

NovAtel Inc. Reports Record Financial Results for the Full Year 2006

(Calgary, Alberta, Canada, March 8, 2007)— NovAtel Inc. (NASDAQ: NGPS), a precise positioning technology company, today announced its financial results for the full year and fourth quarter ended December 31, 2006.

Revenues in the twelve months ended December 31, 2006 were CDN \$77.6 million (US \$68.3 million) compared to CDN \$63.3 million (US \$51.9 million) in 2005. The Company is reporting net income for the twelve months ended December 31, 2006 of CDN \$21.5 million (US \$18.9 million) or CDN \$2.44 (US \$2.15) per share (diluted) compared to a net income of CDN \$16.7 million (US \$13.7 million) or CDN \$1.91 (US \$1.57) per share (diluted), in 2005.

Revenues in the fourth quarter 2006 were CDN \$19.2 million (US \$17.1 million) compared to CDN \$16.2 million (US \$13.6 million) in the similar period a year ago. The Company is reporting net income for the fourth quarter 2006 of CDN \$5.1 million (US \$4.6 million) or CDN \$0.58 (US \$0.52) per share (diluted) compared to a net income of CDN \$5.1 million (US \$4.3 million) or CDN \$0.58 (US \$0.49) per share (diluted) in the similar period a year ago.

"We achieved another year of record results in 2006. For the full year, revenue increased by 23% and net income by 29%, compared to 2005," said Jon Ladd, President and CEO. The majority of the Company's revenue and net income growth in 2006 was driven by strong sales of its precision positioning system components into the survey/mapping market and by higher sales into Europe.

"It is important to note that we were able to achieve these results while investing 17.3% of our revenue, or CDN \$13.5 million, in research and development during the year," added Ladd. "NovAtel is committed to ensuring its R&D investment is focused on advancements in precise global positioning technology, in order to provide our customers with innovative, highly-integrated and competitively-priced products."

"Our results for 2006 reflect strong customer acceptance of our latest generation of GPS+GLONASS technology, the OEMV™ family of receivers, which became available to our customers in March 2006," continued Ladd. "We also experienced a positive outcome from international expansion of our sales team in 2006, as part of our strategy to establish dedicated, regional resources to develop distribution and drive worldwide growth."

NovAtel's Executive Vice President and CFO, Werner Gartner, commented, "The 23% growth in year-over-year 2006 revenue was achieved after absorbing the impact of the lower US dollar relative to the Canadian dollar. Our full year 2006 revenues grew at approximately 32% in US dollars, the base currency of the majority of our revenues."

"Our fourth quarter 2006 revenue was our second-highest historical record, largely driven by the Special Applications category, which grew by 32% over the similar period in 2005," said Ladd. The majority of this year-over-year quarterly revenue increase is attributable to higher product shipments into the surveying, mapping and geomatics markets, which more than offset lower than expected shipments into the precision agriculture market.

Revenue in the Company's Geomatics category in the fourth quarter of 2006 increased by 51% over the similar period a year ago, fuelled by sales of the recently launched GSR2700IS survey product, which is manufactured for Point, Inc., the Company's joint venture with Sokkia Co., Ltd. of Japan.

Fourth quarter 2006 revenue from the Company's Aerospace and Defence category decreased by 50% over the similar period a year ago, largely due to the timing of milestones related to the Company's contract to develop the Navigation Ground Reference Receiver for Europe's future Galileo system.

"The fourth quarter 2006 revenue growth of 19% and continued strong gross margins of 62.2% were offset by increased operating costs, resulting in net income of \$5.1 million, comparable to the fourth quarter of 2005. The fourth quarter of 2005 also benefited from \$1.1 million future income tax assets, compared to \$688 thousand in the fourth quarter of 2006," added Gartner. "We generated \$4.7 million in positive operating cash flow during the fourth quarter of 2006, increasing our cash/short term investments balance to CDN \$49.3 million. For the full year 2006, both operating income and net income increased by 29% over 2005, driven largely by our revenue growth and sustained strong gross margins."

Foreign Exchange

Although approximately 95% of the Company's revenues in 2006 were earned in US dollars, the Company's financial results are reported in Canadian dollars and in accordance with Canadian generally accepted accounting principles. The CDN/US dollar exchange rate has declined from an average rate of approximately CDN \$1.22 per US dollar in all of 2005 to a rate of CDN \$1.17 per US dollar as of December 31, 2006.

The US dollar financial information presented above is translated from the Canadian dollar financial information at the average rates in effect during the relevant reporting periods, as follows:

| | Three months ended | | Twelve months ended | |
|-------------------------------|--------------------|---------------|---------------------|---------------|
| | Dec. 31, 2006 | Dec. 31, 2005 | Dec. 31, 2006 | Dec. 31, 2005 |
| Canadian dollar per US dollar | \$1.125 | \$1.186 | \$1.136 | \$1.218 |

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During the conference call scheduled for this afternoon, the Company will be providing updates and further information on the Special Applications, Aerospace & Defence and Geomatics revenue categories, and near- and long-term business trends.

The Company will have a conference call today at 4:30 p.m. ET. Participants may access the NovAtel Inc. conference call by dialing 1-866-507-1212 (North America) or 416-695-5261 (International). This call is also being webcast by VCall and can be accessed at NovAtel's web site www.novatel.com or at www.InvestorCalendar.com.

A replay of the conference call will be available until March 15, 2007 by dialing 1-888-509-0081 (North America) or 416-695-5275 (International), Verbal Passcode 641235, or until July 15, 2007 at the web addresses noted above.

About NovAtel

NovAtel Inc. (NASDAQ:NGPS) is a leading provider of precision Global Navigation Satellite System (GNSS) components and subsystems that afford its customers rapid integration of precise positioning technology. The Company's mission is to provide exceptional return on investment and outstanding service to our customers. An ISO 9001 certified company,

NovAtel is focused on developing quality OEM products including receivers, antennas, enclosures and software that are integrated into high precision positioning applications worldwide. These applications include surveying, Geographical Information System (GIS) mapping, precision agriculture machine guidance, port automation, mining, marine and defence industries. NovAtel's reference receivers are also at the core of national aviation ground networks in the USA, Japan, Europe, China and India. The Company is committed to providing its customers with advanced positioning technology through significant R&D investment focusing on the modernized Global Positioning System (GPS), the revitalized Russian GLONASS and the emerging European Galileo satellite systems, as well as the integration of additional complementary technologies such as Inertial Measurement Units (IMUs). For more information, visit www.novatel.com.

Certain statements in this news release, including those about the Company's future plans and intentions, long-term growth prospects, levels of activity or other future events, are forward-looking statements. These forward-looking statements are not based on historical facts but rather on management's current expectations regarding NovAtel's future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "may", "could", "will", "potential", "intend", "estimate", "should", "plan", "predict", "forecast" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements, including operating results of the Company's joint venture Point, Inc. ("Point"), impact and timing of large orders, U.S. dollar to Canadian dollar exchange rate fluctuations, establishing and maintaining effective distribution channels, certification and market acceptance of NovAtel's new products, credit risks of customers and the Company's joint venture Point, 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, product defects, the impact of industry consolidations, vulnerability to general economic, market and business conditions, competition, environmental and other actions by governmental authorities, reliance on key personnel and other factors described in the Company's Form 20-F for the year ended December 31, 2005 and other SEC filings, many of which are beyond the control of NovAtel. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. These forward-looking statements are made as of the date of this news release, and NovAtel assumes no obligation to update or revise them to reflect new events or circumstances.

NOVATEL INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, Canadian dollars)
(Unaudited)

| | Dec. 31, 2006 | Dec. 31, 2005 |
|---|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,853 | \$ 2,721 |
| Short-term investments | 45,454 | 32,363 |
| Accounts receivable | 13,697 | 10,694 |
| Related party receivables | 920 | 1,331 |
| Related party notes receivable | 378 | 1,552 |
| Inventories | 8,075 | 5,436 |
| Prepaid expenses and deposits | 578 | 599 |
| Future income tax asset | <u>3,356</u> | <u>2,370</u> |
| Total current assets | 76,311 | 57,066 |
| Capital assets | 6,079 | 3,095 |
| Intangible assets | 6,719 | 4,722 |
| Goodwill | 1,494 | 1,494 |
| Deferred development costs | 1,253 | 1,657 |
| Other assets | 816 | — |
| Future income tax asset | <u>4,296</u> | <u>3,221</u> |
| Total assets | <u>\$ 96,968</u> | <u>\$ 71,255</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 12,336 | \$ 9,784 |
| Related party payables | 72 | 15 |
| Notes payable | 541 | 1,552 |
| Deferred revenue and customer deposits | 692 | 752 |
| Provision for future warranty costs | <u>816</u> | <u>693</u> |
| Total current liabilities | 14,457 | 12,796 |
| Deferred gain on sale/leaseback of capital assets | 231 | 342 |
| Licence fee payable | <u>691</u> | <u>—</u> |
| Total liabilities | <u>15,379</u> | <u>13,138</u> |
| Shareholders' equity: | | |
| Capital stock | 40,953 | 39,667 |
| (Common shares issued and outstanding: 8,529 at Dec. 31, 2006 and 8,365 at Dec. 31, 2005) | | |
| Contributed surplus | 1,647 | 953 |
| Retained earnings | <u>38,989</u> | <u>17,497</u> |
| Total shareholders' equity | <u>81,589</u> | <u>58,117</u> |
| Total liabilities and shareholders' equity | <u>\$ 96,968</u> | <u>\$ 71,255</u> |

NOVATEL INC.

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

| | Three months ended | | Twelve months ended | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Dec. 31, <u>2006</u> | Dec. 31, <u>2005</u> | Dec. 31, <u>2006</u> | Dec. 31, <u>2005</u> |
| Revenues: | | | | |
| Product sales | \$18,062 | \$14,501 | \$72,972 | \$59,306 |
| NRE fees | <u>1,134</u> | <u>1,656</u> | <u>4,662</u> | <u>3,989</u> |
| Total revenues..... | <u>19,196</u> | <u>16,157</u> | <u>77,634</u> | <u>63,295</u> |
| Cost of sales: | | | | |
| Cost of product sales..... | 6,544 | 5,050 | 27,228 | 22,323 |
| Cost of NRE fees..... | <u>709</u> | <u>855</u> | <u>2,879</u> | <u>2,313</u> |
| Total cost of sales | <u>7,253</u> | <u>5,905</u> | <u>30,107</u> | <u>24,636</u> |
| Gross profit | <u>11,943</u> | <u>10,252</u> | <u>47,527</u> | <u>38,659</u> |
| Operating expenses: | | | | |
| Research and development | 3,447 | 3,056 | 13,450 | 10,882 |
| Selling and marketing | 2,060 | 1,480 | 7,692 | 6,387 |
| General and administration | 2,392 | 1,928 | 8,009 | 7,082 |
| Foreign exchange loss | <u>119</u> | <u>19</u> | <u>198</u> | <u>255</u> |
| Total operating expenses | <u>8,018</u> | <u>6,483</u> | <u>29,349</u> | <u>24,606</u> |
| Operating income | 3,925 | 3,769 | 18,178 | 14,053 |
| Interest income, net | 545 | 246 | 1,680 | 787 |
| Other income (expense) | 53 | (12) | (86) | (72) |
| Benefit of investment tax credits..... | <u>—</u> | <u>556</u> | <u>—</u> | <u>1,592</u> |
| Income from operations before income taxes | 4,523 | 4,559 | 19,772 | 16,360 |
| Income taxes | | | | |
| Current provision..... | 65 | 549 | 341 | 2,046 |
| Future income tax expense (benefit) | <u>(688)</u> | <u>(1,121)</u> | <u>(2,061)</u> | <u>(2,402)</u> |
| Net income | <u>\$ 5,146</u> | <u>\$ 5,131</u> | <u>\$21,492</u> | <u>\$16,716</u> |
| Net income per share (basic)..... | <u>\$ 0.60</u> | <u>\$ 0.61</u> | <u>\$ 2.54</u> | <u>\$ 2.01</u> |
| Weighted average shares outstanding (basic) | <u>8,513</u> | <u>8,352</u> | <u>8,450</u> | <u>8,298</u> |
| Net income per share (diluted) | <u>\$ 0.58</u> | <u>\$ 0.58</u> | <u>\$ 2.44</u> | <u>\$ 1.91</u> |
| Weighted average shares outstanding (diluted) | <u>8,839</u> | <u>8,825</u> | <u>8,825</u> | <u>8,763</u> |