



Geospatial Holdings, Inc.

News Release

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GEOSPATIAL HOLDINGS, INC. REPORTS ENTRY INTO MATERIAL DEFINITIVE AGREEMENT

Company Files 8K Current Report

PITTSBURGH, PA - (December 23rd, 2008) - Geospatial Holdings, Inc. (OTC BB: GSPH) announced today that it has filed an 8K describing the entry into a material definitive agreement with Reduct NV.

Geospatial Holdings reported that on December 18, 2008, the Company entered into Amendment No. 3 to that certain Exclusive License and Distribution Agreement (the "Agreement") with Reduct NV ("Reduct"), a company organized and existing under the laws of Belgium, and Delta Networks Limited SA ("Delta"), a company incorporated under the laws of Luxembourg and owner of all outstanding capital stock of Reduct, under which the Company (i) agreed to extend the payment due date for certain payments owed by the Company to Reduct; (ii) agreed to restructure certain other payments owed by the Company to Reduct; (iii) granted an option to purchase 500,000 shares of the Company's common stock to Delta; and (iv) agreed to work in good faith with Reduct and Delta to draft and execute mutually acceptable agreements pursuant to which the Company will acquire Reduct through a purchase of one hundred percent of its outstanding capital stock (the "Acquisition") from Delta.

The initial target closing date for the Acquisition is June 15, 2009, but that date may be extended subject to certain conditions described in the Agreement. Reduct is an international technology company, based in Belgium, which is developing technologies in the field of underground pipeline mapping. Reduct's patent-pending DuctRunner Smart Probe Pipeline Mapping Technology is a gyroscope-based inertial measurement system designed to create accurate, economical three-dimensional maps of all types of underground pipelines, including water, sewer, electrical, telecom, and oil & gas pipelines.

Additional information on Geospatial can be found on our website at:
www.geospatialholdings.com.

Forward-Looking Statements

Statements made in this release that relate to future plans, events, financial results or performance are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. These statements are based upon current information and expectations. Actual results may differ materially from those anticipated as a result of certain risks and uncertainties. Investors should also be aware that while the Company from time to time does communicate with securities analysts, it is against the Company's policy to disclose to them any material non-public information or other confidential commercial information. Investors should not assume that the Company agrees with any report issued by any analyst or with any statements, projections, forecasts or opinions contained in any such report.

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