



PERM^{INC} INSTRUMENTS

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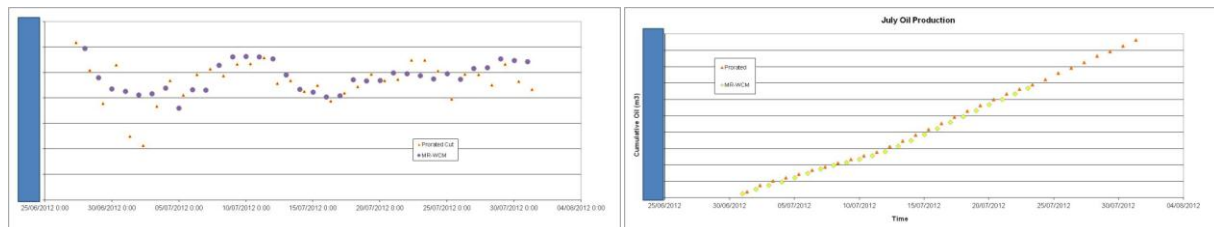
FOR IMMEDIATE RELEASE:

CELEBRATING ONE YEAR OF OPERATION FOR THE MAGNETIC RESONANCE WATER CUT METER AT LARICINA'S SALESKI PILOT PROJECT

Calgary, AB – October 3, 2012 – Perm Instruments Inc. is pleased to announce that the Magnetic Resonance based Water Cut Meter, which was installed at Laricina's Saleski Pilot Project, has been operational for one year.

"This marks an important milestone in the development of magnetic resonance technology. Magnetic resonance is no longer limited to laboratory applications, but can now be applied directly in the field to achieve accurate water cuts as an online instrument. The data that has been gathered over the past year has given us tremendous insight into just how valuable this technology truly is," says Apostolos Kantzas, CEO of Perm Instruments Inc.

Magnetic Resonance based Water Cut Meters can accurately detect water cuts without being affected by salinity, density, electrical conductivity, emulsion consistency, and gas/vapour components. The technology has the ability to detect the presence of solvents and also give viscosity predictions for the produced oil.



The above figures show daily water cuts and cumulative oil production for the month of July based on WCM and plant verification.

Perm Instruments Inc. is set to fully commercialize this technology in the last quarter of 2012 and is now taking orders for delivery in 2013.

ABOUT PERM INSTRUMENTS

PERM Instruments Inc. designs and develops instrumentation technology for the oil industry. The company is looking forward to fully commercializing its Magnetic Resonance based Water Cut and Multiphase Meters for the oil and gas industry. These meters can accurately determine water and oil cuts, specifically in difficult situations (such as thermal operations) where other meters often fail to provide accurate data.

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