

OSI Geospatial Inc.

Consolidated Statement of Earnings (Unaudited)

(expressed in thousands of U.S. dollars)

(Prepared in accordance with United States Generally Accepted Accounting Principles)

	Three Months Ended February 29, 2004	Three Months Ended May 31, 2004	Three Months Ended August 31, 2004	Three Months Ended November 30, 2004	Three Months Ended February 28, 2005	Three Months Ended May 31, 2005	Three Months Ended August 31, 2005	Three Months Ended November 30, 2005	Three Months Ended February 28, 2006	Three Months Ended May 31, 2006
Revenue										
Marine systems	2,493	1,292	1,847	2,458	1,589	783	1,774	4,052	1,282	2,435
Land and air systems	-	-	-	-	-	-	-	-	1,852	2,370
Mapping	540	785	401	596	249	750	844	1,086	529	1,334
	<u>3,033</u>	<u>2,076</u>	<u>2,248</u>	<u>3,054</u>	<u>1,838</u>	<u>1,533</u>	<u>2,618</u>	<u>5,137</u>	<u>3,663</u>	<u>6,140</u>
Cost of sales	<u>1,111</u>	<u>743</u>	<u>1,123</u>	<u>1,414</u>	<u>833</u>	<u>1,217</u>	<u>1,146</u>	<u>2,501</u>	<u>2,469</u>	<u>3,545</u>
Gross profit	<u>1,922</u>	<u>1,333</u>	<u>1,125</u>	<u>1,640</u>	<u>1,005</u>	<u>317</u>	<u>1,472</u>	<u>2,636</u>	<u>1,194</u>	<u>2,595</u>
Expenses										
General and administrative	567	744	636	698	842	837	863	1,385	1,346	1,514
Research and development	355	432	423	402	261	373	409	628	542	451
Sales and marketing	602	545	574	700	449	544	566	796	552	606
Depreciation and amortization	40	41	44	52	44	64	77	61	132	138
Interest expense	0	0	1	1	10	7	3	3	6	6
Interest income	(11)	(2)	(4)	(4)	-	(31)	(60)	(65)	(13)	(7)
Foreign exchange loss (gain)	(22)	(5)	24	(33)	(38)	62	104	(38)	21	(21)
Technology Partnerships Canada royalty	36	6	20	37	44	30	56	116	57	108
Technology Partnerships Canada contribution	-	(632)	(281)	(199)	(216)	(378)	(298)	(202)	(210)	(293)
	<u>1,567</u>	<u>1,129</u>	<u>1,436</u>	<u>1,654</u>	<u>1,396</u>	<u>1,507</u>	<u>1,721</u>	<u>2,683</u>	<u>2,433</u>	<u>2,501</u>
Earnings (loss) before income taxes	<u>355</u>	<u>204</u>	<u>(311)</u>	<u>(14)</u>	<u>(391)</u>	<u>(1,190)</u>	<u>(249)</u>	<u>(46)</u>	<u>(1,240)</u>	<u>94</u>
Income tax expense (recovery)										
Deferred income tax expense (recovery)	(212)	(157)	87	(81)	(192)	114	73	735	16	(23)
Current income tax expense	177	107	(65)	187	-	66	(14)	91	(26)	119
	<u>(35)</u>	<u>(50)</u>	<u>22</u>	<u>106</u>	<u>(192)</u>	<u>180</u>	<u>59</u>	<u>826</u>	<u>(10)</u>	<u>96</u>
Net earnings (loss)	<u>390</u>	<u>254</u>	<u>(333)</u>	<u>(120)</u>	<u>(199)</u>	<u>(1,370)</u>	<u>(308)</u>	<u>(872)</u>	<u>(1,230)</u>	<u>(2)</u>
	-	-	-	-	-	-	-	-	-	-
Net earnings (loss) available to common shareholders	<u>330</u>	<u>195</u>	<u>(397)</u>	<u>(184)</u>	<u>(227)</u>	<u>(5,745)</u>	<u>(1,051)</u>	<u>(1,504)</u>	<u>(1,406)</u>	<u>(715)</u>