



FOR IMMEDIATE RELEASE

OSI Geospatial Inc. Reports 2010 Second Quarter Results

**July 13, 2010
Ottawa, Canada**

OSI Geospatial Inc. (TSX: OSI) today announced its financial results for the second quarter of fiscal year 2010 ending May 31, 2010, reported in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

For the second quarter of 2010, OSI Geospatial Inc. reported consolidated revenue of \$5.1 million compared to \$6.3 million reported in the second quarter of 2009. The Company reported a net loss of \$1.1 million before taxes and a net loss after taxes of \$750,000 compared with net loss of \$1.0 million before taxes and net loss after taxes of \$1.0 million in the second quarter of 2009.

For the second quarter of 2010, the net loss attributable to common shareholders was \$838,000 or \$0.02 per share, compared to a net loss of \$1.2 million or \$0.02 per share in the second quarter of 2009.

About OSI Geospatial

OSI Geospatial Inc. delivers advanced geospatial systems and software that enable shared real-time situational awareness for military, safety and security applications. Our products and services enable our customers to integrate and visualize live data with any combination of sensor data, imagery, maps and charts. This capability provides our customers with enhanced operational performance, safety and security through shared real-time situational awareness. OSI Geospatial systems and software are in use by military, government, and commercial customers around the world. The Company is publicly traded on the Toronto Stock Exchange. For additional information please visit www.osigeospatial.com.

Forward-Looking Statements

This press release contains forward-looking statements and information which reflect the current view of OSI Geospatial Inc. ("OSI") with respect to future events and financial performance. Any such forward-looking statements are subject to risks and uncertainties, and OSI's actual results of operations could differ materially from historical results or current expectations. Additional information on these and other potential factors that could affect OSI's financial results are detailed in disclosure documents filed from time to time with the applicable Canadian securities regulatory authorities.

The Toronto Stock Exchange has neither approved nor disapproved the form or content of this release.

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OSI Geospatial Inc.

Interim Condensed Consolidated Balance Sheets (Unaudited)

In thousands of Canadian dollars

	May 31, 2010	November 30, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 1,972	\$ 315
Non-cash current assets	7,773	8,435
	9,745	8,750
Fixed assets	1,307	1,473
Other long term assets	948	766
Goodwill and intangible assets	4,740	4,770
	<u>\$ 16,740</u>	<u>\$ 15,759</u>
Liabilities		
Current liabilities	\$ 4,870	\$ 5,304
Long term liabilities	477	492
	<u>5,347</u>	<u>5,796</u>
Shareholders' Equity		
Capital stock and warrants	34,036	39,835
Contributed surplus	9,245	3,322
Accumulated deficit	(30,511)	(31,838)
Accumulated other comprehensive loss	(1,377)	(1,356)
	<u>11,393</u>	<u>9,963</u>
	<u>\$ 16,740</u>	<u>\$ 15,759</u>

Interim Condensed Consolidated Statements of Income (Loss) and Deficit (Unaudited)

In thousands of Canadian dollars, except share related data	Three months ended May 31,		Six months ended May 31,	
	2010	2009	2010	2009
Revenue	\$ 5,112	\$ 6,315	\$ 8,555	\$ 12,039
Gross profit	1,706	1,934	2,812	3,653
Expenses				
Sales, engineering, general and administrative	2,676	2,822	4,843	5,240
Amortization	84	110	171	223
Interest expense	7	20	45	50
	<u>2,767</u>	<u>2,952</u>	<u>5,059</u>	<u>5,513</u>
Net loss before other items	(1,061)	(1,018)	(2,247)	(1,860)
Gain on sale of intellectual property	-	-	5,227	-
Net income (loss) before income taxes	(1,061)	(1,018)	2,980	(1,860)
Income tax expense (recovery)	(311)	20	1,648	(125)
Net income (loss)	<u>\$ (750)</u>	<u>\$ (1,038)</u>	<u>\$ 1,332</u>	<u>\$ (1,735)</u>
Earnings (loss) per share - Basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ 0.02</u>	<u>\$ (0.04)</u>

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

In thousands of Canadian dollars	Three Months ended May 31,		Six months ended May 31,	
	2010	2009	2010	2009
Cash flows from (used in) operating activities				
Net income (loss) for the period	\$ (750)	\$ (1,038)	\$ 1,332	\$ (1,735)
Items not affecting cash	313	219	(3,874)	228
	(437)	(819)	(2,542)	(1,507)
Changes in non-cash working capital items	(404)	2,782	213	3,606
	(841)	1,963	(2,329)	2,099
Cash flows from (used in) investing activities	(202)	(113)	4,568	(163)
Cash flows used in financing activities	(92)	(1,364)	(879)	(1,447)
Effect of foreign exchange on cash balances	(7)	27	35	24
Increase (decrease) in cash	(1,142)	513	1,395	513
Cash – beginning of period	2,852	-	315	-
Cash – end of period	<u>\$ 1,710</u>	<u>\$ 513</u>	<u>\$ 1,710</u>	<u>\$ 513</u>