



FOR IMMEDIATE RELEASE

OSI Geospatial Reports 2008 First Quarter Results

April 14, 2008
Ottawa, Canada

OSI Geospatial Inc. (TSX: OSI; OTCBB: OSIIF) today announced its financial results for the quarter ending February 29, 2008, reported in US dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

For the first quarter of 2008, OSI Geospatial Inc. reported revenue of \$5.8 million, an increase of 63% from the \$3.6 million reported in the first quarter in 2007. Marine systems revenue grew almost 260% to \$2.5 million from \$700,000. Land and air systems revenue increased to \$2.8 million compared with \$2.4 million in the first quarter of 2007, an increase of 19%. Mapping revenue was \$505,000, which was similar to the \$523,000 reported in the first quarter of 2007.

For the first quarter of 2008, the company reported a net loss of \$627,000, before taxes and \$533,000 after taxes compared with a net loss of \$1.9 million before taxes and a net loss of \$2.0 million after taxes in the first quarter of 2007. For the first quarter of 2008, the net loss attributable to common shareholders was \$692,000 or \$0.01 per share, compared to the net loss of \$2.2 million or \$0.06 per share in 2007.

First Quarter Highlights

- Announced a contract with Lockheed Martin to provide navigation systems to the Brazilian Navy valued at \$925,000
- Successfully completed an engineering study with BAE Systems for the integration of ECPINS-W[®] into the Royal Navy Astute Class Submarines
- Announced contracts with the U.S. Army valued at \$2.1 million
- Signed a contract valued at \$2.2 million to provide the U.S. Marine Corps command and control technology
- Announced a contract with the Province of Saskatchewan valued at \$3.0 million
- Closed several mapping contracts valued at more than \$1.4 million
- Closed the first contract to deliver an Asset Control and Tracking system to a Canadian Navy Port Security Unit

“Our first quarter financial performance is a significant improvement over the same period in 2007 and we expect this trend to continue through fiscal year 2008,” said Ken Kirkpatrick, president and CEO of OSI Geospatial. “In particular, we are making solid progress in developing new strategic partnerships with large system integrators, including Lockheed Martin and BAE Systems and we are confident that this will lead to substantial future business for our company.”

Conference Call



OSI Geospatial will present the results from the 2008 first quarter at 4:30PM Eastern Time (1:30PM Pacific Time), Monday, April 14, 2008. To listen to the conference call live by telephone, dial +1-800-319-4610 for participants in North America or +1-604-638-5340 for Vancouver and international participants approximately ten minutes before the call is scheduled to begin. A telephone playback will be available beginning approximately one hour after the call. Dial +1-800-319-6413 for North American callers or +1-604-638-9010 for Vancouver and international callers. Enter access code 7826#. A live and replay version of the webcast can be accessed on the company's investor website at www.osigeospatial.com.

About OSI Geospatial

OSI Geospatial Inc. delivers advanced navigation and command and control systems that provide *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 (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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News Release

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OSI Geospatial Inc.

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

Consolidated Balance Sheets (unaudited)

In thousands of U.S. dollars	February 29, 2008	November 30, 2007
Assets		
Current assets		
Accounts receivable and unbilled revenue	\$ 9,983	\$ 13,055
Inventory	1,273	1,216
Prepaid expenses and deposits	814	502
Current portion of future income tax asset	132	132
	<hr/>	<hr/>
	12,202	14,905
Deferred development costs	189	97
Future income tax asset	270	271
Equipment and furnishings	1,879	1,914
Intangible and other assets	840	861
Goodwill	8,300	8,300
	<hr/>	<hr/>
	\$ 23,680	\$ 26,348
Liabilities		
Current liabilities		
Bank indebtedness	\$ 820	\$ 822
Accounts payable and accrued liabilities	3,786	5,585
Income taxes payable	106	179
Unearned revenue	364	392
Current portion of deferred rent	39	38
Current portion of future income tax liability	25	25
Current portion of capital lease obligations	65	46
	<hr/>	<hr/>
	5,205	7,087
Deferred rent	342	347
Capital lease obligation	180	200
Future income tax liability	100	100
	<hr/>	<hr/>
	5,827	7,734
Shareholders' Equity		
Issued and outstanding		
30,262 Class A, Series A preference shares (2007 – 30,262)	19	19
178,530 Class B, Series 2 preference shares (2007 – 178,530)	4,542	4,542
46,956,439 common shares (2007 – 46,956,439)	21,293	21,293
	<hr/>	<hr/>
	25,854	25,854
Warrants	4,181	4,618
Contributed surplus	2,116	1,679
Accumulated deficit	(17,474)	(16,564)
Accumulated other comprehensive income	3,176	3,027
	<hr/>	<hr/>
	17,853	18,614
	<hr/>	<hr/>
	\$ 23,680	\$ 26,348



OSI Geospatial Inc.

Consolidated Statements of Operations (unaudited)

	Three months ended	
	February 29 2008	February 28 2007
In thousands of U.S. dollars, except share related data		
Revenue		
Marine systems	\$ 2,513	\$ 700
Land and air systems	2,790	2,348
Mapping	505	523
	<hr/>	<hr/>
	5,808	3,571
Cost of sales	<hr/>	<hr/>
	3,620	2,902
Gross profit	<hr/>	<hr/>
	2,188	669
Expenses (income)		
General and administrative	1,259	1,247
Engineering	261	481
Sales and marketing	907	780
Amortization	149	111
Interest expense	24	22
Interest income	(3)	-
Foreign exchange loss (gain)	38	(85)
Loss on disposal of intangibles and other assets	28	-
Technology Partnerships Canada royalty	152	30
	<hr/>	<hr/>
	2,815	2,586
Net loss before income taxes	<hr/>	<hr/>
	(627)	(1,917)
Future income tax (recovery)	-	(30)
Current income tax (recovery) expense	(94)	102
Income tax (recovery) expense	<hr/>	<hr/>
	(94)	72
Net loss	<hr/>	<hr/>
	\$ (533)	\$ (1,989)
Accumulated deficit, beginning of period	(16,564)	(13,296)
Dividends on Class B preference shares	(338)	-
Tax expense on dividends	(39)	-
Accumulated deficit, end of period	<hr/>	<hr/>
	\$ (17,474)	\$ (15,285)
Net loss attributable to common shareholders (note 4b)	<hr/>	<hr/>
	\$ (692)	\$ (2,180)
Loss per share (note 4b) - basic and diluted	\$ (0.01)	\$ (0.06)
Weighted average number of common shares outstanding (note 4b) – basic and diluted	46,956,439	36,148,418



OSI Geospatial Inc.

Consolidated Statements of Operations (unaudited)

In thousands of U.S. dollars	For the three months ended	
	February 29 2008	February 28 2007
Cash flows from operating activities		
Net loss for the period	\$ (533)	\$ (1,989)
Items not affecting cash		
Amortization	199	164
Loss on disposal of patents	28	-
Stock-based compensation	5	53
Future income taxes	-	(30)
	<u>(301)</u>	<u>(1,802)</u>
Changes in non-cash working capital items		
Accounts receivable	3,221	4,597
Inventory	(29)	(258)
Prepaid expenses and deposits	(300)	(423)
Accounts payable and accrued liabilities	(1,895)	(1,294)
Income taxes payable	(13)	(176)
Deferred rent	(11)	-
Unearned revenue	(33)	(127)
	<u>940</u>	<u>2,319</u>
	<u>639</u>	<u>517</u>
Cash flows used in investing activities		
Development costs deferred	(88)	-
Additions to plant and furnishings	(33)	(27)
Additions to leaseholds	(10)	-
Additions to intangibles and other assets	(90)	(22)
	<u>(221)</u>	<u>(49)</u>
Cash flows used in financing activities		
Repayment to operating line of credit	(15)	(477)
Class B preference share dividends declared and paid	(377)	-
	<u>(392)</u>	<u>(477)</u>
Effect of foreign exchange on cash balances	<u>(26)</u>	<u>9</u>
Decrease in cash and cash equivalents	-	-
Cash and cash equivalents – beginning of period	-	-
Cash and cash equivalents – end of period	<u>\$ -</u>	<u>\$ -</u>