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NovAtel Reports Results for the First Quarter 2000

(Calgary, Alberta, Canada, April 18, 2000)— NovAtel Inc. (NASDAQ: NGPS), a global positioning manufacturer, today announced results for the first quarter ended March 31, 2000.

Revenues in the first quarter 2000 were CDN \$6.3 million (US \$4.2 million) compared to CDN \$5.3 million (US \$3.5 million) in the same period a year ago, an increase of 19%, but lower than fourth quarter 1999 revenues of CDN \$8.1 million (US \$5.5 million). The increase in revenues from first quarter 1999 to first quarter 2000 reinforces the encouraging trends in our core financial performance. The decrease in revenue from the fourth quarter 1999 to the first quarter 2000 is the result of fewer WAAS/MSAS shipments and a slower than expected rollout of survey products into international distribution by Point, Inc. We experienced stronger than expected sales of our OEM products for Special Applications.

The Company is reporting a net loss from continuing operations for the first quarter of CDN \$507,000 (US \$341,000) or CDN \$0.07 (US \$0.05) per share compared with a net loss from continuing operations of CDN \$770,000 (US \$518,000) or CDN \$0.10 (US \$0.07) per share in the same period a year ago.

“Despite the reported loss, the first quarter continued the very positive trend in financial performance established in our previous quarter”, commented Doug Reid, President and Chief Executive Officer. “We are taking a more active role with our customers and partners to maximize the commercial value of technology. We are not acting simply as a supplier to many of these developers. Instead, we are identifying the most promising among them and developing collaborative relationships to nurture those applications to commercial success, acting as an incubator for these products.”

“The interest in our new OEM4 receiver announced in September 1999 has been extremely positive. In January 2000, the Company introduced the GPS industry’s first dual frequency antenna to achieve less than 1 mm offset between L1 and L2 phase centers without the aid of a choke ring using its patent pending Pinwheel technology.”

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. 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, 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, together with the other risks and uncertainties described in public filings.

NOVATEL INC.

CONSOLIDATED BALANCE SHEETS
(in Canadian \$ thousands)

	March 31, 2000	December 31, 1999
ASSETS		
Current assets:		
Cash and short term investments.....	\$ 7,088	\$ 8,280
Accounts receivable.....	5,169	6,110
Related party receivables	1,871	1,340
Inventories	4,671	3,684
Prepaid expenses and deposits	<u>373</u>	<u>292</u>
Total current assets.....	19,172	19,706
Capital assets.....	4,298	4,648
Intangible assets	2,979	3,047
Deferred development costs	<u>2,024</u>	<u>1,803</u>
Total assets.....	<u>\$ 28,473</u>	<u>\$29,204</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,334	\$ 4,851
Related party payables	219	278
Customer deposits	34	—
Note payable	436	—
Provision for future warranty costs.....	243	246
Deferred gain on sale/leaseback of capital assets – current portion	153	153
Capital lease obligation – current portion	<u>352</u>	<u>374</u>
Total current liabilities.....	5,771	5,902
Deferred gain on sale/leaseback of capital assets – long-term portion.	897	936
Capital lease obligation – long-term portion	<u>480</u>	<u>549</u>
Total liabilities	<u>7,148</u>	<u>7,387</u>
Non-controlling interest.....	62	65
Shareholders' equity:		
Capital stock.....	35,607	35,602
Deficit	<u>(14,344)</u>	<u>(13,850)</u>
Total shareholders' equity	<u>21,263</u>	<u>21,752</u>
Total liabilities and shareholders' equity	<u>\$ 28,473</u>	<u>\$29,204</u>

NOVATEL INC.

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

	<u>Three months ended</u>	
	<u>March 31,</u> <u>2000</u>	<u>March 31,</u> <u>1999</u>
Revenues	\$ 6,293	\$ 5,270
Cost of sales	<u>3,110</u>	<u>2,579</u>
Gross profit.....	<u>3,183</u>	<u>2,691</u>
Operating expenses:		
Research and development.....	1,932	1,885
Selling and marketing	994	973
General and administration	<u>900</u>	<u>616</u>
Total operating expenses	<u>3,826</u>	<u>3,474</u>
Operating loss.....	(643)	(783)
Interest income	76	94
Other income (expense).....	<u>42</u>	<u>(60)</u>
Loss from continuing operations before income taxes.....	(525)	(749)
Provision for (recovery of) income taxes	<u>(18)</u>	<u>21</u>
Net loss from continuing operations.....	(507)	(770)
Net income from discontinued operations	<u>13</u>	<u>—</u>
Net loss.....	<u>\$ (494)</u>	<u>\$ (770)</u>
Net income (loss) per share (basic):		
Continuing operations	\$ (0.07)	\$ (0.10)
Discontinued operations	<u>0.01</u>	<u>—</u>
Net income (loss) per share.....	<u>\$ (0.06)</u>	<u>\$ (0.10)</u>
Weighted average shares outstanding (basic)	<u>7,674</u>	<u>7,674</u>
Net income (loss) per share (fully-diluted):		
Continuing operations	\$ (0.07)	\$ (0.10)
Discontinued operations	<u>0.01</u>	<u>—</u>
Net income (loss) per share.....	<u>\$ (0.06)</u>	<u>\$ (0.10)</u>
Weighted average shares outstanding (fully-diluted).....	<u>8,708</u>	<u>8,481</u>