

For Immediate Release

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NovAtel Receives Contract to Develop New GPS Civil Frequency Receivers

(Calgary, Alberta, Canada, May 3, 2001) – NovAtel Inc. (NASDAQ: NGPS) announced today that the Company has received a contract from Zeta Associates Incorporated in Fairfax, Virginia, on behalf of the US Federal Aviation Administration (FAA) to develop L5 Transmitter and Receiver Engineering Models. These units will be used by Zeta to verify GPS L5 civil signal performance under realistic RF operating environment conditions. The contract covers development work that is scheduled over the next 12-15 months, along with the delivery of two L5 transmitters and three L5 receivers. Initially valued at \$560,000 US, the contract contains options that are expected to bring the program total to over \$850,000 US.

“We are extremely pleased to be involved with Zeta in this exciting proof-of-concept work on the new L5 civil frequency,” said Dave Vaughn, NovAtel President and Chief Executive Officer. “The selection of NovAtel to undertake this work emphasizes the confidence Zeta and the US GPS program have in our innovative approach to receiver development.”

“We have all been eagerly awaiting the arrival of the new L5 civil frequency, which will provide users with a much more reliable signal and higher levels of accuracy. Our L5 work with Zeta will start to bring these projected benefits off the paper and into a place where we can all begin to use them,” said Tony Murfin, Director, Aviation Group at NovAtel. “Our previous work with Zeta on pulse-blanking, and our new OEM-4 receiver technology, have put us in a great position to quickly address this L5 signal requirement.”

Zeta Associates provides advanced engineering solutions to the US Government. The company is a leader in the development and operation of advanced signal processing systems for data collection systems that are fielded worldwide. Systems engineering activities include important contributions to the FAA WAAS program, which uses GPS to improve air traffic control and flight path navigation.

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.