowledge

The specialized skill and knowledge that we require in our employee base include process control experience and software development experience. The current resource industry market strength has increased competition for employees with these skills and has resulted in increased salaries over the past few years.

We maintain relationships with specialized university programs and technical schools and often recruit employees through these channels.

Intangible Properties

Matrikon relies on a combination of copyright, trademark and trade secret laws, confidentiality procedures and contractual provisions to protect its proprietary rights.

Matrikon provides software products to customers under non-exclusive license agreements. As is customary in the software industry, in order to protect its intellectual property rights, Matrikon does not sell or transfer title to its products to its customers. Instead, under Matrikon's standard form license agreement, licensed software may be used solely for the customer's internal operations at sites specified in the license contract. However, Matrikon believes that the foregoing measures only afford limited protection. As the industry is subject to rapid technological change, Matrikon believes that factors such as new product development, product enhancement, name and brand recognition, and customer service and support are important in establishing and maintaining a technological advantage.

Products & Services

Matrikon's products (developed, marketed and supported through the Products segment and described on pages 3-4) are sold, installed and integrated by all segments.

All geographic segments perform services as described on page 5 of this annual information form.

New Products

Control Performance Monitor Tai-Ji PID was released in 2007. It has been commercially deployed at several industrial facilities.

	Products	Canada	United States	EMEA	Asia-Pacific
Revenue % ¹	20%	30%	8%	20%	22%
Employees ² : at 31-Aug-07	123 (FY2007 Average: 140)	142 (FY2007 Average: 166)	30 (FY2007 Average: 35)	72 (FY2007 Average: 63)	115 (FY2007 Average: 119)
Principal markets	Worldwide process and discrete manufacturing industries	Solution development; support for other geographic segments Primary industries served include Alberta oil sands, mining operations across Canada and power & utility companies in BC, Alberta, Ontario and the Eastern United States	Primary industries served include power & utilities, refining & chemical and oil & gas	Solution development for oil & gas industry, in partnership with the Canadian segment Primary industries include oil & gas in the UK and Middle East and refining and pharmaceuticals in Germany	Primary industries include mining and power & utilities companies in Australia, New Zealand and Asia
Distribution methods	Direct sales Product distribution partners in Brazil, Chile, Columbia, Quebec, South Africa, Spain, Norway, Korea, China, and Malaysia.	Direct sales Edmonton has a product sales and distribution office	Direct sales Houston has a product sales and distribution office	Primarily direct sales with some distributors (Middle East, Norway, Spain, South Africa) Matlock & Köln offices are focused on product sales and distribution	Direct sales with some sales through distributors in Asia Perth is a product sales and distribution office
Revenue greater than 15%	Outside the consolidated entity, one customer was 13% of revenue in 2007 (16% of total billings in 2006).				
Product development	Products commercially developed and installed at customer sites. Ongoing product development focuses on additional features and product integration within Matrikon Suite Research and development (R&D) is a combination of internal R&D and University research chairs sponsored by Matrikon to address specific industry problems (see page 28 of Annual Report). Matrikon commercializes technology based on the results of these research chairs.	Primarily implementation and consulting services. Research & development activity is conducted internally, typically in conjunction with a client. Solution development is paid for, thus costs are not estimated.	Primarily implementation and consulting services.	Primarily implementation and consulting services. WPM solution continues to be rolled out to a variety of oil and gas producers in Europe and the Middle East. Research & development conducted internally. Solution development is paid for, thus costs are not estimated.	Primarily implementation and consulting services. Products are at commercial production stage with ongoing R&D and product enhancement. Mine-to-port industry solution has not yet been commercially deployed. Deployment will occur in conjunction with an industry partner. R&D is a combination of internal R&D activity and sponsored University research (focus on Control Performance Optimizer development)

	Products	Canada	United States	EMEA	Asia-Pacific
Specialized skill & knowledge required	Software development experience Industrial process control experience	Extensive knowledge of Matrikon products coupled with advanced control and/or software development experience	Extensive industry expertise, knowledge of Matrikon products coupled with advanced control	Extensive knowledge of Matrikon products coupled with advanced control and/or software development experience	Extensive knowledge of Matrikon products coupled with control, advanced control and software development experience
Cycles	Q2, which coincides with the calendar year end and the end of the budget cycle for many clients, may be a strong quarter for the products segment.	Revenue is typically lower in Q2 (10% fewer days in the quarter due to December shut down) and in Q4 (July and August vacations)	Revenue is typically lower in Q2 (10% less days in the quarter due to December shut down) and in Q4 (July and August vacations)	Tied to commodity cycles. Increase in larger, longer term projects improves revenue predictability and removes seasonality Germany and Middle East tend to be more volatile as they are product focused	Tied to mining industry economic cycles. In general, typically lower consulting revenue in Q2 (December and January vacations coupled with December shut down) Q4 is typically a higher revenue quarter which coincides with the Australian fiscal year end and the Australian winter (less vacation for staff and clients).
Economic dependence	None	Gross revenue is not concentrated in any particular client with the exception of one entity who makes up approximately 11% of revenue. This revenue could be replaced by similar contracts with other companies.	Gross revenue is not concentrated in any particular client with the exception of one entity who makes up approximately 20% of revenue. This revenue could be replaced by similar contracts with other companies.	Gross revenue is not concentrated in any particular client with the exception of one entity who makes up approximately 13% of revenue. This revenue could be replaced by similar contracts with other companies.	None

Notes:

- 1 Revenue in geographic-based segments represents where work is performed and not necessarily where the end client is located.
- 2 An additional 48 people were in the Corporate segment at August 31, 2007 (FY2007 average: 51).

Risk Factors

Reference is made to pages 44 to 46 of Matrikon's 2007 Annual Report under the heading "Risks Related to Our Business", which are incorporated herewith.

Description of Capital Structure

Matrikon has only one class of shares authorized – common shares authorized in unlimited numbers. Each share has one voting right, however there are no provisions for exchange, conversion, exercise, redemption or retraction. As there is only one class of shares, the common shareholders would not rank behind any other shareholders upon dissolution or winding-up.

Market for Securities

Matrikon's common shares are listed for trading on the Toronto Stock Exchange under the symbol "MTK".

Monthly trading price and volume information for fiscal year 2007 was as follows:

Month	Price (\$)			Trading Volume
	High	Low	Close	
September	3.29	3.05	3.05	305,415
October	3.15	2.76	3.10	206,320
November	3.25	2.55	3.12	1,703,522
December	3.50	3.03	3.37	313,755
January	3.75	3.21	3.41	466,173
February	3.49	3.20	3.20	1,470,221
March	3.42	3.01	3.25	954,660
April	3.47	3.00	3.04	2,140,349
May	3.34	3.01	3.18	553,998
June	3.48	2.66	2.83	527,292
July	3.41	2.75	3.34	569,014
August	3.17	2.63	2.75	229,322

Dividends

Matrikon currently has no plans to pay dividends on its common shares but intends to reinvest its net income in the continued growth and development of its business. The payment of dividends on common shares in the future will depend on our need to finance growth, our financial condition, and other factors that the Board of Directors may consider appropriate in the circumstances.

Directors and Officers

Each director holds office for a period from the date of election until the next annual general meeting of shareholders.

The name and municipality of residence of each director, the Board committees they represent, their shareholding and their principal occupations within the preceding five years are discussed on pages 8 to 10 of Matrikon's

2007 Management Information Circular, dated November 1, 2007 and are incorporated herewith.

Matrikon's board has two committees. The members of each committee are presented on page 14 (Audit Committee) and page 17 (Compensation and Governance Committee) of the 2007 Management Information Circular and are incorporated herewith.

The name and municipality of residence of each executive officer and their respective positions with Matrikon and principal occupations within the five preceding years are as follows:

Name and Municipality of Residence	Principal Occupation	5 Year History
Nizar J. Somji Edmonton, Alberta	President & CEO	5-Jun-07
	Prior to that Chairman of Matrikon's Board	9-Dec-05
	Prior to that President & CEO of Matrikon	1-Sep-88
Floyd Bjorgan Edmonton, Alberta	Vice President, Operations	9-Aug-07
	Prior to that, Vice President, Canadian Operations at Matrikon	1-Feb-06
	Prior to that, Vice President, Human Resources of Matrikon	12-Oct-04
Ian Brown Aberdeen, Scotland	Prior to that Managing Director of Australian operations and prior to that Manager of various offices and groups within Matrikon	1-Feb-98
	Vice President, Europe, Middle East & Africa (EMEA)	10-Nov-06
	Prior to that, Managing Director, Matrikon Europe	19-May-05
Mike Brown, Edmonton, Alberta	Prior to that managing director of PI Automation until acquired by Matrikon	20-Dec-99
	Vice President, Solutions	9-Aug-07
	Prior to that Vice President, Products at Matrikon	4-Oct-05
Mike Brown, Edmonton, Alberta	Prior to that, senior consultant at Matrikon	10-Jul-01
	Prior to that, self employed as an independent process control consultant	1-Jan-01

Name and Municipality of Residence	Principal Occupation	5 Year History
Sam Crisafulli New Lambton, New South Wales	Managing Director, Australia	12-Oct-04
	Prior to that director of Matrikon Australia	5-Sept-02
	Prior to that manager of the UNAC division of Hunter Control until acquired by Matrikon	23-Mar-01
Gordon Freund Edmonton, Alberta	General Counsel	16-Jul-03
	Prior to that a lawyer in a private legal practice	
Jeff Gould Edmonton, Alberta	Vice President, Products	9-Aug-07
	Prior to that Vice President, Sales at Matrikon	4-Oct-05
	Prior to that, product manager at Matrikon	2-Jul-96
Sean Leonard Edmonton, Alberta	Vice President, OPC	9-Aug-07
	Prior to that, Manager, Matrikon OPC Products	1-Dec-05
	Prior to that, Matrikon OPC Sales Manager	1-Dec-04
	Prior to that, Matrikon OPC R&D Manager	4-Jun-02
Dave Shook Edmonton, Alberta	Chief Technology Officer	4-Oct-05
	Prior to that manager of research and development at Matrikon	6-Mar-00
Karim Rayani Edmonton, Alberta	Vice President, Strategic Initiatives	9-Aug-07
	Prior to that, Operations and Branch Manager, Matrikon Vancouver	1-Nov-03
	Prior to that, manager of various groups within Matrikon	1-Jun-98

Share Ownership

As at November 8, 2007, as a group the directors and officers of Matrikon held, either directly or indirectly, or exercised control over 13,625,984 (44.79%) common shares of the company.

Interest of Management & Others in Material Transactions

To Matrikon's knowledge, no director or executive officer of Matrikon, or any of their associates or affiliates has any material interest, directly or indirectly, in any transaction within the three most recently completed fiscal years that has materially affected or will materially affect Matrikon.

Transfer Agents & Registrars

Valiant Trust Company is the registrar and transfer agent for Matrikon's common shares at its principal office in Calgary, Alberta. BNY Trust Company acts as co-transfer agent in Toronto, Ontario.

Material Contracts

Matrikon did not enter into any material contracts outside the ordinary course of business in fiscal 2007 or any material contract outside the ordinary course of business since January 1, 2002 that is still in effect.

Interests of Experts

Names of Experts

KPMG LLP, Matrikon's independent external auditors, audit our consolidated financial statements and provide a report as to whether such statements present fairly, in all material respects and in accordance with Canadian generally accepted accounting principles, the financial position of the company as at the two most recently completed financial year ends, the results of our operations and our cash flows for the years then ended.

Interests of Experts

As at November 19, 2007, KPMG LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

Audit Committee Information

Audit Committee Charter

The Terms of Reference of Matrikon's Audit Committee are included as Appendix 1.

Composition of the Audit Committee and Relevant Education and Experience

The Audit Committee is comprised of the following members:

Committee Member	Relevant Education & Experience
Janice Rennie CHAIR Independent Financially literate	Mrs. Rennie is a Chartered Accountant. She has served as an executive including both operations and financial roles in a number of private and public companies. In these roles, Mrs. Rennie has actively supervised persons engaged in preparing, auditing, analyzing or evaluating financial statements. In addition, Mrs. Rennie has served on and chaired a number of Audit committees of public companies. She currently serves on the Audit committees of two other reporting issuers.
Robert Moore Independent Financially literate	Dr. Moore acquired significant financial experience and exposure to accounting and financial issues while serving for 13 years as Co-Founder, President and Director of Gensym Corporation, a USA-based public company. Dr. Moore is Chairman and CEO of Vigilistics, Inc.
Michael Percy Independent Financially literate	Dr. Percy has a PhD in Economics from Queen's University. Dr. Percy has served on and chaired a number of public company Audit committees. He currently serves on the Audit committee of three other reporting issuers. Dr. Percy is the Dean of the School of Business at the University of Alberta. He has served on the Investment Advisory Board of the Workers' Compensation Board of Alberta and as Chair of the Edmonton Chamber of Commerce Provincial and Federal Budget Committee.

Pre-Approval Policies and Procedures

All services provided by the Auditors, including non-audit related services, are subject to preapproval by the Audit Committee through established procedures. Matrikon's chief financial officer (CFO) discusses proposed non-audit related services to be performed by KPMG with the chair of the Audit Committee. If the amount is immaterial and will not otherwise interfere with the independence of the auditors, the Chair approves the services and the CFO reports to the Audit Committee on these services at the next regularly scheduled committee meeting. If the amount of the proposed services is material, a special Audit Committee meeting is convened to discuss the proposed service and the preapproval is put to a vote. Management regularly updates the Committee on the services rendered by the Auditors.

The Audit Committee has reviewed other services provided by the Auditors and has determined that they do not interfere with the independence of the Auditors.

External Auditor Service Fees

KPMG LLP have been Matrikon's Auditors since March 29, 2001. In addition to performing the audit of Matrikon's consolidated financial statements, KPMG LLP provided other services to the company and its subsidiaries as follows:

	2007	2006	2005
Audit fees	\$ 161,656	\$ 183,832	\$ 146,081
Audit related fees	55,650	64,489	58,200
Tax fees	-	-	-
All other fees	11,034	16,589	47,950
Total	\$ 228,340	\$ 264,910	\$ 252,231

'Audit related fees' include fees for the review of the quarterly financial statements and management's discussion and analysis. 'Other fees' include acquisition review fees and expenses. 2007 Audit fees are estimates.

Additional Information

Additional information relating to Matrikon's business is available on SEDAR at www.sedar.com or on Matrikon's website at www.matrikon.com/investors.

Additional information, including directors' and officers' remuneration, our principal shareholders, and our equity compensation plans are contained in Matrikon's management information circular prepared for the Annual Meeting of Shareholders to be held January 15, 2008. Additional financial information about Matrikon is provided in our comparative consolidated financial statements for the year ended August 31, 2007 and the related Management's Discussion and Analysis.

Copies of these documents and any other documents incorporated by reference, additional interim financial statements for periods subsequent to August 31, 2007 and additional copies of this Annual Information Form are available on request.

Please direct your request for materials to:

- By Mail: Investor Relations
Matrikon Inc.
1800, 10405 Jasper Avenue
Edmonton, AB T5J 3N4
- By Phone: 780-448-1010 in Edmonton and area
877-628-7456 elsewhere
- By Fax: 780-448-9191
- By Email: ir@matrikon.com
- Or Online: www.matrikon.com/investors

Appendix 1 – Terms of Reference of the Audit Committee

A. OVERVIEW AND PURPOSE

The Audit Committee (the “Committee”) is responsible to the Board of Directors (the “Board”). The committee approves, monitors, evaluates, advises or makes recommendations to the Board, in accordance with these terms of reference, on matters affecting the external audit and the financial reporting and accounting control policies and practices of the Corporation. In addition, the committee has oversight responsibility with respect to management's duties regarding financial risks encountered by the Corporation as more particularly set out in Sub Paragraphs C.2. (a) below.

B. MEMBERSHIP AND ATTENDANCE AT MEETINGS

1. The members of the Committee shall consist of a minimum of three independent and financially literate (as defined by securities legislation), unrelated, directors, appointed by the Board.
2. The Chair of the Committee shall be designated by the Board.
3. Attendance by invitation at all or a portion of Committee meetings is determined by the Committee Chair or its members and would normally include the Chief Financial Officer of the Corporation, the auditor, and such other corporate officers, advisors, or support staff as may be deemed appropriate.

C. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. Financial Accountability
 - a. To review, and recommend to the Board for approval, the annual audited financial statements.
 - b. To review, and recommend to the Board for approval, the following public disclosure documents:
 - i. the financial content of the annual report;
 - ii. the annual management information circular and proxy materials;
 - iii. the annual information form; and
 - iv. management discussion and analysis section of the annual report.
 - c. To review, and recommend to the Board for approval, the quarterly financial statements and the quarterly press release on earnings of the Corporation, which require approval by the Board prior to public disclosure thereof.

- d. To review, and recommend to the Board for approval, all financial statements, reports of a financial nature, and the financial content of prospectuses or any other reports which require approval by the Board prior to submission thereof to the shareholders, any regulatory authority, or the public.
- e. To review any report of management which accompanies published financial statements (to the extent such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements themselves.
- f. To review and assess, in conjunction with management and the external auditor:
 - i. the appropriateness of accounting policies and financial reporting practices used by the Corporation;
 - ii. any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;
 - iii. any new or pending developments in accounting and reporting standards that may affect or impact on the Corporation;
 - iv. identification of the Corporation's principal financial risks and uncertainties and the systems to manage such risks and uncertainties;
 - v. the integrity (including without limitation, the effectiveness) of the Corporation's disclosure controls and procedures, internal control and management information systems; and
 - vi. the key estimates and judgments of management that may be material to the financial reporting of the Corporation.
- g. To periodically assess and be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the Corporation's financial statements, MD&A and annual and interim earnings press releases.
- h. To assess the performance and consider the annual appointment of external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, for recommendation to the Board for ultimate

- recommendation for appointment by the shareholders.
- i. To recommend to the Board the compensation of external auditors.
 - j. To review the terms of the annual external audit engagement including, but not limited to, the following:
 - i. staffing;
 - ii. objectives and scope of the external audit work;
 - iii. materiality limits;
 - iv. audit reports required;
 - v. areas of audit risk;
 - vi. timetable; and
 - vii. the proposed fees.
 - k. To pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors or the external auditors of the Corporation's subsidiary entities. If and when applicable, to delegate to one or more independent members of the Committee the authority to pre-approve non-audit services provided that such pre-approval by one or more independent members with such authority, shall be presented to the committee at its first scheduled meeting following such pre-approval.
 - l. To review the fees paid to the external auditors or its affiliates for non-audit services, and consider the impact on the independence of the external audit work.
 - m. To oversee the work of the external auditors engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
 - n. To review with the external auditors the results of the annual audit examination including, but not limited to the following:
 - i. any difficulties encountered, or restrictions imposed by management, during the annual audit;
 - ii. any significant accounting or financial reporting issues;
 - iii. the auditor's evaluation of the Corporation's system of internal accounting controls, procedures and documentation;
 - iv. the post-audit or management letter containing any findings or recommendations of the external auditor including management's response thereto and the subsequent follow-up to any identified internal accounting control weaknesses; and
 - v. any other matters which the external auditors should bring to the attention of the Committee
 - o. To meet with the external auditors, at least annually or as requested by the auditors, without management representatives present; and to meet with management, at least annually, without the external auditors present.
 - p. To obtain reasonable assurance, by discussions with and reports from management and the external auditors, that the accounting systems are reliable and that the system of internal controls is effectively designed and implemented.
 - q. To annually request the external auditor to provide its views on the quality (not just the acceptability) of the Corporation's annual and interim financial reporting. Such quality assessment should encompass judgments about the appropriateness, aggressiveness or conservatism of estimates and elective accounting principles or methods and judgments about the clarity of disclosures.
 - r. When there is to be a change in auditor, review all issues related to the change, including the information to be included in the notice of change of auditor called for under applicable securities regulations and the rules of applicable exchanges, and the planned steps for an orderly transition.
 - s. To review any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed in the financial statements.
 - t. To review the internal control and approval policies and practices concerning the expenses of the officers of the Corporation, including the use of the Corporation's assets.
 - u. To review any claims of indemnification pursuant to the Bylaws of the Corporation.
 - v. To review, and recommend to the Board for approval, the management report to be included in the annual report to shareholders.
 - w. To request such information and explanations in regard to the accounts of the Corporation as the Committee may consider necessary and appropriate to carry out its duties and responsibilities.
 - x. To request that the Chief Executive Officer and Chief Financial Officer or persons who perform functions similar to them, report on issues which are the subject of any Certificates to be signed and filed in accordance with applicable

securities regulations by the Chief Executive Officer and Chief Financial Officer or persons who perform functions similar to them; and to review such report.

- y. To establish procedures for:
 - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- z. To review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.

2. Risk Management

- a. To oversee the Corporation's management to ensure that management discharges its responsibility to identify and mitigate financial risks faced by the Corporation.

3. General Responsibilities

- a. To consider any other matters which, in the opinion of the Committee or at the request of the Board, would assist the directors to meet their responsibilities.
- b. To review annually the terms of reference for the Committee and to recommend any required changes to the Board.
- c. To provide reports and minutes of meetings to the Board.

D. MEETINGS

- 1. Regular meetings of the Committee are held at least four times each year.
- 2. Meetings may be called by the Committee chair or by a majority of the Committee members, and

usually in consultation with the management of the Corporation.

- 3. Meetings are chaired by the Committee Chair or, in the Chair's absence, by a member chosen by the Committee from among themselves.
- 4. A quorum for the transaction of business at any meeting of the Committee is a majority of members.
- 5. The Secretary of the Corporation shall provide for the delivery of notices, agendas and supporting materials to the Committee members at least five (5) days prior to the date of the meeting, except in unusual circumstances.
- 6. Meetings may be conducted with members present, or by telephone or other communications facilities which permit all persons participating in the meeting to hear or communicate with each other.
- 7. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.
- 8. The Secretary of the Corporation shall be the secretary for the Committee and keep a record of minutes of all meetings of the Committee.
- 9. Minutes of the meetings of the Committee, prepared in draft, shall be distributed by the Secretary of the Corporation to all members of the Committee within seven (7) working days of each meeting, and shall be submitted for approval at the next regular meeting of the Committee.

E. AUTHORITY OF THE AUDIT COMMITTEE

- 1. The Audit Committee shall have the authority to:
 - a. engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - b. to set and pay the compensation for any advisors employed by the committee; and,
- 2. to communicate directly with the internal (if any) and external auditors.