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PRESS RELEASE

GPS INDUSTRIES (OTCB: GPSNQ) Civil Case Dismissed
GPSI Announces Reorganization Under Chapter 11 Bankruptcy Code

SAN DIEGO, August 17, 2009 – Civil Action No. 3:07-CV-0831-K, involving GPS Industries, Inc. (GPSNQ) and Optimal I.P. Holdings, L.P. v. Altex Corporation, et al., was dismissed on July 27, 2009. The plaintiffs had claimed infringement of the '093 patent, labeled "Golf Distance Measuring System and Method", which outlines a method for determining the approximate distance of a golf ball to a golf cup using GPS technology.

Since May of 2007, L1 Technologies Inc. (the parent company of the [iGolf](#) brand), as well as other defendants in the case, have asserted with confidence that their GPS devices do not infringe on the '093 patent. "We have long stated our belief that the case lacked validity, and we are thrilled that the case has been dismissed, allowing us to focus our efforts on developing GPS solutions for our corporate partners and customers," said Brian Verdugo, the President of [L1 Technologies](#).

However, even though the court determined that the plaintiffs did not have standing to bring the suit, the defendants are still faced with over two years of attorney's fees and countless hours of lost development time. Considering the prohibitive costs to the defendants there is hope that the court will seriously consider reimbursing their attorney's fees. In addition to compensating the defendants, an award of attorney's fees would also send a clear message to plaintiffs and their attorneys to discourage reckless abuse of the judicial system and wasting of taxpayer dollars.

GPS Industries Files for Chapter 11

Less than two weeks after the dismissal of the case, on August 5, 2009, GPS Industries, Inc. filed a Plan for Reorganization under the Chapter 11 Bankruptcy Code. According to the Plan of Reorganization filed with the court: "GPSI has incurred losses since its inception" and the company's "net loss was \$30,881,000 for the year ended December 31, 2008 compared to \$11,593,000 loss for 2007" (Plan of Reorganization for GPS Industries, Inc./Dated August 5, 2009). Furthermore, the Disclosure Statement for Plan of Reorganization filed with the court states that: "If the Debtor [GPSI] is unable to negotiate additional financing on satisfactory terms, such would have a materially adverse effect on the Debtor's business and financial position and could cause the business to cease some or all of its operations" (Disclosure Statement for Plan of Reorganization for GPS Industries, Inc./Dated August 5, 2009).

GPS Industries Patent '093 in Re-exam

Aside from the case being dismissed, L1 has identified significant questions of validity with the '093 patent itself. As of November 21, 2008 the United States Patent and Trademark Office (USPTO) has granted a re-examination of the '093 patent. According to an order by the Trademark Trial and Appeal Board, the re-exam presents "a substantial new question of

patentability." Statistics from the USPTO indicate that in requests for re-exam by third party companies, such as L1, 72 percent are either canceled or have their claims significantly changed. Therefore, if statistics hold true, the '093 patent will most likely be modified, if not invalidated completely.

About L1 Technologies

L1 Technologies Inc., based in San Diego, California, has been developing innovative and affordable GPS solutions since 2003. L1 Technologies is comprised of the iGolf Division, providing cutting-edge software, hardware and GPS content for the golf industry; and the oneNavigator Division, which has developed a proprietary navigation platform, including: map engines, routing algorithms, mobile solutions and compression technology. For more information please visit www.l1technologies.com.

About iGolf

Pioneering the consumer golf GPS market, iGolf, operated by L1 Technologies Inc., has become a brand uniquely focused on providing innovative software, hardware and GPS content for the golfing sector. Under the iGolf brand name L1 Technologies has developed and brought to market five golf GPS devices since 2005. In 2008 L1 established the Powered by iGolf Division, allowing corporate partners to rapidly create new revenue streams by leveraging L1's intellectual property and golf GPS expertise. As host to the world's largest GPS enabled golf course database, iGolf.com is the backbone supporting both iGolf and Powered by iGolf partner products. For more information please visit www.igolf.com.

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