



2009

ANNUAL
INFORMATION FORM

November 16, 2009

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Date of Information

All information contained in this annual information form is dated August 31, 2009 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 2010 and beyond, our strategies, expectations for our financial condition, 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 45 of Matrikon’s 2009 annual report.

The assumptions behind our outlook for fiscal 2010 include the following: that business opportunities will remain strong and the opportunities in our pipeline will materialize as contracts; that significant projects will continue as scheduled; that the global political climate will remain stable; that the global economy, particularly with respect to the markets we serve, will recover gradually with a full recovery expected by the third quarter of FY2010; that our clients will have adequate access to capital and will continue to invest in initiatives that support efficiency and reduce costs; that foreign exchange rates will not fluctuate excessively; that we will continue to be able to inspire, motivate and maintain our employee base at a sufficient level to deliver on our objectives; and that our effective tax rate will be in the range of 26% to 30%

When relying on forward-looking statements to make decisions with respect to Matrikon, investors 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 October 31, 2009, Matrikon's corporate structure of major subsidiaries was as follows (see diagram):

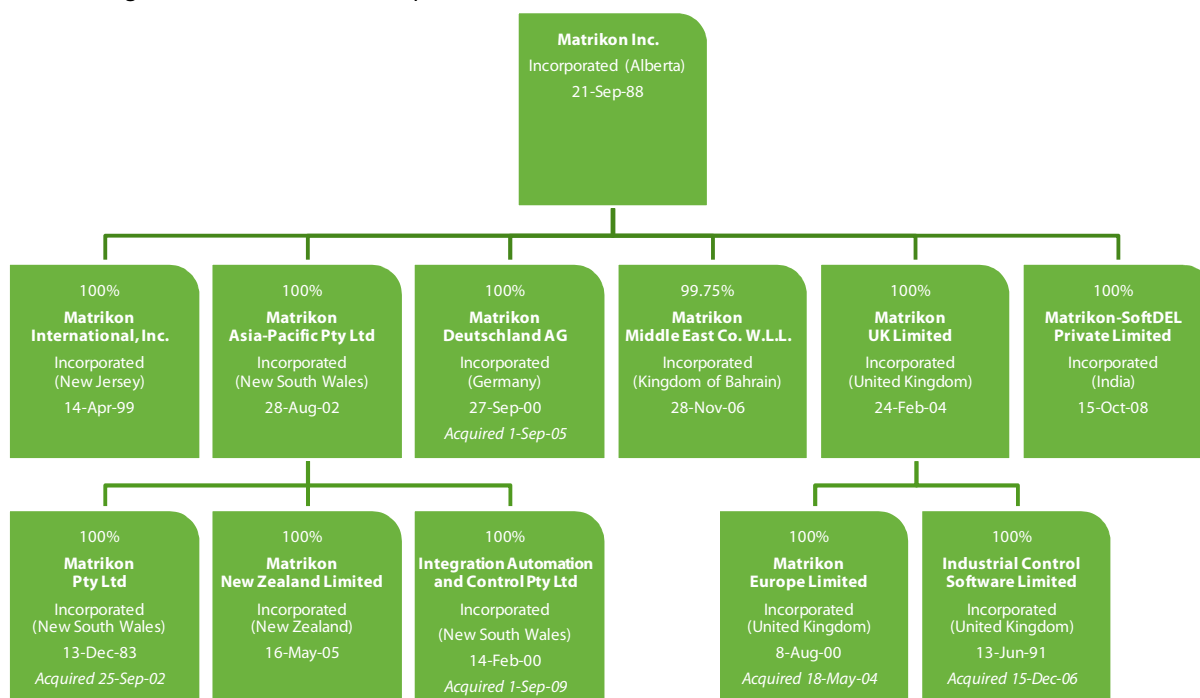
Matrikon owns all of the issued and outstanding shares of Matrikon International Inc., incorporated on April 14, 1999 under the laws of the state of New Jersey. Business in the United States is conducted through this corporation.

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 Consulting Inc. was originally incorporated on September 21, 1988. On September 1, 2001, Matrikon Management Inc., Matrikon Applications Inc., Matrikon Consulting Inc. and Matrikon Inc. were amalgamated to form Matrikon Inc.

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 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.

Matrikon-SoftDEL India Private Limited was incorporated under *Companies Act (India)* on October 15, 2008. Matrikon Inc. owned 49% of the company until November 11, 2009, when it acquired the remaining 51% of the company.

Integration Automation and Control Pty Ltd (IAC) was originally incorporated on February 14, 2000 under the Corporations Law of New South Wales. On September 1, 2009, all issued and outstanding shares of IAC were acquired by Matrikon Asia-Pacific Pty Ltd.

General Development

General Description

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

We enable our clients to anticipate both opportunities and challenges within their industrial processes and to **act** on (instead of **react** to) this information to drive Operational Excellence.

Intuition™ Program

Eighteen months ago, we developed a road map to deliver next generation technology that would drive

Operational Excellence. The heart of this road map is the Intuition program. Over time, all Matrikon products and industry solutions will be delivered as "Intuition Empowered" solutions.

The Intuition Program has three key concepts that truly differentiate it from existing industrial information technology solutions:

Context

With ever increasing volumes of data in industrial environments, the ability to use data across multiple, disparate applications and transform the data into information becomes incredibly complex. Matrikon's Intuition Program applies a common context to data to simplify the process and enable data to be used to drive Operational Excellence initiatives. "Context" delivers a common, standardized method of mapping and referring to data points so that all applications – from lab and maintenance to financial systems – can use the information.

People, processes and applications refer to the same data points in different ways, making it practically impossible to build cross platform solutions that will be usable and understandable by all without a common context. In technical terms, the Intuition program delivers an ontology model to provide context. Without context, the integrated systems required to achieve Operational Excellence are unmanageable and carry a significant cost of ownership and complexity. With context, people can access information in natural language, applications can communicate and share information, and templates can be used to create a powerful digital model of the plant that is easily adjusted to reflect real-world changes.

Collaborate

Matrikon pioneered web visualization for the plant floor in 1998. Today, the Intuition Program does much more than provide a view of data through an internet browser; it enables and manages collaboration across the entire organization: across departments and functional areas from maintenance to engineering to operations to management and across geographic boundaries and time zones.

In this collaborative environment, each participant receives information that is relevant to them, in a format that is relevant to them such as currency, measurement system and local priorities. The applications that they build are then fed back into the model for the benefit of all, putting an end to the common dilemma of useful tools and spreadsheets being hidden away on individual computers.

Act

From data to information to action...

One of Matrikon's core competencies has always been providing our clients with information. In the early days, the challenge was that there were vast oceans of data being collected and stored, but nothing was being done to unlock the potential of that data or analyze the information that it contained.

Today, information is everywhere. There is so much of it that it often leaves team members overwhelmed and paralyzed, not knowing where to start.

How do they find the answer to critical questions such as: What will make the most money today? What action will ensure we achieve our production targets for this month? What needs to be done to pre-empt a pending threat?

Information, it turns out, also lacks value unless it can be easily acted upon.

Perhaps the most revolutionary element of the Intuition Program is its inherent ability to move from anticipation to action. Intuition starts with the ability to view the impact that specific actions will have, whether it measured by performance improvement or the money saved by avoiding potential downtime or a safety incident.

Next, with imbedded work flows, Intuition kick starts the action, whether it involves communicating with an external system to create a (maintenance) work order and order replacement parts or assigning and dispatching a priority task to an engineer.

By taking control of the Action, the Intuition Program enables plants to move from a reactive, fire fighting mode to an anticipatory mode where failures and threats are identified and avoided and opportunities for improvement are capitalized on.

The Intuition Program helps our industrial clients achieve their Operational Excellence objectives: producing the right material at the right time, reducing operating costs, improving operating margins, increasing asset utilization, optimizing equipment performance and availability and ensuring safety and regulatory compliance.

Products

Matrikon Suite™ consists of complementary technologies that solve some of the biggest challenges that industrial enterprises face. 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 the following products:

Production Intelligence™

Integrates the reconciliation, planning, logistics and execution of all aspects of material flow. Provides accurate information about product location in the supply chain at any point in time to support regulatory compliance and assist with optimization initiatives such as increased yield, reduced material loss, improved production efficiency and reduced costs.

Equipment Condition Monitor™

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

Downtime Reporter™

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

Imperium™

Integrates multiple data sources to provide you with one cohesive, real-time view of your security and compliance position. Users can mitigate security risk by assessing, monitoring and managing plant floor assets through a single, secure web portal.

Alarm Manager™

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

Electronic 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 our products and professional services, enabling communication between plant floor hardware, software and devices and building automation control systems. 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

We have 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 Monitor™ - Oil & Gas

Well Performance Monitor is our on-line oil field monitoring tool. It 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 diagnostics.

Well Performance Monitor has been rolled out to three companies so far, including a rollout to 350 wells for a Middle East oil company.

Production Intelligence™ - Oil Sands & Refining

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

Production Management 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, users 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 Management for Refining is our most mature product with numerous clients around the world.

Production Management for Oil Sands 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 to take 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.

Mobile Equipment Monitor has been rolled out to two mine sites for a major mining company and licensed to an equipment manufacturer.

Matrikon Mine to Port™ - Mining

Matrikon 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. Matrikon Mine to Port interfaces with other mine systems, including planning, fleet management, laboratory systems and plant historians to deliver information in real-time. It 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. The first sale was made in July 2008.

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 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 patented and 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 from 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 Management 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 fiscal 2007:

- The strength of the Canadian dollar relative to other currencies in which we did business. To operate profitably in this environment, we focused each office on being self-sufficient (ability to complete projects locally, without use of resources from other areas). In addition, we focused 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 was strong throughout 2007 and the commodity markets were also strong. Oil sands development continued at a rapid pace in northern Alberta. 70% of Matrikon's business at this time came from the oil & gas, mining and refining sector.

Fiscal 2008 saw some major changes as we executed our Products|Solutions strategy, the realignment of Matrikon into two separate Products and Solutions divisions. We completely removed sales people from our Solutions business and moved senior people to customer-facing roles, which we believed would improve our ability to create the sustainable, long-lasting client relationships that underpin our Solutions business. Meanwhile, our Products division was refocused to increase high-margin, off-the-shelf product sales and drive market penetration.

Here are some other significant events from fiscal 2008:

- We entered into an agreement with India's SoftDEL Systems to create a new corporate entity, Matrikon-SoftDEL India PVT Ltd., which will provide consulting services at Matrikon client sites around the world. This arrangement allows Matrikon to access India's deep labour pool of trained engineers, offsetting the effects of labour shortages in certain markets.
- We sold our SCADANet business to CriticalControl Solutions Corp. for \$800,000 in cash. SCADANet represented less than one per cent of our total revenue, and the sale of this business allowed us to continue to focus on establishing leadership positions and market share with our core industry applications.
- Two of our newest industry applications, Mobile Equipment Monitor and Well Performance Monitor, continued to gain traction.
- Beginning in Q2 2008, we began a quarterly dividend distribution of \$0.03 per common share. We also distributed a special, one-time dividend of \$0.30 per common share in July 2008 (see pg. 10 for more details).

In fiscal 2009, we continued to execute our Products|Solutions strategy, which included full regionalization for each of our Solutions businesses (North America, Asia-Pacific and EMEA). This included building infrastructure (finance, human resources and marketing) to make each region self-sufficient and support local growth opportunities. In addition, we continued to move Products to a distribution model whereby products are sold by internal distributors (the Solutions groups) and Reseller Partners.

The early part of our fiscal 2009 saw the beginning of the global economic crisis and the meltdown of several resource industries, which had been operating at historic highs in fiscal 2008. This, combined with limited access to capital, extended our sales cycle further than the typical 6-12 months and caused delays in ongoing projects, which significantly impacted our financial results for the year. Towards the end of fiscal 2009, we began to see indications that our industrial clients were resuming previously delayed projects and starting to reinvest in new projects.

Other highlights of fiscal 2009 include:

- We released a new industry solution for Wind Asset Monitoring in May 2009.
- We won a significant contract (US\$13.5M) to deliver an industrial network security solution to a client in the power industry. With recent regulatory focus on the area of Critical Infrastructure Protection in the power industry, our expertise in this area represents an opportunity to grow our business in both the power industry and in network security for other industries where cyber security is a growing issue.
- Immediately subsequent to the fiscal year, we acquired Integration Automation and Control Pty Ltd (IAC), a private Newcastle, Australia based company with a staff of 21. This acquisition further establishes Matrikon's automation and information systems expertise, particularly in the Hunter Valley coal industry. The acquisition is expected to be immediately accretive to both revenue and earnings.
- Subsequent to the year, we bought out our joint venture partner in Matrikon-SoftDEL India Private Limited, acquired the remaining 51% of the company.
- Today, Matrikon provides services around the world through 18 offices (as of October 31, 2009):

Canada: Edmonton, Vancouver, Calgary, Toronto

United States: Houston, Cleveland, Chicago

Bahrain: Al Hidd

Australia: Newcastle, Brisbane, Gladstone, Mackay, Perth

New Zealand: Taupo

Singapore: Singapore

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

Matrikon's employee count was 523 on August 31, 2009 compared to 521 on August 31, 2008.

Description of Matrikon's Business

We have five reportable business segments based on how we monitor and assess performance and make operating decisions. Our reportable segments are North America, Asia-Pacific, EMEA (Europe, Middle East and Africa), Products and Corporate. 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 page 9, 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, mining & minerals and forestry, and to a lesser extent, other non-continuous (discrete or batch process) manufacturing industries including automotive, pharmaceutical and food & 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 Quebec and Atlantic Canada, the US, Mexico, South America, the Middle East, Europe, Russia, Asia and Asia-Pacific.

Consulting services are sold through direct sales.

Competitive Conditions

Matrikon's overall competitive condition is described on page 28-29 of the 2009 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 to our clients
- People with significant industry experience and subject matter expertise.

Specialized Skill and Knowledge

The specialized skills and knowledge that we require of our employees include process control experience and software development expertise.

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 and supported through the Products segment and described on pages 4-5) are sold, installed and integrated by all segments.

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

New Products

In fiscal 2009 we introduced Intuition™, a technology program built on open standards and workflows to automate operating procedures and institutionalize organizational best practices.

Intuition will be the foundation of all future releases of Matrikon products and solutions.

Products	North America	EMEA	Asia-Pacific
Revenue %¹	14%	36%	25%
Employees²: at 31-Aug-09	112 (FY2009 Average: 112)	141 (FY2009 Average: 140)	88 (FY2009 Average: 80)
Principal markets	Worldwide process, discrete manufacturing and building automation industries	Solution development; support for other geographic segments Primary industries served include oil sands (Alberta), mining operations, 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
Distribution methods	Combination of global direct sales (approximately 80% of sales) & Reseller Partners (approximately 20% of sales) Product distribution partners in Quebec and Atlantic Canada, the US, Mexico, South America, the Middle East, Europe, Russia, Asia and Asia-Pacific.	Direct sales Primarily direct sales with some distributors (Quebec, Brazil, Colombia and South Africa)	Primarily direct sales with some distributors (Middle East, Norway, Spain, South Africa, Italy) Matlock & Köln offices are focused on product sales and distribution
Revenue greater than 15%	No customer represented more than 15% of revenue		
Product development	Products commercially developed and installed at customer sites. Ongoing product development is expensed and focuses on additional features and product integration within Matrikon Suite Research and development (R&D) is a combination of internal R&D and a University research chair sponsored by Matrikon to address specific industry problems (see page 25-26 of the Annual Report). Matrikon commercializes technology based on the results of these research chairs	Primarily implementation and consulting services R&D 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 Well Performance Monitor continues to be rolled out to a variety of oil & gas producers in Europe, the Middle East and North America Well Performance Monitor is being developed as an Intuition Empowered solution Similar high value industry solutions under development R&D is conducted internally. Solution development is paid for, thus costs are not estimated

	Products	North America	EMEA	Asia-Pacific
Specialized skill & knowledge required	Software development experience Industrial process control experience Business domain knowledge	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 and/or software development experience	Extensive knowledge of Matrikon products coupled with advanced control and/or 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)	Increase in larger, longer-term projects improves revenue predictability and reduces seasonality Germany tends to be more volatile due to its product focus, while the Middle East tends to be more volatile as a result of reliance on product sales or very large projects; the Middle East also experiences seasonality due to cultural and religious holidays	Majority of sales are to mining customers. 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	None	One client makes up approximately 32% 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 56 people were in the Corporate segment at August 31, 2009 (FY2009 average: 62).

Risk Factors

Reference is made to pages 45 to 48 of Matrikon's 2009 annual report under the heading "Risks Related to Our Business," which are incorporated herewith.

Description of Capital Structure

Matrikon has only one class of authorized shares: common shares authorized in unlimited numbers. Each share has one voting right, however there are no provisions for exchange, conversion, exercise, redemption or retraction. The holders of common shares are entitled to receive dividends as and when declared by our board.

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".

Matrikon's monthly trading price and volume for fiscal year 2009 were as follows:

Month	Price (\$)			Volume
	High	Low	Close	
September	4.90	3.21	3.65	747,626
October	3.60	1.66	1.96	2,242,095
November	2.38	1.91	2.20	505,071
December	1.50	2.20	2.11	1,031,925
January	2.75	1.96	2.10	510,023
February	2.29	1.85	1.85	376,976
March	2.10	1.55	1.96	474,202
April	2.30	1.82	2.16	379,629
May	2.50	2.02	2.20	219,399
June	2.59	2.00	2.14	297,755
July	2.25	1.48	1.91	1,489,387
August	2.49	1.91	2.40	726,222

Dividends

In setting dividends, the board considers Matrikon's financial position and performance, and balances liquidity and capital reinvestment requirements. The payment and level of future dividends on the common shares are determined by the board based on these factors.

Matrikon began a regular quarterly dividend distribution of \$0.03 per common share in the second quarter of fiscal year 2008.

The regular dividend was paid out in Q1-2009 and Q2-2009; however, it was suspended in Q3-2009 based on financial results. The board will re-evaluate Matrikon's dividend each quarter.

The following table sets forth the cash dividends paid out per common share:

	2009	2008	2007
Cash dividends declared per common share	\$0.06	\$0.46	-

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 shareholdings and principal occupations within the preceding five years are discussed on pages 8 to 10 of Matrikon's 2009 management information circular, dated November 6, 2009 and are incorporated herewith.

Matrikon's board has two committees. The members of each committee are presented on page 13 (Audit Committee) and page 15 (Compensation and Governance Committee) of the 2009 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
	Chair of Matrikon's board	9-Dec-05
	President & CEO of Matrikon	1-Sep-88
Jonathan Chia Edmonton, Alberta	Chief Financial Officer	8-Jul-08
	Senior Manager of Finance at Matrikon	25-Jul-05
	Senior Accountant at KPMG LLP	3-Sep-02
Floyd Bjorgan Edmonton, Alberta	Vice President, Operations Interim Director, UK Operations	9-Aug-07
	Vice President, Canadian Operations at Matrikon	1-Feb-06
	Vice President, Human Resources of Matrikon	12-Oct-04
Ian Brown Aberdeen, Scotland	Vice President, Europe, Middle East & Africa (EMEA)	10-Nov-06
	Managing Director, Matrikon Europe	19-May-05
	Managing Director of PI Automation until acquired by Matrikon	20-Dec-99

Name and Municipality of Residence	Principal Occupation	5 Year History
Mike Brown, Edmonton, Alberta	Vice President, North America Solutions	9-Aug-07
	Vice President, Products at Matrikon	4-Oct-05
	Senior Consultant, Matrikon	10-Jul-01
Sam Crisafulli New Lambton, New South Wales	Managing Director, Australia	12-Oct-04
	Director of Matrikon Australia	5-Sept-02
Gordon Freund Edmonton, Alberta	General Counsel	16-Jul-03
Jeff Gould Edmonton, Alberta	Vice President	18-Dec-08
	Vice President, Products	9-Aug-07
	Vice President, Sales at Matrikon	4-Oct-05
	Product Manager at Matrikon	2-Jul-96
Sean Leonard Edmonton, Alberta	Vice President, OPC	9-Aug-07
	Manager, Matrikon OPC Products	1-Dec-05
	Matrikon OPC Sales Manager	1-Dec-04
Karim Rayani Edmonton, Alberta	Vice President, Strategic Initiatives	9-Aug-07
	Operations and Branch Manager, Matrikon Vancouver	1-Nov-03
Peter Lawrence Cleveland, Ohio	Chief Technology Officer	12-Feb-08
	Director, Resolution, Matrikon International	1-May-05
	President, Resolution Integration Solutions, Inc.	1-Dec-95

Share Ownership

As at October 31, 2009, as a group the directors and officers of Matrikon held, either directly or indirectly, or exercised control over 16,656,038 (53.24%) 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 and through its office in Toronto, Ontario.

Material Contracts

Matrikon did not enter into any material contracts outside the ordinary course of business in fiscal 2009 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 October 31, 2009, 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 in 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 four 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 also the retired chair 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 two 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:

	2009	2008	2007
Audit fees	\$ 169,734	\$ 158,000	\$ 146,560
Audit related fees	129,079	91,605	52,500
Tax fees	57,255	72,528	-
All other fees	13,140	-	25,104
Total	\$369,208	\$ 322,133	\$ 224,164

"Audit related fees" include fees for the review of the quarterly financial statements and management's discussion and analysis. "All other fees" include review fees and expenses related to acquisitions and statutory compliance. 2009 audit fees are estimates. 2008 audit fees have been adjusted to reflect actual rates.

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 11, 2010. Additional financial information about Matrikon is provided in our comparative consolidated financial statements for the year ended August 31, 2009 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, 2009 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.