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NEWS
FOR IMMEDIATE RELEASE

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**LORAL SKYNET DO BRASIL TO PROVIDE ENTEL CHILE WITH
NATIONWIDE SATELLITE COMMUNICATIONS SERVICES**

*Contract provides video distribution; Internet access and data transfer for
broadcasters and enterprises throughout Chile*

BEDMINSTER, NJ – July 10, 2006 - Loral Skynet do Brasil, a subsidiary of Loral Space & Communications (NASDAQ: LORL), today announced that it has signed a contract with Chile's Empresa Nacional de Telecomunicaciones S.A. (Entel), the country's largest telecommunications company, to provide nationwide fixed satellite communications services aboard Loral Skynet's Estrela do Sul 1/Telstar 14 satellite.

"We are very happy to be selected by Entel to provide essential satellite-based telecommunications services," said Patrick Brant, president of Loral Skynet Corporation. "Entel joins many other Latin American telecommunications service providers and major international corporations on the Estrela do Sul 1/Telstar 14 satellite, which encompasses the entire Southern Cone of Latin America and reaches to portions of Antarctica."

Entel will lease one full Ku-band transponder, which will provide comprehensive coverage throughout Chile. The contract was awarded as part of an open and competitive RFP process by Entel.

"This agreement with Loral Skynet do Brazil enables Entel to provide high-quality satellite-based telecommunications services to even our country's most remote and difficult-to-reach areas," said Richard Buchi, CEO of Entel. "Loral Skynet's robust satellite coverage, its engineering team, and customer service capabilities were key deciding factors in the competitive evaluation."

Strategically located at 63 degrees West longitude, the Estrela do Sul 1/Telstar 14 satellite reaches all parts of the 1,800-mile-long South American nation, including the city of Arica in the far north, the previously hard-to-reach cities of Puerto Montt and Coyhaique, and Punta Arenas in the south, which is one of the southernmost cities in the world.

Entel plans to use the satellite capability to provide video distribution, Internet access and data transmission services to broadcasters, financial institutions and businesses throughout the country.

Additional Loral Skynet satellite assets available to the South American region enable the

company to offer coverage options in both C- and Ku-band.

Empresa Nacional de Telecomunicaciones S.A. is the largest listed Telecommunication Company in Chile, providing mobile, data, Internet, local telephony, long distance and integration services. The company also has operations in Peru.

Entel is listed on the Chilean Stock Exchange (Bolsa de Comercio de Santiago) under the ticker symbol ENTEL and its headquarters are based in Santiago, Chile. For more information, visit Entel's web site at www.entel.cl

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.

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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 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.