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Before Market Opens

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NovAtel Reports Results for the Third Quarter 2000

(Calgary, Alberta, Canada, October 24, 2000)— NovAtel Inc. (NASDAQ: NGPS), a global positioning manufacturer, today announced results for the third quarter ended September 30, 2000.

Revenues in the third quarter 2000 were CDN \$6.3 million (US \$4.2 million) compared to CDN \$7.5 million (US \$4.9 million) in the same period a year ago and CDN \$6.5 million (US \$4.3 million) in the second quarter 2000.

The Company is reporting a net loss from continuing operations for the third quarter 2000 of CDN \$506,000 (US \$333,000) or CDN \$0.07 (US \$0.04) per share compared with net income from continuing operations of CDN \$79,000 (US \$52,000) or CDN \$0.01 (US \$0.01) per share in the same period a year ago.

“We are pleased with the performance of our Special Apps sector and our continued participation in Wide Area Augmentation Systems,” commented Doug Reid, President and Chief Executive Officer.

Revenues from the Special Apps sector grew 9% from the third quarter 1999 to the third quarter 2000 and 13% from the second quarter 2000 to the third quarter 2000. The level of interest in the GPS 600 antenna and the OEM 4 has been very encouraging.

The Aerospace and Defense sector revenues decreased 36% from the third quarter 1999 to third quarter 2000 and were up 26% from second quarter 2000 to third quarter 2000. The balance of the WAAS receivers to China are due to be delivered in the fourth quarter. Added Mr. Reid, “We recently signed the full contract for the development and delivery of WAAS receivers for the European wide area augmentation system known as EGNOS.”

Geomatics revenues decreased 9% from the third quarter 1999 to the third quarter 2000 and decreased 32% from the second quarter 2000 to the third quarter 2000. “We are disappointed by the poor performance of our Geomatics sector in the third quarter, however we believe that a number of products, which were recently introduced by our partner Sokkia at the Intergeo conference in Berlin, will set the stage for improved results in the fourth quarter and beyond,” continued Mr. Reid.

The sector numbers previously reported in the third quarter 1999 have been revised to reflect a more accurate grouping of customers as reflected in the Company’s 20F filing for the year ended December 31, 1999 and subsequent quarterly 6K filings.

NovAtel Inc. designs, markets and supports a broad range of products that determine precise geographic locations using the Global Positioning System (“GPS”). NovAtel’s GPS products are used principally for applications in high-end markets such as surveying, geographic information systems, aviation, marine, mining and machine control and agriculture. For further information please visit our website at <http://www.novatel.ca>.

Certain statements in this news release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or developments in the Company's industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, operating results of affiliates and subsidiaries including Point, Inc., establishing and maintaining effective distribution channels, certification and market acceptance of the Company's new products, impact and timing of large orders, pricing pressures in the market and other competitive factors and maintaining technological leadership, timing of revenue recognition in connection with certain contracts, the ability to maintain supply of products from subcontract manufacturers and the supply of components to build products, the impact of industry consolidations which has made certain competitors larger and stronger, together with the other risks and uncertainties described in public filings.

NOVATEL INC.

CONSOLIDATED BALANCE SHEETS
(in Canadian \$ thousands)

	September 30, 2000	December 31, 1999
ASSETS		
Current assets:		
Cash and short term investments.....	\$ 7,274	\$ 8,280
Accounts receivable.....	4,029	6,110
Related party receivables	498	1,340
Related party note receivable	1,029	—
Inventories	5,196	3,684
Prepaid expenses and deposits	<u>437</u>	<u>292</u>
Total current assets.....	18,463	19,706
Capital assets.....	3,740	4,648
Intangible assets	2,862	3,047
Deferred development costs	<u>2,445</u>	<u>1,803</u>
Total assets	<u>\$ 27,510</u>	<u>\$29,204</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,854	\$ 4,851
Related party payables	360	278
Note payable	1,029	—
Provision for future warranty costs.....	242	246
Capital lease obligation – current portion	<u>279</u>	<u>374</u>
Total current liabilities	5,764	5,749
Deferred gain on sale/leaseback of capital assets	973	1,089
Capital lease obligation – long-term portion	<u>366</u>	<u>549</u>
Total liabilities	<u>7,103</u>	<u>7,387</u>
Non-controlling interest	78	65
Shareholders' equity:		
Capital stock	35,613	35,602
Deficit.....	<u>(15,284)</u>	<u>(13,850)</u>
Total shareholders' equity	<u>20,329</u>	<u>21,752</u>
Total liabilities and shareholders' equity	<u>\$ 27,510</u>	<u>\$29,204</u>

NOVATEL INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in Canadian \$ thousands, except per share data)

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Sept. 30,</u> <u>2000</u>	<u>Oct. 2,</u> <u>1999</u>	<u>Sept. 30,</u> <u>2000</u>	<u>Oct. 2,</u> <u>1999</u>
Revenues	\$ 6,314	\$ 7,510	\$ 19,077	\$ 16,087
Cost of sales.....	<u>2,583</u>	<u>3,756</u>	<u>8,231</u>	<u>8,098</u>
Gross profit.....	<u>3,731</u>	<u>3,754</u>	<u>10,846</u>	<u>7,989</u>
Operating expenses:				
Research and development.....	2,122	1,860	6,175	5,425
Selling and marketing.....	1,350	1,014	3,600	2,952
General and administration.....	<u>844</u>	<u>808</u>	<u>2,780</u>	<u>2,054</u>
Total operating expenses	<u>4,316</u>	<u>3,682</u>	<u>12,555</u>	<u>10,431</u>
Operating income (loss).....	(585)	72	(1,709)	(2,442)
Interest income	98	88	241	287
Other income (expense)	<u>(3)</u>	<u>(60)</u>	<u>(2)</u>	<u>(147)</u>
Income (loss) from continuing operations before income taxes	(490)	100	(1,470)	(2,302)
Provision for (recovery of) income taxes	<u>16</u>	<u>21</u>	<u>(8)</u>	<u>63</u>
Net income (loss) from continuing operations	(506)	79	(1,462)	(2,365)
Net income from discontinued operations	<u>15</u>	<u>—</u>	<u>28</u>	<u>—</u>
Net income (loss).....	<u>\$ (491)</u>	<u>\$ 79</u>	<u>\$ (1,434)</u>	<u>\$ (2,365)</u>
Net loss per share (basic):				
Continuing operations	\$ (0.07)	\$ 0.01	\$ (0.19)	\$ (0.31)
Discontinued operations.....	<u>0.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net loss per share	<u>\$ (0.06)</u>	<u>\$ 0.01</u>	<u>\$ (0.19)</u>	<u>\$ (0.31)</u>
Weighted average shares outstanding (basic)	<u>7,676</u>	<u>7,674</u>	<u>7,675</u>	<u>7,674</u>
Net loss per share (fully diluted):				
Continuing operations	\$ (0.07)	\$ 0.01	\$ (0.19)	\$ (0.31)
Discontinued operations.....	<u>0.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net loss per share	<u>\$ (0.06)</u>	<u>\$ 0.01</u>	<u>\$ (0.19)</u>	<u>\$ (0.31)</u>
Weighted average shares outstanding (fully diluted).....	<u>8,691</u>	<u>8,649</u>	<u>8,701</u>	<u>8,604</u>