



FOR IMMEDIATE RELEASE

OSI GEOSPATIAL INC. CLOSES PRIVATE PLACEMENT OF \$2M

**December 2, 2011
Vancouver, Canada**

OSI Geospatial Inc. (TSX-V: OSI) ("OSI" or the "Company") announced today it has closed its previously announced private placement of 40 million common shares ("Shares") at a price of C\$0.05 per Share for aggregate proceeds of \$2 million (the "Private Placement").

The Company intends to use the proceeds from the Private Placement to retire some or all of its Class B Series 2 Preference Shares and for general corporate purposes.

The Private Placement was subscribed to by six investors, including Ken Kirkpatrick, the Company's chief executive officer, and North Sound Capital LLC ("North Sound"), an insider of OSI.

Prior to the Private Placement Mr. Kirkpatrick held 309,741 shares in the capital of OSI constituting 0.6% of the Company's issued and outstanding capital. Upon closing of the Private Placement Mr. Kirkpatrick holds 2,429,741 shares in the capital of OSI constituting 2.6% of the Company's issued and outstanding capital.

Prior to the Private Placement North Sound held 10,620,959 shares in the capital of OSI constituting 19.9% of the Company's issued and outstanding capital. Upon closing of the Private Placement North Sound holds 18,540,959 shares maintaining its 19.9% pro rata share in the outstanding capital of OSI.

Closing of the Private Placement is subject to certain conditions, including final approval of the TSX Venture Exchange. The Shares will be subject to a four-month hold period under Canadian securities laws and will be "restricted securities" under U.S. securities laws.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under any state securities laws and may not be offered or sold in the United States, absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The Company was advised by Cross Point Capital (the "Agent"). Upon closing of the Private Placement, the Agent received a cash fee of 10% of the proceeds received from U.S. subscribers to the Private Placement.

About OSI Geospatial Inc.

OSI Geospatial Inc. operates two distinct business units: Offshore Systems Ltd. (based in Vancouver, British Columbia), a world-leading naval fleet supplier of integrated navigation and tactical solutions; and CHI Systems, Inc. (based in Philadelphia, Pennsylvania), a leading-edge research, development, and systems integration supplier of technology solutions for defense, aerospace, health, and bioscience markets. OSI Geospatial systems and software are in use by military, government, and commercial customers around the world. The Company is publicly traded on the TSX Venture Exchange. For additional information please visit www.osigeospatial.com.



Forward-Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the completion of the Private Placement on the terms set forth herein, are forward looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity price and title matters or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulators. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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