



FOR IMMEDIATE RELEASE

Offshore Systems Increases Scope of U.K. Royal Navy WECDIS and W-AIS Projects by Signing Contracts Valued at US\$1.8 Million

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Vancouver, Canada

Offshore Systems Ltd. announced today that it has signed contracts that will increase the scope of its current Warship Electronic Chart Display and Information Systems (WECDIS) and Warship Automatic Identification Systems (W-AIS) projects by approximately US\$1.8 million, including all options. Under the terms of the new contracts, the company will provide the U.K. Royal Navy with upgraded software and hardware under fixed contracts valued at approximately US\$1.3 million and option contracts of approximately US\$500,000.

"We have been providing products and services to the U.K. Navy for less than four years and in this short period of time our business relationship has grown to more than US\$44 million. This is evidence that the U.K. Navy values our company and technology," said Ken Kirkpatrick, President and CEO. "The U.K. defence market is a high priority for our company, and we are committed to expanding our business with the U.K. Ministry of Defence."

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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