



BULLETIN

NovAtel Announces New Software Update Subscription Service

NovAtel Inc. is committed to its focus on OEM product development. This means creating easy-to-integrate products and effective solutions 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 its customer base.

In particular, NovAtel prides itself in on being responsive to its customers and improving the performance of our products.

NovAtel is also a publicly traded company on the NASDAQ stock exchange (symbol: NGPS). As such, we are subject to U.S. securities regulations and GAAP (Generally Accepted Accounting Principles), and these regulations have a direct impact on the way in which NovAtel executes its business. The most important implication of these regulations to NovAtel's customers is that, for certain products, NovAtel will be offering its software updates on a subscription basis, effective 30 September 2007.

Starting 30 September 2007, software updates for the OEMV family of products will be made available on a "when and if available basis" to customers through our subscription service. Subscriptions will be sold in 12-month increments, and a subscription is required for each receiver.

All new purchases of OEMV products and associated upgrades will include the latest release of all related firmware and software, and the first-year's subscription to the service for that product. All customers will receive their first-year's subscription bundled into the purchase price. Therefore, no customer action is required until September 2008.

As a result of this new service, minor changes are being made to Section **6. LIMITED WARRANTY AND LIABILITY** of our standard terms and conditions. Please refer to <http://www.novatel.com/products/terms.html> for a complete copy of this document. The new text appears underlined below.

6. LIMITED WARRANTY AND LIABILITY: Warranty Period: Products - 1 year; Accessories - 90 days (in each case from the date of invoice). NovAtel warrants that during the Warranty Period that (a) the Product will be free from defects in material and workmanship and conform to NovAtel specifications; (b) the software will be free from error which materially affect performance; and (c) if applicable as defined in the User's Manual, be eligible for access to post contract support and software updates when available. **THESE WARRANTIES ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NOVATEL SHALL IN NO EVENT BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE DUE TO ANY CAUSE.**

Products based on NovAtel's OEM4-G2, OEM4, OEM3, SUPERSTAR-II, and previous families of GPS receivers do not have new software updates, and therefore do not require subscriptions. Newer products that use the NovAtel OEMV GPS receivers are included in this program.

Our goal with this program is to improve customer satisfaction. We are committed to minimizing the disruption to your business going forward, and to improving your company's ability to be productive using NovAtel's GNSS receivers. A simple process will be created to enable quick access to updates. We will



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provide information for larger customers to manage their installed base, determine the receiver status, and generate automated notifications as subscription expirations approach.

For further information, please contact your NovAtel Sales representative or email sales@novatel.com.