



FOR IMMEDIATE RELEASE

OSI Geospatial Signs Prime Contract with the U.K. Hydrographic Office Valued at US \$1.2 million

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Vancouver, Canada

OSI Geospatial Inc. (TSX: OSI; OTCBB: OSIIF) announced today that its mapping operations has signed a prime contract with the U.K. Hydrographic Office (UKHO) valued at approximately US \$1.2 million. The contract includes a fixed amount valued at approximately US \$600,000 and an optional amount valued at approximately US \$600,000. Under the terms of the contract, OSI will provide quality control services to verify and validate the accuracy and quality of the UKHO's Electronic Navigational Charts.

"The UKHO's Electronic Navigational Charts provide critical information to commercial and military vessels. Their trust and reliance on our audit and quality control abilities is a tremendous testament to the excellence of our products and skill of our team," said Ken Kirkpatrick, president and CEO of OSI Geospatial. "The UKHO is one of the most prestigious hydrographic offices in the world, and we are extremely pleased to add them to our list of customers."

The UKHO, a Government Trading Fund and part of the Ministry of Defence, is the provider of navigational products and services to the Royal Navy and merchant marine in compliance with the Safety of Life at Sea regulations. It has been charting the world's oceans for more than 200 years, and is the power behind the world renowned Admiralty brand of products and services, including 3,300 Standard Navigational Charts and 220 Navigation Publications. The Admiralty brand also has a growing range of digital products and services.

About OSI Geospatial

OSI Geospatial Inc. delivers advanced systems and software to address the growing need for enhanced situational awareness in command, control, communications, and intelligence applications. By providing essential tactical and geospatial information, the company's systems and software help decision-makers know the precise location of mission operations across all military forces while integrating information with allies. OSI Geospatial systems are in use by military, government, and commercial customers around the world. The company is publicly traded on the Toronto Stock Exchange (OSI) and the Over the Counter Bulletin Board (OSIIF). For additional information please visit www.osigeospatial.com.

Forward-Looking Statements

Certain statements made in this news release that are not based on historical information are forward-looking statements which are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934 and Section 138.4(9) of the Ontario Securities Act. These forward-looking statements are subject to risks and uncertainties. Actual results may differ from these projections. The risks associated with the Company's business include risks related to its



reliance on international government contracts; the number of large customer transactions and the related lengthy sales cycles in executing those opportunities; uncertainties associated with competitive bidding processes and contract negotiations; actions by government authorities; the effects of general economic and political conditions; changing foreign exchange rates; and challenges related to the company's ability to introduce, develop and implement new products and enhancements to existing products that respond to customer requirements in a changing, complex, technological market. A complete discussion of the company's risk factors is presented in the company's most recent annual reports, filed with the United States Securities and Exchange Commission ("SEC") and the Canadian Securities Administrators ("CSA"), as well as other periodic reports filed with the SEC and the CSA. The Company does not undertake any obligation to update the forward-looking statements.

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