



OSI Geospatial Inc. Reports 2011 First Quarter Results

April 29, 2011
Burnaby, Canada

OSI Geospatial Inc. (TSX: OSI) today announced its financial results for the first quarter of fiscal year 2011 ending February 28, 2011, reported in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

For the first quarter of 2011, OSI Geospatial Inc. reported consolidated revenue of \$2.7 million compared to \$3.3 million reported in the first quarter of 2010. The Company reported a net loss of \$1.3 million before taxes and a net loss after taxes of \$1.3 million compared with net income of \$4.3 million before taxes and net income after taxes of \$2.1 million in the first quarter of 2010. The first quarter of 2010 included a gain before tax of \$5.2 million on the sale of its non-core soldier systems intellectual property.

For the first quarter of 2011, the net loss attributable to common shareholders was \$1.4 million or \$(0.02) per share, compared to a net income of \$2.0 million or \$0.05 per share in the first quarter of 2010.

About OSI Geospatial

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.

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.

Forward-Looking Statements

This press release may include forward-looking information within the meaning of applicable securities laws including information concerning the business and future results of OSI Geospatial. Any such forward-looking statements are subject to risks and uncertainties and OSI Geospatial'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 Geospatial's financial results are detailed in disclosure documents filed from time to time with the applicable Canadian securities regulatory authorities.

Data subject to change without notice.

For more information:

Jim Girard
Interim President and Chief Executive Officer
+1 778-373-4600
+1 888 880 9797
invest@osigeospatial.com



OSI Geospatial Inc.

Interim Condensed Consolidated Balance Sheets (Unaudited)

In thousands of Canadian dollars

	February 28, 2011	November 30, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 1,470	\$ 758
Non-cash current assets	4,519	8,292
	<hr/> 5,989	<hr/> 9,050
Fixed assets	956	1,025
Other long term assets	6,870	9,786
Goodwill, intangible, and other assets	4,285	4,512
	<hr/> \$ 12,111	<hr/> \$ 15,323
Liabilities		
Current liabilities	\$ 3,354	\$ 4,954
Long term liabilities	469	546
	<hr/> 3,823	<hr/> 5,500
Shareholders' Equity		
Capital stock and warrants	33,599	33,599
Contributed surplus	9,803	9,765
Accumulated deficit	(33,312)	(32,025)
Accumulated other comprehensive loss	(1,802)	(1,516)
	<hr/> 8,288	<hr/> 9,823
	<hr/> \$ 12,111	<hr/> \$ 15,323

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Interim Condensed Consolidated Statements of Income (Loss) and Deficit (Unaudited)

In thousands of Canadian dollars

	Three Months ended February 28,	
	2011	2010
Revenue	\$ 2,690	\$ 3,330
Gross profit	<hr/> 899	<hr/> 1,193
Expenses		
Sales, engineering, general and administrative	1,579	1,967
Amortization	77	79
Interest expense	10	38
	<hr/> (767)	<hr/> (891)
Net loss before other items		
Gain on sale of intellectual property	-	5,227
Restructuring costs	(410)	-
Loss on lease termination	(56)	-
Loss on disposal of furniture and fixtures	(20)	-
	<hr/> (1,253)	<hr/> (4,336)
Net income (loss) before income taxes		
Income tax expense (recovery)	(36)	1,959
Net income (loss) from continuing operations	<hr/> \$ (1,217)	<hr/> \$ 2,377
Net loss from discontinued operations	(67)	(295)
Net income (loss)	<hr/> (1,284)	<hr/> 2,082
Earnings (loss) per share - Basic	\$ (0.02)	\$ 0.05
Earnings (loss) per share - Diluted	(0.02)	0.04



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Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

In thousands of Canadian dollars

Cash flows from (used in) operating activities

Net income (loss) for the period
Items not affecting cash

Changes in non-cash working capital items

Cash used in continuing operations
Cash used in discontinued operations

Cash flows from (used in) investing activities

Cash flows used in financing activities

Effect of foreign exchange on cash balances

Increase in cash

Cash – beginning of period

Cash – end of period

Three Months ended February 28,
2011 2010

\$	(1,217)	\$	2,377
	169		(4,211)
	(1,048)		(1,834)
	657		1,281
	(391)		(553)
	(134)		(936)
	(525)		(1,489)
	1,642		4,764
	(337)		(787)
	(68)		42
	712		2,530
	758		315
\$	1,470	\$	2,845