

For Immediate Release

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NovAtel Awarded Galileo Contract by European Space Agency

(Calgary, Alberta, Canada, January 2, 2000) – NovAtel Inc. (NASDAQ: NGPS) announced today that it has been awarded a contract by the European Space Agency (ESA) for definition work on Galileo, the proposed European satellite navigation system. Under the contract, NovAtel will provide input to ESA on signal validation and receiver development requirements.

“NovAtel is delighted to receive this contract from ESA,” said Werner Gartner, NovAtel’s acting President and Chief Executive Officer. “We look forward to our participation in this important European program and, while this is an initial contract, NovAtel hopes to continue its involvement in Galileo in the long term.”

Tony Murfin, Director, Aviation Group at NovAtel, added, “As an industry member helping in Galileo definition work, we will provide valuable initial input to help shape receiver development requirements. We are very pleased to be part of the Canadian team working on Galileo, under the leadership of the Canadian Space Agency.”

Under this initial \$190,000 Cdn contract, NovAtel will review draft Galileo signal specifications and provide feedback on receiver performance, development requirements and cost implications. The study will be completed over the next six to eight months, working directly with ESA technical management.

The Galileo project, jointly initiated by the European Union and the European Space Agency, aims to launch a series of Medium Earth Orbit satellites in three orbital planes at 20 000 km, monitored by a network of ground control stations, to provide world-wide navigation services. The European Commission has received a mandate to run and pilot a major industrial project of global dimension. A decision on the next phase of Galileo development is anticipated shortly.

NovAtel 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.