

## **Construction of Loral Skynet's Telstar 11N Satellite Begins at Space Systems/Loral**

### **Multi-Beam Telstar 11N Satellite to Provide Robust Services Across Three Continents**

**BEDMINSTER, NJ - February 1, 2006** - Loral Skynet, a subsidiary of Loral Space & Communications (NASDAQ: LORL), today announced that construction of Telstar 11N, a powerful new multi-region Ku-band communications satellite, has begun at Space Systems/Loral (SS/L) in Palo Alto, Calif.

"With Telstar 11N, Loral Skynet is expanding its fleet to take advantage of opportunities in four key growth areas, in addition to providing connectivity to the North American FSS market," said Patrick Brant, president, Loral Skynet. "Consistent with this growth strategy, Telstar 11N presents Skynet with a unique opportunity to capitalize on the needs of commercial and governmental customers to move video and data around the key American, European and African regions."

When it enters service in the second quarter of 2008, Telstar 11N will provide service from 39 high-power Ku-band transponders spread across four different geographic beams in each of North and Central America, Europe, Africa and the maritime Atlantic Ocean Region. At 37.5 degrees West longitude, Telstar 11N will complement the coverage of Skynet's Telstar 12 satellite at 15 degrees West longitude, which provides Ku-band trans-Atlantic coverage to an array of commercial and governmental users.

"In addition to adding service in North America, Telstar 11N is a key, strategic piece of Loral Skynet's FSS expansion plans in the high-growth data and IP service markets of Europe and Africa," continued Brant. "The design and power of Telstar 11N will enable Skynet to provide service from the Americas to Europe, where it can inter-connect with our Asian satellites and offer customers around the world connectivity."

Telstar 11N is based on SS/L's flight-proven 1300 geostationary satellite platform, which has a long and proven record of reliable operation. Currently, there are 52 SS/L 1300 satellites on orbit, performing a variety of critical communications functions for virtually every major satellite operator in the world.

Loral Skynet's satellite fleet currently includes Telstar 10 and Telstar 18 over Asia; the trans-Atlantic Telstar 12, which covers North and South America, Europe, the Middle East and South Africa; and Telstar 14/Estrela do Sul, which covers North and South America and Brazil.

A pioneer in the satellite industry, Loral Skynet delivers the superior service quality and range of satellite solutions that have made it an industry leader for more than 40 years. Through the broad coverage of the Telstar satellite fleet, in combination with its hybrid VSAT/fiber global network infrastructure, Skynet meets the needs of companies around the world for broadcast and data network services, Internet access, IP and systems integration. Headquartered in Bedminster, New Jersey, Loral Skynet is dedicated to providing secure, high-quality connectivity and communications. For more information, visit the Loral Skynet web site at [www.loralskynet.com](http://www.loralskynet.com).

Space Systems/Loral, also a subsidiary of Loral Space & Communications, 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 satellites have amassed more than 1,200 years of reliable on-orbit service. SS/L is ISO 9001:2000 certified. For more information, visit [www.ssloral.com](http://www.ssloral.com).

Loral Space & Communications is a high technology company that concentrates primarily on satellite manufacturing and satellite-based services. For more information, visit Loral's web site at [www.loral.com](http://www.loral.com).

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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 Inc. 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 from time to time 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. Many of these factors and conditions are also described in the section of the annual report on Form 10-K for the fiscal year ended December 31, 2004 of Loral Space & Communications Ltd. (the predecessor registrant to the company) ("Ltd."), entitled "Commitments and Contingencies," and the company's and Ltd.'s other filings with the Securities and Exchange Commission. The reader is specifically referred to these documents.