

For Immediate Release

Contact: Werner Gartner (403) 295-4550

**NovAtel Inc.'s Parent Company, BAE SYSTEMS CANADA INC.,  
Enters into Merger Agreement with ONCAP**

(Calgary, Alberta, Canada, February 6, 2001) – On February 2, 2001, BAE SYSTEMS CANADA INC., and ONCAP L.P. announced the signing of an agreement under which ONCAP will acquire all of the outstanding shares of BAE SYSTEMS CANADA at a price of \$25.25 per share in cash. BAE SYSTEMS CANADA is the majority shareholder of NovAtel and owns approximately 58% of NovAtel's outstanding common shares.

The proposed transaction will be completed by way of statutory Plan of Arrangement, which requires the approval of 66 2/3% of shareholders of BAE SYSTEMS CANADA, and is subject to customary conditions, including the receipt of all necessary consents and approvals. A proxy circular will be mailed to BAE SYSTEMS CANADA shareholders within 30 days in respect of a special shareholders' meeting anticipated to be held in April 2001. The transaction is expected to close shortly thereafter.

NovAtel's management does not expect that the proposed transaction will affect NovAtel's day-to-day operations.

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.*