

NovAtel Confirms Earnings Expectations for 2001

(Calgary, Alberta, Canada, July 20, 2001) — The management of NovAtel Inc. (NASDAQ: NGPS), a global positioning systems manufacturer, today confirmed their intent to bring the company to profitability by the end of 2001, through a combination of revenue growth and expense control.

“Our current plan for 2001 is to grow revenue by approximately 15% over 2000,” said David Vaughn, President and Chief Executive Officer. “Our Aerospace & Defense group is working to reach third quarter milestones to supply ground-based GPS receiver technology to next-generation air traffic control programs, including both wide area and local area augmentation systems, EGNOS and Galileo. These programs are expected to contribute greatly to our third and fourth quarter revenues. In the Geomatics group, all major products are released now and we expect continued sales improvements over the rest of the year. Finally, we expect our Special Applications group to continue the solid performance they exhibited in the first half of this year.”

“We are also putting in place a number of cost-improvement measures, including a temporary across-the-board reduction in salaries of 10 percent,” continued Vaughn. “Both NovAtel and our employees have invested heavily to build the unique skills and capabilities that we have here. We know that we need our people to help us through the challenging times ahead so we are working hard to avoid the trauma and expense of laying people off, and focusing all our energy on winning customers, growing the business, and achieving profitability.”

Other cost-cutting measures include reduced business travel, a hiring freeze, and the formation of cost improvement teams. “These cost improvement efforts are a demonstration of our commitment to take all necessary steps to ensure our road to profitability,” Vaughn said.

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 the surveying, geographic information systems, aviation, marine, mining and machine control, agriculture and precise timing markets. 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 subsidiaries and joint ventures, 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, maintaining technological leadership, timing of revenue recognition in connection with certain contracts, the ability to maintain supply of products from subcontract manufacturers, the procurement of components to build products, and the impact of industry consolidations, together with the other risks and uncertainties described in public filings.