

For Immediate Release

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**NOVATEL INC. ACHIEVES MAJOR MILESTONE ON EGNOS CONTRACT  
Ships First Production RIMS-C Receivers**

(Calgary, Alberta, Canada, October 5, 2001) - NovAtel Inc. (NASDAQ: NGPS) announced today that it has achieved a major milestone on the EGNOS RIMS-C receiver contract with the successful completion and approval of the Final Qualification Review (FQR). Following formal sign off of the FQR by Thales Avionics UK (RIMS-C contractor) and Alcatel Space Industries (EGNOS prime contractor), NovAtel has also shipped the first batch of six production EGNOS RIMS-C receivers. This milestone achievement will allow NovAtel to recognize CDN \$1.8 million revenue, the majority of which will fall in the company's third quarter, related to its EGNOS RIMS-C receiver contract with Thales Avionics UK.

EGNOS is the European Geostationary Navigation Overlay System managed by the European Space Agency which is the European equivalent of the US FAA Wide Area Augmentation System (WAAS), and RIMS-C (Remote Integrity Monitoring System – C) is the designation for the ground reference system being provided by Thales Avionics UK to Alcatel Space Industries for EGNOS. NovAtel initially announced its contract with Thales Avionics UK (formerly Thomson-Racal Avionics Ltd.) on October 30, 2000.

“This is a significant milestone for NovAtel along the road to fielding reference receivers in the European EGNOS program,” said David Vaughn, NovAtel's President and Chief Executive Officer. “Recognition of this EGNOS revenue in our third quarter helps maintains the momentum we have going right now, and keeps the company on track to meet this year's financial objectives.”

“Our EGNOS team has worked extremely hard to complete the qualification of our EGNOS RIMS-C receiver, and they are to be commended for this major success,” said Tony Murfin, Director, Aviation Group at NovAtel.

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.*