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NEWS
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LORAL SKYNET AIDS GLOBAL CROSSING TO EXTEND FCO NETWORK TO THE WORLD'S MOST REMOTE ISLAND COMMUNITY

- *Extends modern communications to the inhabitants of Tristan da Cunha.*
- *Delivers improved administration for the Tristan da Cunha Government and the Island community.*
- *Connects Tristan to the FCO network linking 233 sites worldwide.*

BEDMINSTER, NJ – August 30, 2006 – Loral Skynet, a subsidiary of Loral Space & Communications (NASDAQ: LORL) and operator of the Telstar satellite fleet, today announced it has teamed with Global Crossing (NASDAQ: GLBC), a leading global provider of terrestrial-based telecommunications services, to extend the reach of the British Government's Foreign and Commonwealth Office (FCO) network to the world's most remote island community, Tristan da Cunha. This new unique location and installation is part of an existing satellite services arrangement with Global Crossing.

Extension of the FCO Telecommunications Network (FTN) to the British Overseas Territory of Tristan da Cunha in the South Atlantic brings modern, satellite-based communications to inhabitants of the island community, most of whom live by farming, the processing of lobster or crayfish, the administration of their island or working in the Island's growing tourism industry.

"Satellite-based communication is an ideal way for businesses and governments to provide remote locations with essential voice, data and video services and link those locations with the rest of an organization or even the entire world," said Patrick Brant, president of Loral Skynet. "When satellite resources are seamlessly integrated with an existing terrestrial fiber telecommunications network, the resulting hybrid capabilities are highly efficient, remarkably cost-effective and virtually immune to costly interruptions or downtime."

Services to Tristan are being rolled out under Global Crossing's contract to manage the FCO's global communications infrastructure in 140 countries.

Phil Metcalf, managing director of Global Crossing UK, said, "Although the FCO network was essentially completed in 2004, we continue to extend the benefits of a globally managed IP VPN to the most remote corners of the world, overcoming challenges posed by location, technology and logistics. Our solution will allow Tristan's administration to share the benefits enjoyed by other posts on the network and make a dramatic difference to the day-to-day life of Islanders."

The provision of robust connections via the FTN network will greatly improve communications to the outside world for the Island's administration and the community at large. Providing communications to Tristan has never been easy. The early settlers relied on passing ships to exchange messages with friends and family overseas. In 1938, members of the visiting Norwegian Scientific Expedition installed their own radio operator and two years later, the establishment of a Royal Navy signals station during the Second World War (HMS Atlantic Isle) led to the introduction of the first permanent radio station and post office.

Today, mail services via Cape Town in South Africa are subject to the schedule of passing fishing vessels and the vagaries of the weather. Tristan is situated 6,000 miles from the UK and 1,750 miles from southern Africa. Mail can be delayed for months and calls using either high-frequency links with Cape Town Radio or by satellite telephone are prohibitively expensive. Calls by radiophone are £1.50 a minute and £1.83 a minute by satphone.

Connection to the FCO network will greatly reduce the Island's dependence on costly, low-level communications and provide much improved Internet access. By being able to access the FTN, the Tristan da Cunha Government will be able to make calls and exchange e-mail via London at significantly reduced UK domestic and overseas rates. Before the FTN installation, only five stand-alone email terminals were in use on Tristan. These served the Administrator for official communications with the Governor in St. Helena and the FCO in London; the Post & Telecommunications Department to send and receive messages on behalf of Islanders; and the doctor, the fish factory manager and the Natural Resources Department. Thanks to FTN, every member of the community will now have the opportunity to set up their own email address.

Global Crossing and Loral Skynet connected Tristan to the FTN through a Very Small Aperture Terminal (VSAT) and Loral Skynet's highly reliable SCPC-based Digital Link service, a private, clear-channel service that lets businesses and governments create instant network infrastructures to extend WANs to underserved locations. Global Crossing also operates satellite earth stations in Canberra, Australia, and Hampshire in the UK to which 153 remote locations are connected worldwide, including other island nations like Tonga, Fiji, Papua New Guinea and the Solomon Islands.

In all, the FTN connects 233 sites in 140 countries, providing secure, high-speed voice, data and messaging services to more than 16,000 users. Sites on the managed IP VPN include 153 embassies and high commissions in capital cities, 10 missions to international organizations and conferences such as the UN, the EU and NATO, and 70 consulates or deputy high commissions outside capital cities.

The installation of the VSAT equipment used on Tristan posed unusual logistical challenges. The 3.7-metre VSAT dish and associated equipment was shipped via Cape Town, South Africa, and then sent aboard a fishing vessel for the 1,750 mile voyage to Tristan. A Loral Skynet earth station engineer supervised the installation and commissioning, but due to the fishing vessel's schedule, the engineer had only seven days to perform the entire installation, which included set up and testing of all associated transceivers, modems and cabling, as well as a private branch exchange in the Administrator's office. The VSAT link will support 12 lines running at 256 Kbps, compared with the island's current satphone links of 64 Kbps.

About Global Crossing

Global Crossing provides telecommunications solutions over the world's first integrated global IP-based network. Its core network connects more than 300 cities in 28 countries worldwide, and delivers services to more than 600 cities in 60 countries and 6 continents around the globe. The company's global sales and support model matches the network footprint and, like the network, delivers a consistent customer experience worldwide.

Global Crossing IP services are global in scale, linking the world's enterprises, governments and carriers with customers, employees and partners worldwide in a secure environment that is ideally suited for IP-based business applications, allowing e-commerce to thrive. The company offers a full range of managed data and voice products including Global Crossing IP VPN Service, Global Crossing Managed Services and Global Crossing VoIP services, to 36 percent of the Fortune 500, as well as 700 carriers, mobile operators and ISPs.

About Loral Skynet

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, Loral 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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