



Offshore Systems Signs US\$2 Million Contract to Provide Submarine Navigation Systems to the Royal Australian Navy

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Vancouver, Canada

Offshore Systems Ltd. is pleased to announce that it has signed a contract to provide the Royal Australian Navy (RAN) with its world leading ECPINS[®] submarine navigation system. Offshore Systems will provide six Warship ECDIS (WECDIS) navigation systems, including both hardware and software to the RAN for its Collins class submarines.

“ECPINS W Sub is the flagship version of our ECPINS software. It is the most advanced submarine navigation software available and provides the submariner with a significant tactical advantage over normal ECDIS submarine solutions,” says Jim Davison, Director of Sales. “It allows the submariner to navigate in a more precise and accurate manner. In addition, a variety of options for improving positional accuracy allows the boat to remain dived for longer periods of time. Reducing the need to expose masts has a direct correlation to a reduction in counter detection opportunities in deep water and more importantly during inshore operations”.

ECPINS W Sub combines all the features of Offshore Systems ECPINS W software and adds a wide range of submarine specific features including a dived navigation toolkit and the ability to conduct Water Space Management through WECDIS. In addition to the existing hardware supplied previously to the RAN (Collins Class Submarine Racks), the RAN has adopted Offshore Systems' D-MOP (Digital Maritime Operations Plot) and is using the plotting table element of this to further enhance navigational and situational awareness onboard the submarine.

The use of ECPINS W Sub is not limited to submarines but also includes any surface vessel operating in the submarine waterspace. This may include vessels with Towed Arrays, MCMVS or any ships operating with submarines.

About Offshore Systems Ltd.

Offshore Systems is a leading provider of marine electronics solutions. The company offers broad and versatile product lines including electronic chart systems for navigation and situational awareness, voyage data recorders and system components for bridge electronics. Over the years, defence and commercial customers have relied on Offshore Systems for its extensive experience and expertise in bridge and sensor integration with real-time display of electronic charts. As a result, the company has a worldwide customer base that has chosen their preferred products and services for innovative vessel navigation and bridge control solutions.

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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