

NovAtel Reports Profit for the Second Quarter 2002

(Calgary, Alberta, Canada, August 8, 2002)— NovAtel Inc. (NASDAQ: NGPS), a global positioning systems manufacturer, today announced results for the second quarter ended June 29, 2002.

Revenues in the second quarter 2002 were CDN \$8.0 million (US \$5.2 million) compared to CDN \$6.5 million (US \$4.2 million) in the same period a year ago. The Company is reporting net income for the second quarter 2002 of CDN \$295,000 (US \$192,000) or CDN \$0.04 (US \$0.03) per share compared with a net loss of CDN \$439,000 (US \$285,000) or CDN \$(0.06) (US \$(0.04)) per share in the same period a year ago.

“The second quarter was not only our fourth consecutive profitable quarter in row, it was the second largest revenue quarter in our history,” said Jon Ladd, President and CEO. “We remain on target to deliver 15% growth and \$500,000 profit at the end of the year.”

“Our Special Applications segment experienced solid growth primarily due to increased revenues in the precision agriculture market. The Aerospace and Defense segment was up over \$1 million, year on year, due to increased engineering service contracts for LAAS and next generation WAAS programs, and due to sales into the Japanese MSAS and European EGNOS programs,” continued Ladd. “Our Geomatics business segment continued to face challenging market conditions and was down 7% from the second quarter in 2001. Point, Inc., our joint venture with Sokkia Co. Ltd., continues to focus on improving sales and distribution.”

NovAtel Inc. is pleased to announce the election of Mr. Jonathan W. Ladd to the Company’s Board of Directors at the Annual Shareholders Meeting held July 16, 2002.

The company will have a conference call the same day at 4:30 p.m. E.T. Participants may access the NovAtel Inc. conference call by dialing 1-877-323-2092 (North America) or 416-695-9706 (International), reservation number T358853C. This call is also being webcast and can be accessed at NovAtel’s web site www.novatel.ca or at www.ccnmatthews.com.

A replay of the conference call will be available until August 14, 2002 by dialing 1-888-509-0081 (North America) or 416-695-9728 (International), or until October 17, 2002 at the web addresses noted above.

NovAtel Inc. designs, markets and supports a broad range of products that determine precise geographic locations using the Global Positioning System (GPS) and is the principal supplier of reference receivers to WAAS ground networks around the world. NovAtel’s GPS products are used principally for applications in precision markets such

as the surveying, geographic information systems, aviation, marine, mining, machine control, agriculture and precise timing markets. For further information please visit the Company's website at www.novatel.com.

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.

NOVATEL INC.

CONSOLIDATED BALANCE SHEETS
(in Canadian \$ thousands)

	<u>June 29, 2002</u>	<u>December 31, 2001</u>
ASSETS		
Current assets:		
Cash and short term investments	\$ 6,061	\$ 4,794
Accounts receivable	6,211	6,050
Related party receivables	1,225	665
Related party notes receivable	1,589	1,595
Inventories	6,167	6,562
Prepaid expenses and deposits	<u>427</u>	<u>286</u>
Total current assets	21,680	19,952
Capital assets	2,363	2,854
Intangible assets	2,154	2,487
Deferred development costs	<u>2,502</u>	<u>2,528</u>
Total assets	<u>\$28,699</u>	<u>\$27,821</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,415	\$ 4,469
Related party payables	952	418
Notes payable	1,939	1,964
Deferred revenue	472	202
Provision for future warranty costs	354	285
Capital lease obligation – current portion	<u>276</u>	<u>330</u>
Total current liabilities	8,408	7,668
Deferred gain on sale/leaseback of capital assets	750	814
Capital lease obligation – long-term portion	<u>145</u>	<u>253</u>
Total liabilities	<u>9,303</u>	<u>8,735</u>
Shareholders' equity:		
Capital stock	35,550	35,596
Contributed surplus	13	25
Deficit	<u>(16,167)</u>	<u>(16,535)</u>
Total shareholders' equity	<u>19,396</u>	<u>19,086</u>
Total liabilities and shareholders' equity	<u>\$28,699</u>	<u>\$27,821</u>

NOVATEL INC.

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

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 29,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>	<u>June 29,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
Revenues	\$ 8,004	\$ 6,520	\$15,298	\$13,520
Cost of sales	<u>4,034</u>	<u>3,019</u>	<u>7,636</u>	<u>6,736</u>
Gross profit	<u>3,970</u>	<u>3,501</u>	<u>7,662</u>	<u>6,784</u>
Operating expenses:				
Research and development.....	1,366	1,866	2,931	3,747
Selling and marketing	1,246	835	2,049	1,764
General and administration	<u>1,093</u>	<u>1,070</u>	<u>2,122</u>	<u>1,962</u>
Total operating expenses	<u>3,705</u>	<u>3,771</u>	<u>7,102</u>	<u>7,473</u>
Operating income (loss)	265	(270)	560	(689)
Interest income	18	47	28	98
Other income (expense)	<u>21</u>	<u>(227)</u>	<u>(202)</u>	<u>(143)</u>
Income (loss) from continuing operations before income taxes	304	(450)	386	(734)
Provision for (recovery of) income taxes	<u>9</u>	<u>(11)</u>	<u>18</u>	<u>1</u>
Net income (loss)	<u>\$ 295</u>	<u>\$ (439)</u>	<u>\$ 368</u>	<u>\$ (735)</u>
Net income (loss) per share (basic)	<u>\$ 0.04</u>	<u>\$ (0.06)</u>	<u>\$ 0.05</u>	<u>\$ (0.10)</u>
Weighted average shares outstanding (basic)	<u>7,679</u>	<u>7,694</u>	<u>7,681</u>	<u>7,692</u>
Net income (loss) per share (fully diluted)	<u>\$ 0.04</u>	<u>\$ (0.06)</u>	<u>\$ 0.05</u>	<u>\$ (0.10)</u>