



FOR IMMEDIATE RELEASE

Offshore Systems gets Type Approval and Secures First Customer for its Integrated ECDIS & S-VDR System

**January, 2007
Vancouver, Canada**

Offshore Systems Ltd. is pleased to announce the type approval of their integrated ECPINS®/S-VDR 5000 system by Bundesamt für Seeschifffahrt & Hydrographie (BSH) and the sale of the first three systems to INCO Ships, Australia.

Three of INCO's vessels (CSL Pacific, Stadacona and the Iron Chieftain) will get S-VDR 5000 upgrades to their existing ECPINS® 5000 systems. The unique architecture of this IMO approved ECDIS and S-VDR combines the two systems in one console resulting in a space efficient installation.

ECPINS®/S-VDR 5000 meets all the IMO carriage requirements and allows customers to reduce costs while improving safety at sea. The system captures the ECDIS screens in addition to the required S-VDR data, adding a further benefit by providing a complete picture of the navigational situation. This is important for post incident investigation but also offers customers the ability to improve training by showcasing best navigation practices. Shipping companies can now take advantage of the experience of a master who successfully navigates a tough passage by replaying the audio, sensor data and detailed ECDIS information.

INCO Ships has been an Offshore Systems customer since November 2005 when they purchased four ECPINS 5000 systems. INCO manages approximately 10 to 12 ships. It is expected that most of the other ships will be fitted with S-VDR during the next two to three years and Offshore Systems' S-VDR 5000 will be their preference.

Offshore Systems has been in the business of precise navigation for more than 25 years and has worked directly with customers to deliver essential navigation solutions for their daily operations. With the ECPINS®/S-VDR 5000, the company fulfills its commitment to provide the shipping industry with a product that can leverage the mandatory investment of an S-VDR.

About Offshore Systems Ltd.

Offshore Systems is a leading provider of marine electronics solutions. The company offers broad and versatile product lines including electronic chart systems for navigation and situational awareness, voyage data recorders and system components for bridge electronics. Over the years, defence and commercial customers have relied on Offshore Systems for its extensive experience and expertise in bridge and sensor integration with real-time display of electronic charts. As a result, the company has a worldwide customer base that has chosen their preferred products and services for innovative vessel navigation and bridge control solutions.



About OSI Geospatial

OSI Geospatial Inc. delivers advanced systems and software to address the growing need for enhanced situational awareness in command, control, communications, and intelligence applications. By providing essential tactical and geospatial information, the company's systems and software help decision-makers know the precise location of mission operations across all military forces while integrating information with allies. OSI Geospatial systems 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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