SPACE SYSTEMS LORAL

PRESS RELEASE

Space Systems/Loral-Built XTAR-EUR Satellite Successfully Launched

XTAR Joint Venture to Provide Steerable X-Band Capacity for Military and Government Applications

BEDMINSTER, NJ — February 12, 2005 — XTAR, the world's first commercial provider of X-band services, today announced that its XTAR-EUR satellite was successfully launched this afternoon, sent into space from the European Spaceport in Kourou, French Guiana aboard an Ariane 5 ECA rocket. XTAR is a joint venture between Loral Space & Communications and HISDESAT.

"The launch of XTAR-EUR represents the birth of a new dimension in satellite services. XTAR is designed to provide much-needed X-band capacity to the U.S. and other friendly nations in support of their military and government communications requirements," said Dr. Denis Curtin, chief operating officer, XTAR. "The XTAR-EUR satellite's footprint covers a large geographic area stretching from Eastern Brazil and the Atlantic Ocean, across all of Europe, Africa and the Middle East to as far as Singapore, providing critical X-band services at a time when conventional military X-band systems are frequently at full capacity."

The XTAR-EUR satellite will enter commercial service at 29 degrees East longitude in the second quarter of 2005, after the completion of routine in-orbit tests.

The Spanish Ministry of Defense (SMOD) is XTAR's first customer, leasing 238 MHz of X-band capacity on XTAR-EUR until its primary satellite, SPAINSAT, enters service, at which time XTAR will provide back-up capacity to the SMOD on XTAR-EUR. In addition, XTAR will lease eight 72 MHz X-band transponders on SPAINSAT, to be designated XTAR-LANT, in order to provide greater flexibility and additional X-band services.

The XTAR-EUR satellite features on-board switching and multiple steerable beams, allowing users access to X-band capacity as they travel anywhere within the footprint of the satellite. XTAR-EUR is designed to work with existing X-band terminals, as well as next generation X-band terminals that feature antennas smaller than 2.4 meters.

Weighing four tons at launch, XTAR-EUR is based on SS/L's space-proven 1300 platform and carries twelve wideband and high-power X-band transponders. XTAR-EUR, which has a specified service life of 15 years, maintains station-keeping and orbital stability by using bipropellant propulsion and momentum-bias systems. In all, SS/L satellites have amassed more than 1,100 years of on-orbit service.

XTAR, LLC is a new satellite communications company committed to serving the long-haul communications, logistics and infrastructure requirements of the U.S., Spanish and allied governments. The company is a joint venture between Loral, which owns 56 percent, and HISDESAT, which owns 44 percent. XTAR is headquartered in Rockville, Md., and has offices in Arlington, Va., Palo Alto, Calif. and Madrid, Spain. For more information, visit the XTAR Web site at http://www.xtarllc.com.

HISDESAT Servicios Estrategicos S.A. is a Spanish company headquartered in Madrid and incorporated on July 17, 2001. HISDESAT's aims are the acquisition, operation and commercialization of Government-oriented space systems, beginning with satellite communications in the X-band and Ka-band frequencies. HISDESAT is owned jointly by Hispasat, S.A., the Spanish commercial satellite services company, INSA (100% owned by the Spanish government) and the leaders of Spain's space industries: EADS-CASA Espacio, INDRA and SENER. HISDESAT will provide enhanced capabilities, including kA-band, for Spain's defense applications.

Space Systems/Loral is a premier designer, manufacturer, and integrator of powerful satellites and satellite systems. SS/L also provides a range of related services that include mission control operations and procurement of launch services. Based in Palo Alto, Calif., the company has an international base of commercial and government customers whose applications include broadband digital communications, direct-to-home broadcast, defense communications, environmental monitoring, and air traffic control. SS/L is ISO 9001:2000 certified. For more information, visit the Space Systems/Loral Web site at http://www.ssloral.com.

Loral Space & Communications is a satellite communications company. In addition to Space Systems/Loral, through its Skynet subsidiary Loral owns and operates a fleet of telecommunications satellites used to broadcast video entertainment programming, and for broadband data transmission, Internet services and other value-added communications services.

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