



FOR IMMEDIATE RELEASE

OSI Geospatial Inc Reports 2009 First Quarter Results

April 9, 2009
Ottawa, Canada

OSI Geospatial Inc (TSX: OSI) today announced its financial results for the first quarter of fiscal year 2009 ending February 28, 2009. Effective December 1, 2008, the Company adopted the Canadian dollar as its reporting currency. This change was made as a result of the company's de-registration with the SEC in the U.S. in fiscal 2008.

For the first quarter of 2009, OSI Geospatial Inc reported consolidated revenue of \$5.7 million, compared to the revenue reported in the first quarter of 2008 of \$5.8 million. The Company reported a net loss of \$844,000 before taxes and \$697,000 after taxes compared with a net loss of \$635,000 before taxes and a \$541,000 after taxes in the first quarter of 2008.

"We remain on track in developing key opportunities in all of our markets and we are committed to achieving positive results in 2009." said Ken Kirkpatrick, president and CEO. "While results for this quarter were similar to the same period last year, we are confident that this activity will pick up in the second quarter and continue throughout our fiscal year."

Business Highlights for the First Quarter:

- Signing a \$1.3 million software upgrade contract with the Australian Navy.
- Signing more than \$2.0 million in follow-on contracts with existing customers.
- Being selected to provide warship navigation systems for the Turkish Navy MILGEM Corvette new build program.
- Closing a strategic partnership with a major U.S. defence contractor to pursue the soldier modernization program market.
- Qualifying as a prime contractor to participate in the U.S. Army Program Executive Office for Simulation Training and Instrumentation (PEOSTRI) Omnibus Contract (STOC II program).
- Being awarded approximately \$1.8 million in mapping contracts.
- Achieving IMO Type Approval for the latest version of the company's navigation system, ECPINS 5.3.
- Successfully delivering, installing and sea testing our small boat command and control (SBC2) systems for the Canadian Navy Port Security Unit.

Conference Call

OSI Geospatial will present the results from the 2009 first quarter at 5:00PM Eastern Time (2:00 PM Pacific Time), Thursday, April 9, 2009. 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 Lower Mainland 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#. The telephone replay will be available for three months. For the live webcast, please go to <http://services.choruscall.com/links/osi081009.html>. A replay version of the webcast can be accessed for three months on the company's investor website at <http://www.osigeospatial.com/investors/default.htm>.

About OSI Geospatial

OSI Geospatial Inc. delivers advanced marine 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 as OSI. 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.

Consolidated Balance Sheets (unaudited)

In thousands of Canadian dollars	February 28 2009	November 30 2008
<u>Assets</u>		
Current assets		
Accounts receivable and unbilled revenue	\$ 8,980	\$ 11,183
Inventory	1,049	1,407
Prepaid expenses and deposits	620	388
Current portion of future income tax asset	480	338
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	11,129	13,316
Deferred development costs	460	437
Future income tax asset	865	823
Equipment and furnishings	1,680	1,735
Intangible and other assets	677	732
Goodwill	10,547	10,269
	<hr/>	<hr/>
	\$ 25,358	\$ 27,312
<u>Liabilities</u>		
Current liabilities		
Bank indebtedness	\$ 1,862	\$ 2,015
Accounts payable and accrued liabilities	3,126	4,519
Income taxes payable	15	9
Unearned revenue	294	256
Current portion of deferred rent	37	41
Current portion of capital lease obligations	93	88
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	5,427	6,928
Deferred rent	294	347
Capital lease obligation	123	156
Unearned revenue	262	290
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	6,106	7,721
<u>Shareholders' Equity</u>		
Issued and outstanding		
Class A, Series A preference shares	30	30
Class B, Series 2 preference shares	5,731	5,731
Common shares	29,748	29,748
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	35,509	35,509
Warrants	4,898	4,898
Contributed surplus	2,674	2,674
Accumulated deficit	(24,821)	(24,121)
Accumulated other comprehensive income	992	631
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	19,252	19,591
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	\$ 25,358	\$ 27,312



OSI Geospatial Inc.

Consolidated Statements of Loss and Deficit (unaudited)

	Three months ended	
	February 28 2009	February 29 2008
In thousands of Canadian dollars, except share related data		
Revenue		
Marine systems	\$ 2,098	\$ 2,506
Land and air systems	3,367	2,806
Mapping	259	503
	5,724	5,815
Cost of sales	4,005	3,633
Gross profit	1,719	2,182
Expenses (income)		
General and administrative	1,209	1,245
Sales and marketing	813	914
Engineering	301	262
Amortization	113	150
Interest expense	31	34
Interest income	-	(3)
Foreign exchange loss	-	35
Loss on disposal of intangibles and other assets	-	28
Technology Partnerships Canada royalty	96	152
	2,563	2,817
Net loss before income taxes	(844)	(635)
Future income tax (recovery)	(152)	-
Current income tax expense (recovery)	5	(94)
Income tax (recovery)	(147)	(94)
Net loss	\$ (697)	\$ (541)
Accumulated deficit, beginning of period	(24,121)	(22,420)
Dividends on Class B preference shares	(3)	(332)
Tax expense on dividends	-	(39)
Accumulated deficit, end of period	\$ (24,821)	\$ (23,332)
Net loss attributable to common shareholders	\$ (853)	\$ (697)
Loss per share – basic and diluted	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	46,956,439	46,956,439

**OSI Geospatial Inc.**

Consolidated Statements of Cash Flows (unaudited)

In thousands of Canadian dollars	For the three months ended	
	February 28 2009	February 29 2008
Cash flows from operating activities		
Net loss for the period	\$ (697)	\$ (541)
Items not affecting cash		
Amortization	161	200
Loss on disposal of equipment and furnishings	-	29
Stock-based compensation	-	5
Future income taxes	(152)	-
	<u>(688)</u>	<u>(307)</u>
Changes in non-cash operating working capital items		
Accounts receivable	2,014	3,140
Inventory	356	(32)
Prepaid expenses and deposits	(220)	(300)
Accounts payable and accrued liabilities	(1,331)	(1,838)
Income taxes payable	5	(91)
Deferred rent	(10)	(12)
Unearned revenue	10	(33)
	<u>824</u>	<u>834</u>
	<u>136</u>	<u>527</u>
Cash flows used in investing activities		
Development costs deferred	(18)	(87)
Additions to equipment and furnishings	(30)	(72)
Additions to leaseholds	-	(9)
Additions to intangibles and other assets	(2)	(55)
	<u>(50)</u>	<u>(223)</u>
Cash flows used in financing activities		
Repayment to operating line of credit	(66)	(9)
Repayment of capital lease obligation	(14)	-
Class B preference share dividends declared and paid	(3)	(368)
	<u>(83)</u>	<u>(377)</u>
Effect of foreign exchange on cash balances	<u>(3)</u>	<u>73</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>