

Space Systems/Loral to Build Next Generation Satellite for XM Satellite Radio

PALO ALTO, Calif. - June 7, 2005 - Space Systems/Loral (SS/L) today announced that it has been awarded a contract by XM Satellite Radio, Washington DC, to build XM-5, a high-power, digital audio radio service (DARS) satellite that will serve as a ground spare in the XM Satellite Radio fleet, ensuring XM subscribers across North America with continued high-quality, digital-music, entertainment and data services.

“This order from XM, our fourth commercial satellite award in 2005, validates SS/L’s leadership in the industry,” said Bernard L. Schwartz, chairman and CEO of Loral Space & Communications. “We are exceedingly proud of SS/L for continuing to gain market share in the satellite manufacturing industry under challenging circumstances.”

Scheduled for delivery in 2007, XM-5 has an on-orbit design life of 15 years and will carry a state-of-the-art DARS payload featuring two large, unfurlable mesh antennas. Its end-of-life power capability of more than 18 kilowatts will make it one of the world’s most powerful communications satellites.

“SS/L has built some of the world’s most advanced direct-to-user communications satellites, allowing consumers and enterprises an expanded array of entertainment and services,” said C. Patrick DeWitt, president, Space Systems/Loral. “SS/L welcomes XM to Loral’s family of customers and looks forward to providing a reliable and powerful platform for its successful satellite radio service.”

XM-5 is based on SS/L’s space-proven 1300 platform, which has an excellent record of reliable operation. Its high efficiency solar arrays and lightweight batteries are designed to provide uninterrupted electrical power. In all, SS/L satellites have amassed more than 1,200 years of reliable on-orbit service.

XM is America’s number one satellite radio service with more than 4 million subscribers. Broadcasting live daily from studios in Washington, DC, New York City and Nashville at the Country Music Hall of Fame, XM’s 2005 lineup includes more than 150 digital channels of acclaimed radio programming from coast to coast. XM was named Best Radio Service at the 2004 Billboard Digital Entertainment Awards. For more information about XM hardware, programming and partnerships, please visit www.xmradio.com.

Space Systems/Loral, a subsidiary of Loral Space & Communications (OTCBB: LRLSQ), 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 governmental 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.

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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This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, Loral Space & Communications Ltd. or its representatives have made or may make forward-looking statements, orally or in writing, which may be included in, but are not limited to, various filings made by the company with the Securities and Exchange Commission, press releases or oral statements made with the approval of an authorized executive officer of the company. Actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a wide variety of factors and conditions. These factors include those related to the filing, on July 15, 2003 by Loral and certain of its subsidiaries, of voluntary petitions for reorganization under chapter 11 of title 11 of the United States Code in the United States District Court for the Southern District of New York and parallel insolvency proceedings in the Supreme Court of Bermuda in which certain partners of KPMG were appointed as joint provisional liquidators. Additional factors and conditions are also described in the section of the company’s annual report on Form 10-K for the fiscal year ended December 31, 2004, entitled “Commitments and Contingencies,” and the company’s other filings with the Securities and Exchange Commission. The reader is specifically referred to these documents.