

Company Overview

NovAtel Inc. designs, markets, and supports a broad range of products that determine precise geographic locations using the Global Positioning System (GPS). The system is comprised of 24 earth orbiting satellites that transmit radio signals 24 hours a day worldwide. GPS receivers calculate the distance from the satellites to the receiver and then use a triangulation technique to determine exact geographical locations. GPS is used for a variety of purposes, including navigating, tracking, mapping, and conducting geographical surveys.

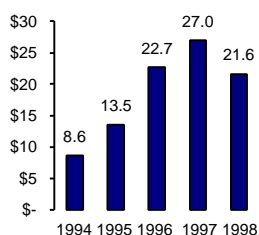
NovAtel focuses on high-end GPS applications such as surveying, geographic information systems (GIS), aviation, marine, mining and machine control and agriculture with technologically innovative products that provide high levels of accuracy, real-time positioning and reliability. According to industry sources, these market segments represent an estimated US\$1.3B in 1997 and are expected to grow to approximately US\$2.0 billion in 2000. NovAtel is not active in low-end GPS applications such as vehicle navigation and the consumer/cellular market.

Investor Information (at 2/25/99)

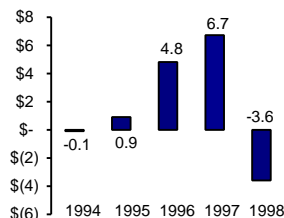
Nasdaq:	NGPSF	CAGR 1993-98	
Price:	US\$2.00	Sales:	35%
Market capitalization:	US\$15.3 million	52-week price range:	US\$1.375 - US\$10.375
Shares outstanding:	7,674,040		

Financial Highlights

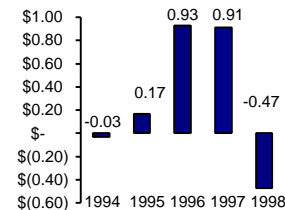
Revenue
CDN\$ Millions



Income (Loss) From Continuing Operations
CDN\$ Millions



Income (Loss) From Continuing Operations - Per Share (basic)
CDN\$



Statement of Operations

(CDN\$ in thousands, except per share data)

	Year ended	
	12/31/98	12/31/97
Revenue	\$21,567	\$ 27,049
Income (loss) from continuing operations	\$ (3,634)	\$ 6,723
Income (loss) per share from continuing operations (basic)	\$ (0.47)	\$ 0.91
Income (loss) per share from continuing operations (fully diluted)	\$ (0.47)	\$ 0.86

Balance Sheet

(CDN\$ in thousands)

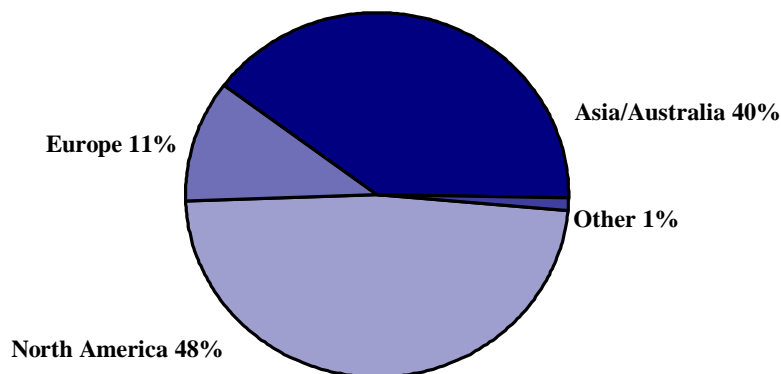
	at 12/31/98	at 12/31/97
Cash and short term investments	\$ 4,486	\$ 10,732
Debt-current	\$ 0	\$ 0
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$ 22,786	\$ 25,073

Recent Developments

- ◆ In January 1999, NovAtel launched an innovative and affordable simulation tool that allows users to test the effect of date/time transitions on systems which rely on GPS as a basis for date and time stamping. Using NovAtel's GPS Timing Simulator, users responsible for equipment testing will be able to test how complex, interconnected systems react to events such as the GPS end-of-week (EOW) rollover and the Y2K rollover.
- ◆ Also in January, NovAtel concluded a sale/leaseback of its corporate head office located in Calgary, Alberta, Canada. The net proceeds realized from this transaction were CDN \$6.9 million.
- ◆ Mr. Pierre Ducros accepted a seat on the company's Board in February 1999, following the resignation of Mr. Howard Beck. Mr. Ducros is Chairman of the Board of Directors of Canadian Marconi Company, and has a strong background in information technology.

Distribution

NovAtel sells its products through multiple channels – direct, dealers and value-added resellers – and in over 35 countries worldwide.



Region (1998)

Key Strategies

- ◆ Grow OEM business by expanding the product family
- ◆ Broaden revenue base by entering selected end-user markets
- ◆ Expand international business by a targeted marketing strategy with optimized sales channel mix
- ◆ Maintain technological leadership
- ◆ Lead industry in customer support and service

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