

Hemisphere Acquires BEELINE

Hemisphere GPS (Canada) has entered into a definitive agreement with BEELINE Technologies Pty Ltd. under which Hemisphere GPS has agreed to acquire all of the outstanding shares and ongoing operations of BEELINE for total consideration of USD21 million.

BEELINE, based in Brisbane, Australia, is a private, precision guidance software developer, providing intelligent high-end GPS guidance and auto-steering solutions for agriculture equipment and autonomous control solutions for other machine control applications including the mining, construction and military market verticals. For more than a decade, BEELINE's experienced teams have worked with OEMs and technology organisations to deliver technology solutions for ground-based vehicles worldwide. Historically, a GPS applications provider, BEELINE recently transitioned its business strategy to focus exclusively on its advanced software platform which leverages highly accurate "steer-by-wire" automatic vehicle steering. This acquisition enables Hemisphere GPS to accelerate the evolution of its leading auto-steering products from hydraulic-based steering to electronic vehicle control which accesses the vehicle electronic systems using the industry standard Controller Area Network (CAN) interface protocol.

BEELINE has approximately 30 employees, of which 20 are engineers focused on research and software development. The Company's new software business model has transitioned BEELINE to profitability. For its fiscal year ended 30th June 2007, BEELINE's revenues were approximately US\$5.2 million with earnings before interest, taxes, depreciation and amortisation ("EBITDA") of approximately US\$2.3 million, prior to costs which are not expected to continue following the acquisition including executive costs, board of directors costs and adjustments related to the carrying value of BEELINE's long-term liabilities under Australian GAAP. BEELINE's software-based business is expected to be immediately accretive to Hemisphere GPS.

The acquisition of BEELINE complements Hemisphere GPS' longer term OEM strategy by immediately increasing its presence in the OEM market. BEELINE has a long standing OEM partnership with AGCO Corporation, a worldwide manufacturer and distributor of agricultural equipment with over a century of experience in the field and 2006 net sales of US\$5.4 billion. AGCO's global diversity spans more than 140 countries with a distribution channel of close to 3,200 authorised dealers. Today, BEELINE is the exclusive OEM auto-steering software supplier for AGCO tractor brands including Fendt, Challenger, Massey Ferguson and Valtra.

The acquisition of BEELINE supports Hemisphere GPS' future market expansion strategies by providing immediate access to high-end guidance technology suited for new growth markets including mining, machine control, construction and defense. BEELINE has developed technology to support UAV applications with funding from AusIndustry, the Australian Government agency supporting industry, research and innovation. BEELINE's technology is now being tested by military for UAV applications such as HUM-V's.

Under the terms of the agreement, Hemisphere GPS will acquire all of the issued and outstanding securities of BEELINE for total consideration of US\$21 million, consisting of US\$12.5 million in cash and US\$8.5 million in Hemisphere GPS common shares. Hemisphere GPS plans to fund the cash component of the acquisition from cash on the balance sheet and pre-arranged financing facilities.

The agreement has been approved by BEELINE's Board of Directors and is fully supported by BEELINE's management. The transaction is expected to close by 8th January 2008 and is subject to regulatory approval.