



FOR IMMEDIATE RELEASE

OSI Geospatial Inc. Reports 2010 First Quarter Results

April 14, 2010
Ottawa, Canada

OSI Geospatial Inc. (TSX: OSI) today announced its financial results for the first quarter of fiscal year 2010 ending February 28, 2010, reported in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

For the first quarter of 2010, OSI Geospatial Inc. reported consolidated revenue of \$3.4 million compared to \$5.7 million reported in the first quarter of 2009. The Company reported a net income of \$4.0 million before taxes and a net income after taxes of \$2.1 million compared with net loss of \$844,000 before taxes and net loss after taxes of \$697,000 in the first quarter of 2009. The first quarter of 2010 included a gain before tax of \$5.2 million on the sale of its non-core soldier systems intellectual property ("IP").

For the first quarter of 2010, the net income attributable to common shareholders was \$2.0 million or \$0.04 per share, compared to a net loss of \$853,000 or \$0.02 per share in the first quarter of 2009.

OSI Geospatial is working to divest non-core assets that are not aligned with its maritime strategy. The funds from the sale of these non-core assets will be used to strengthen the Company's balance sheet, provide resources to further develop its core technologies and expand its marketing capabilities in support of developing its high-growth maritime niche markets.

"In early 2009, we communicated our intention to divest assets that do not support the development our maritime business. The sale of our soldier systems IP marks an important step in realizing this strategy and will provide the resources to move our maritime market growth strategy forward," said Ken Kirkpatrick, President and CEO. "Over the past three years, we have expanded our addressable maritime markets around the world and positioned the Company to take advantage of the growth opportunities that these markets present for our leading technologies."

First Quarter Highlights

- Signed a US\$6.5 million contract to sell its soldier systems intellectual property to Harris Corporation.
- Signed a \$5.7 million contract to provide the U.S. Army with engineering services to develop and support a deployed command and control system.
- Secured follow-on contracts valued at approximately \$1.8 million with the U.S. Department of Defence to provide advanced training technology development.



- Successfully completed engineering studies that were required to determine the scope of work required to integrate ECPINS® into the systems that are being delivered for the UK Navy Astute Submarine and T45 Destroyer programs.
- Closed \$1.6 million in mapping contracts.

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.

(Incorporated under the laws of the Province of British Columbia, Canada)

Interim Consolidated Balance Sheets (Unaudited)

In thousands of Canadian dollars	February 28, 2010	November 30, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 2,852	\$ 315
Restricted cash	263	-
Accounts receivable and unbilled revenue	4,832	5,880
Inventory	1,053	1,139
Prepaid expenses and deposits	480	375
Current portion of future income tax asset	181	1,041
	<hr/>	<hr/>
	9,661	8,750
Restricted cash	373	-
Deferred development costs	546	653
Future income tax asset	80	113
Equipment and furnishings	1,334	1,473
Intangible and other assets	380	446
Goodwill	4,305	4,324
	<hr/>	<hr/>
	\$ 16,679	\$ 15,759
Liabilities		
Current liabilities		
Bank indebtedness	\$ -	\$ 599
Factored advances payable	74	240
Accounts payable and accrued liabilities	2,637	3,806
Income taxes payable	1,068	-
Unearned revenue	279	550
Current portion of deferred rent	41	41
Current portion of capital lease obligation	54	68
	<hr/>	<hr/>
	4,153	5,304
Deferred rent	249	260
Capital lease obligation	48	54
Unearned revenue	150	178
	<hr/>	<hr/>
	4,600	5,796
Shareholders' Equity		
Issued and outstanding		
Class A, Series A preference shares	30	30
Class B, Series 2 preference shares	3,237	5,383
Common shares	30,769	29,876
	<hr/>	<hr/>
	34,036	35,289
Warrants	4,546	4,546
Contributed surplus	4,603	3,322
Accumulated deficit	(29,759)	(31,838)
Accumulated other comprehensive loss	(1,347)	(1,356)
	<hr/>	<hr/>
	12,079	9,963
	<hr/>	<hr/>
	\$ 16,679	\$ 15,759



OSI Geospatial Inc.

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

In thousands of Canadian dollars, except share related data	Three months ended February 28,	
	2010	2009
Revenue		
Maritime navigation and tactical solutions	\$ 1,406	\$ 3,522
Advanced technology research and development	1,924	1,943
Mapping	114	259
	<hr/>	<hr/>
	3,444	5,724
Cost of sales	<hr/>	<hr/>
	2,338	4,005
Gross profit	<hr/>	<hr/>
	1,106	1,719
Expenses (income)		
General and administrative	1,267	1,209
Sales and marketing	665	813
Engineering	176	301
Amortization	87	113
Interest expense	38	31
Foreign exchange gain	(10)	-
Technology Partnerships Canada royalty	69	96
	<hr/>	<hr/>
	2,292	2,563
Net loss before other items	<hr/>	<hr/>
	(1,186)	(844)
Gain on sale of intellectual property	5,227	-
Net income (loss) before income taxes	<hr/>	<hr/>
	4,041	(844)
Future income tax (recovery)	888	(152)
Current income tax expense	1,071	5
Income tax expense (recovery)	<hr/>	<hr/>
	1,959	(147)
Net income (loss)	<hr/>	<hr/>
	2,082	(697)
Accumulated deficit, beginning of period	(31,838)	(24,121)
Dividends on Class B preference shares	(3)	(3)
Accumulated deficit, end of period	<hr/>	<hr/>
	\$ (29,759)	\$ (24,821)
Net income (loss) attributable to common shareholders		
Basic	\$ 1,951	\$ (853)
Diluted	2,082	(853)
Earnings (loss) per share		
Basic	\$ 0.04	\$ (0.02)
Diluted	0.04	(0.02)
Weighted average number of common shares outstanding		
Basic	48,733,766	46,956,439
Diluted	57,659,553	46,956,439



OSI Geospatial Inc.

Interim Consolidated Statements of Cash Flows (Unaudited)

In thousands of Canadian dollars	Three months ended February 28,	
	2010	2009
Cash flows from (used in) operating activities		
Net income (loss) for the period	\$ 2,082	\$ (697)
Items not affecting cash		
Amortization	124	161
Gain on disposal of intellectual property	(5,227)	-
Stock-based compensation	28	-
Future income taxes	888	(152)
	(2,105)	(688)
Changes in non-cash operating working capital items		
Accounts receivable	1,036	2,014
Inventory	86	356
Prepaid expenses and deposits	(103)	(220)
Accounts payable and accrued liabilities	(1,164)	(1,331)
Income taxes payable	1,070	5
Deferred rent	(10)	(10)
Unearned revenue	(299)	10
	616	824
	(1,489)	136
Cash flows from (used in) investing activities		
Increase in restricted cash	(638)	-
Development costs deferred	(25)	(18)
Additions to equipment and furnishings	(10)	(30)
Additions to intangibles and other assets	-	(2)
Proceeds from disposal of intellectual property and related tangible assets, net of costs to dispose	5,444	-
	4,771	(50)
Cash flows used in financing activities		
Repayment of bank indebtedness	(599)	(66)
Factored advances payable	(165)	-
Repayment of capital lease obligation	(20)	(14)
Class B preference share dividends declared and paid	(3)	(3)
	(787)	(83)
Effect of foreign exchange on cash balances	42	(3)
Increase in cash and cash equivalents	2,537	-
Cash and cash equivalents – beginning of period	315	-
Cash and cash equivalents – end of period	\$ 2,852	\$ -