



500 Hills Drive
Bedminster, NJ 07921

NEWS
FOR IMMEDIATE RELEASE

Contact: John McCarthy
(212) 338-5345

LORAL SKYNET LAUNCHES NEW SUITE OF SATELLITE-BASED CONTINGENCY SERVICES

New services help avoid downtime due to human error, hurricanes or other costly events – boosting survivability and availability of communications networks

BEDMINSTER, NJ – June 15, 2006 - Loral Skynet, a subsidiary of Loral Space & Communications (NASDAQ: LORL), today announced it has launched a new suite of satellite-based Contingency Services. This new suite of services is designed to help businesses and government organizations minimize Internet Protocol (IP)-data network interruptions caused by large-scale natural disasters such as hurricanes, as well as protect against the everyday outages that frequently occur in multi-path terrestrial network links.

The new **Contingency Services** capability is the most comprehensive of its kind, providing world-class continuity and emergency restoration network solutions. These services assure the survivability of terrestrial networks via an automatic and seamless transfer of IP-data traffic to satellite connections. Skynet Contingency Services include:

***SkyReach*SM Ensure**: A business continuity network solution designed to provide pre-planned, continuous network connectivity for all vital business and government functions.

***SkyReach* SAVER (Satellite Access by VSAT for Emergency Recovery)**: An emergency restoration network solution designed as a disaster recovery option where a rapid response mechanism is built into a network to minimize downtime and loss of production.

Both of Skynet's new Contingency Services leverage its *SkyReach* family of IP-based communications services using Skynet's Telstar satellite fleet and a global fiber network. They provide low-cost, high-availability network connectivity backed by custom-tailored Service Level Agreements (SLAs). Unique aspects of Skynet's Contingency Services include:

- A contingency network that has been sized to provide greater guarantees for the bandwidth customers need, when they need it. Unlike many other offerings that use a shared and oversubscribed model to support business continuity and emergency restoration services, Skynet's solution provides greater assurance for actually delivering these services at the time of crisis.
- SLAs that are responsive to demanding customer requirements – providing assurances for failover services in less than one minute and recovery services in less than one hour.
- Flexible and robust offerings that meet a broad range of scenario-driven customer

requirements for dedicated as well as dynamic usage or volume-based billing so that customers only pay for what they use.

SkyReach Ensure

"The affect of recent disasters such as Hurricane Katrina underscores the need for businesses and governments to anticipate and plan for the possibility of significant disruptions to communications networks and services," said Patrick Brant, president of Loral Skynet.

"Without a suitable network back-up plan in place, organizations are exposed to potentially irretrievable losses from such unpredictable, yet inevitable, events." *SkyReach Ensure* provides seamless continuity via automatic cut-over to satellite-delivered services, guaranteeing vital IP-data connectivity will be available.

In addition, while natural disasters garner most of the media and public attention, network outages due to human error and terrestrial network vulnerabilities are common--and equally damaging to the bottom line. "Amazingly, an estimated 80 percent of network downtime today is caused by routine, everyday events," continues Brant. *SkyReach Ensure* will provide the back-up network connectivity to protect an organization from these types of outages as well.

SkyReach SAVER

Explaining *SkyReach Saver*, Brant points out, "Not all organizations need continuous and uninterrupted 24/7 access for all their IP-data network traffic." Network engineers have to determine their organization's requirements and their tolerance for risk at different locations—and for some types of traffic, Brant explains, "It just makes more sense from a cost standpoint to implement a restoration solution as opposed to a continuity solution." This option assures access to the network within a carefully prescribed time frame after a disaster or other interruption has occurred. Typical examples of this type of requirement would be for remote locations with receive-only requirements.

"With *SkyReach SAVER*," continues Brant, "the key objective is speed." For this requirement, fast recovery is a function of having restoration pre-planned, by pre-deploying a modest amount of equipment and assigning connectivity in advance. The goal is to have complete assurance that an IP-data network will be accessible within hours after an event.

A pioneer in the satellite industry, Loral Skynet delivers the superior service quality and range of satellite and global network service 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 global fiber network infrastructure, Skynet meets the needs of companies around the world for broadcast and data network services, Internet access, IP and systems integration. For more information, visit the Loral Skynet web site at www.loralskynet.com.

In addition to being the parent company of Loral Skynet, Loral Space & Communications is a world-class leader in the design and manufacture of satellites and satellite systems for

commercial and government applications through its Space Systems/Loral subsidiary. For more information, visit the Loral Space & Communications web site at www.loral.com.

###

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 described under the caption "Risk Factors" in each of the company's annual report on Form 10-K for the fiscal year ended December 31, 2005, and its quarterly reports on Form 10-Q for subsequent periods. The reader is specifically referred to these documents, as well as the company's other filings with the Securities and Exchange Commission.