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TSXV Trading Symbol: OPG

NEWS RELEASE

Optimal Geomatics Reports Fourth Quarter and Fiscal Year 2007 Financial Results

Vancouver, B.C. - Optimal Geomatics Inc., TSX-V: OPG ("Optimal") announces its financial results for the fourth quarter and fiscal year ending October 31, 2007.

Financial information for the fourth quarter and fiscal year 2007 and comparatives for 2006 is reported in Canadian dollars.

Q4 Business Highlights include:

- Attained several new contracts within the Wind Farm development market.
- Expansion of our linear corridor product offerings into the transportation market.
- Realigned the management of the energy and civil infrastructure markets under a US based management team to form one focused mapping group.

Colum Caldwell, President & CEO of Optimal Geomatics commented, "Management is working diligently to address Optimal's disappointing performance in 2007 and has introduced a number of measures to improve our performance in 2008, including a review of our approach to the pipeline integrity management market. Management keeps under review our strategic and operational options on a year-to-year basis."

Financial Results

Revenue for the fourth quarter ended October 31, 2007 was \$3.8 million, an 11% increase when compared to revenue of \$3.4 million for the comparable period in 2006, and no change when compared to the prior quarter. Gross margin for the three month period ending October 31, 2007 was 23%, a decrease as compared to the gross margin of 22% for the comparable three month period in 2006. The operating loss was \$359 thousand, for the fourth quarter of 2007 as compared to an operating loss of \$762 thousand, for the comparable quarter of 2006. The net loss for the quarter ended October 31, 2007 was \$1.0 million or \$(0.02) per common share (basic and diluted), compared with net loss of \$750 thousand or \$(0.01) per common share (basic and diluted) for the three months ended October 31, 2006.

Revenue for the year ended October 31, 2007 was \$15.5 million, a 6% decrease over \$16.5 million for 2006. The operating loss for the twelve months ended October 31, 2007 was \$1.8 million, up from operating loss of \$921 thousand for the same period of the last fiscal year. The net loss for the year ended October 31, 2007 was \$2.7 million, compared with net loss of \$1.3 million for fiscal 2006. The year-over-year increase in net loss was primarily due to a change in revenue mix, the decrease in gross margin, an increase in amortization expenses and the significant foreign exchange loss recorded during the current year, partially offset by a decrease in operating expenses and net interest expense.

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Gross margin for the twelve month period ending October 31, 2007 was 25%, down from the gross margin for the comparable twelve month period in 2006 of 28%. The decrease in gross margin was due to several factors including margin compression due to the weakness of the US dollar, our primary revenue currency, reduced margins on certain contracts and a general increase in direct labor costs, partially offset by a decrease in indirect operating costs.

As at October 31, 2007, Optimal had cash and cash equivalents of \$3.1 million with net working capital of \$2.4 million, compared to cash and cash equivalents of \$4.1 million with net working capital of \$3.7 million as at October 31, 2006. The decrease in working capital was primarily due to the decrease in all categories of current assets, accounts payable and accrued liabilities, and notes payable, partially offset by the increase in deferred revenue and the current portion of lease obligations.

Financial Outlook

The market for our products and services continues to provide us with strong growth opportunities. In 2008, management will focus on providing our customers with superior services and products on a cost-effective and timely basis. We expect to progressively reduce our operating loss and return our cash flow from operations to a positive balance. Our attention will also be directed to selling our enhanced product offering across our key vertical markets.

Quarterly Teleconference Call:

Optimal will hold its quarter and fiscal year end teleconference call on Monday, January 21, 2008 at 8:00am PST (11:00am EST). To participate dial **604-899-1159** for Vancouver participants and **416-883-0139** outside Vancouver, then dial pass code **66491#**. Alternatively, you can listen to the playback by visiting our website after the call at www.optimalgeo.com.

About Optimal Geomatics Inc.:

Optimal Geomatics, a geospatial engineering surveying company, provides engineering and geospatial professionals with customized products designed to meet their mapping needs.

Optimal Geomatics specializes in the science and technology of gathering, analyzing, interpreting, distributing, and using geographic information. Optimal applies the disciplines of aerial surveying, mapping, remote sensing, geographic information systems (GIS), and global positioning systems (GPS) to translate remotely-acquired raw imagery into intelligent digitally-mapped data for use according to the application involved, such as land management, environmental information management and engineering design.

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Summary of Financial Information

Consolidated Balance Sheets	October 31, 2007	October 31, 2006
Assets		
Cash	\$3,099,743	\$4,144,999
Accounts receivable	3,351,121	5,020,917
Inventory	8,195	12,476
Work in progress	152,317	366,659
Prepaid expense	185,880	246,876
Property & equipment	1,981,762	2,548,887
Deferred acquisition costs	36,959	-
Other long-term assets	6,482	43,412
Intangible assets	240,044	465,170
Total Assets	\$9,062,503	\$12,849,396
Liabilities & Shareholders Equity		
Accounts payable and accrued liabilities	\$1,727,479	\$2,067,271
Deferred revenue	624,458	591,671
Notes payable	1,932,781	3,428,803
Obligation under capital leases	342,334	-
Share capital & subscriptions	23,231,543	23,231,543
Contributed surplus	772,589	706,835
Accumulated other comprehensive income	441,566	99,150
Deficit	(20,010,247)	(17,275,877)
Total Liabilities & Shareholders Equity	\$9,062,503	\$12,849,396

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Consolidated Statements of Operations	3 months ending October 31,		Year ending October 31,	
	2007	2006	2007	2006
Revenues	\$ 3,752,939	\$ 3,393,455	\$ 15,503,716	\$ 16,489,960
Cost of sales	2,888,690	2,630,795	11,613,110	11,871,452
Gross profit	864,249	762,660	3,890,606	4,618,508
Expenses				
Administration	511,543	639,322	2,425,541	2,550,155
Marketing & sales	405,543	649,017	2,018,380	1,988,843
Research & development	67,978	73,758	273,911	190,728
Amortization	238,226	162,950	972,199	809,767
	1,223,290	1,525,047	5,690,031	5,539,493
Operating loss	359,041	762,387	1,799,425	920,985
Other expenses (income)				
Foreign exchange Loss	629,042	8,218	854,137	169,402
Interest expense (income)	22,947	(3,720)	91,428	157,805
Income tax recovery	-	(24,617)	-	-
Loss (gain) on equipment disposal		8,032	(2,770)	8,032
Other income	(7,850)	-	(7,850)	-
	644,139	(12,087)	934,945	335,239
Net Loss for the Period	\$ 1,003,180	\$ 750,300	\$ 2,734,370	\$ 1,256,224
Net loss per share:				
Basic and diluted	\$ 0.02	\$ 0.01	\$ 0.04	\$ 0.02
Weighted Average Common Shares Outstanding				
Basic and diluted	61,387,398	61,387,398	61,387,398	52,512,123

Forward-Looking Statements:

This document may contain forward-looking statements. These statements present management's expectations, beliefs, plans and objectives regarding future events and conditions and, as such, involve inherent risks and uncertainties. Actual results could be significantly different from those projected.

These forward-looking statements are not guarantees of future performance and actual results could differ materially as a result of changes to Optimal's plans and the impact of factors, risks and uncertainties, known and unknown, to which Optimal's business is subject. The forward-looking statements in this news release speak only as the date hereof. Readers are also referred to risk factors and uncertainties described in filings made by Optimal from time to time with securities regulators.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this news release.

For more information visit our website www.optimalgeo.com



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For additional financial information: <http://www.optimalgeo.com/financials.html>

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