



May 19, 2015

For Immediate Release

OSI Maritime Systems Signs Contract for the Implementation Phase of Integrated Navigation and Bridge Systems for the Royal Canadian Navy's Arctic Offshore Patrol Ship Program

Burnaby, B.C. – OSI Maritime Systems Ltd. (OSI) announced today that it has signed a contract with Lockheed Martin Canada to build, deliver and support the installation of the Integrated Navigation and Bridge Systems (INBS) for the Royal Canadian Navy's (RCN) new class of Arctic Offshore Patrol Ships (AOPS) to be built at the Halifax Shipyard. This implementation phase contract is being awarded subsequent to the successful conclusion of a 21-month design phase contract completed in early 2015.

Lockheed Martin Canada is a Tier 1 Supplier to Irving Shipbuilding for the AOPS project under the Canadian government's National Shipbuilding Procurement Strategy (NSPS). Under the terms of OSI's contract with Lockheed Martin Canada, OSI will deliver six systems, with the first system delivery in late 2016 and the final delivery in late 2018.

"The AOPS program is an exciting opportunity for our company," said Ken Kirkpatrick, President and Chief Executive Officer, OSI Maritime Systems. "All of the work for this important project will be completed in Canada at OSI's Burnaby facilities and will directly create a number of new, highly skilled engineering positions. This project will also be leveraged to support our pursuit of numerous other international projects -- ultimately creating many more jobs for Canadians."

AOPS is a Government of Canada procurement project for the RCN. The project will equip the Canadian Forces with six naval ice-capable offshore patrol ships able to assert and enforce sovereignty in Canada's waters where and when necessary, including the Arctic. The first Arctic Offshore Patrol Ship, being built by Irving Shipbuilding, is scheduled to be delivered in 2018.

OSI, together with Irving Shipbuilding and Lockheed Martin Canada, are focused on working with the federal government to continually lower costs and establish the best value solution for Canada while optimizing benefits across the country under the Industrial Regional Benefits program.

About OSI

OSI Maritime Systems, headquartered in British Columbia, Canada, has been providing advanced integrated navigation and tactical solutions to military customers for over 20 years. As a pioneer of Warship Electronic Chart Display and Information Systems (WECDIS), the company has grown to be a leading provider of integrated navigation and tactical solutions designed for naval and maritime security operations. The company develops and delivers integrated bridge systems for warships, integrated dived navigation systems for submarines, and C2 systems for small craft. OSI currently has 19 naval customers from around the world with over 500 warships and submarines operating with its world leading integrated navigation and tactical solutions.



About NSPS Combatant Fleet Contract:

In 2011, with the goal of building Canadian ships in Canada, the federal government established a strategic relationship with two Canadian shipyards, selected through an open and fair national competition, for large ship construction and designated them as sources of supply, one for combat vessels and the other for non-combat vessels. Irving Shipbuilding was selected as Canada's Combatant Shipbuilder under the merit-based National Shipbuilding Procurement Strategy (NSPS) and is in the early stages of a 30-year military shipbuilding program. The combatant portion of the NSPS program is comprised of 6 ice-capable AOPS, as well as up to 15 Canadian Surface Combatants, to replace the Canadian Navy's current frigates and destroyers. The NSPS program is designed to generate opportunities for shipbuilding trades, technology and systems suppliers, marine professionals and knowledge building partners across Canada, returning economic benefits to Canadians.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Except for historical information contained herein, the matters set forth in this news release are forward-looking statements. Statements that are predictive in nature, that depend upon or refer to events or conditions or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "will," "could" and similar expressions are forward-looking statements. The forward-looking statements set forth above involve a number of risks and uncertainties that could cause actual results to differ materially from any such statement, including the risks and uncertainties discussed in the company's Safe Harbor Compliance Statement for Forward-Looking Statements included in Irving Shipbuilding and Lockheed Martin (LM) Canada recent filings, including Forms 10-K and 10-Q, with the Securities and Exchange Commission. The forward-looking statements speak only as of the date made, and the company undertakes no obligation to update these forward-looking statements.

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