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For Immediate Release

OSI Maritime Systems Ltd. Selected to Design Integrated Bridge and Navigation Subsystem for the Royal Canadian Navy's Arctic/Offshore Patrol Ship Project

Burnaby, B.C. – OSI Maritime Systems Ltd. (OSI) announced today that it has been selected by Lockheed Martin Canada to support the design activity of the bridge and navigation capabilities for the Royal Canadian Navy's (RCN) new class of Arctic/Offshore Patrol Ships (AOPS). Lockheed Martin Canada is one of AOPS Prime Contractor Irving Shipbuilding's Tier 1 suppliers for the AOPS project under the Canadian government's National Shipbuilding Procurement Strategy (NSPS). Under an initial contract, OSI will design the Integrated Bridge and Navigation System for the new vessels.

"We are very pleased to have been selected for this very important Royal Canadian Navy project," said Ken Kirkpatrick, President and Chief Executive Officer OSI Maritime Systems Ltd. "The RCN and AOPS crews will benefit tremendously from our highly automated and user-friendly bridge and navigation systems, which have been operationally successful in navies around the globe."

"The Integrate Bridge and Navigation System is critical to the operation of AOPS, allowing safe navigation and enhanced situational awareness in the rugged environment of Canada's far northern waters to its busy coastal regions," said Mr. Kirkpatrick. "This is a wonderful addition to the numerous Canadian programs supported by OSI, which demonstrate our full range of logistics, services, manufacturing and technological expertise. We intend to engage more Canadian suppliers to support this important RCN program."

The design work will be completed entirely in Canada at OSI's Burnaby facility.

AOPS is a Government of Canada procurement project for the RCN. The project will equip the Canadian Forces with six to eight 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 (LM) 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 and Regional Benefit program. The teams will work together as the design matures and the requirements are finalized to find the most appropriate final solution for the AOPS program.



About OSI

OSI has been providing advanced integrated navigation and tactical solutions to military and commercial customers for over 35 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 16 naval customers from around the world with over 500 warships and submarines operating with its world leading integrated navigation and tactical solutions.

Headquartered in Burnaby, British Columbia, OSI employs approximately 70 people worldwide.

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 company is currently working on Tasks 1, 2, 3 and 7 of the Definition Contract for the first set of vessels, the Arctic Offshore Patrol Ships (AOPS), signed in March 2013. The combatant portion of the NSPS program is comprised of 6-8 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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