



SPACE SYSTEMS/LORAL TO BUILD NIMIQ 5 SATELLITE FOR TELESAT CANADA

PALO ALTO, Calif. – January 4, 2007 – Space Systems/Loral (SS/L), a subsidiary of Loral Space & Communications (NASDAQ:LORL) and the world's leading provider of high-power commercial satellites, today announced that it has been awarded a contract to manufacture Nimiq 5, a new high-power, direct broadcast satellite for Telesat Canada.

Nimiq 5 will be the first satellite in Telesat's fleet to be manufactured by Space Systems/Loral. Based on SS/L's heritage 1300 platform, the satellite will be equipped with 32 active high-power Ku-band transponders, providing a strong footprint across Canada. As previously announced by Telesat, Nimiq 5's entire payload is under contract to Bell ExpressVu, Canada's leading direct-to-home service provider, to be used for a wide range of digital television services.

Planned for completion in 2009, Nimiq 5 will have a lifespan of more than 15 years, operating in its geostationary orbit location of 72.7 degrees west.

"As two pioneers in satellite communications and systems management, Telesat and SS/L share a commitment to excellence and to the highest standards in the industry," said Daniel S. Goldberg, president and chief executive officer of Telesat Canada. "We look forward to working with SS/L to expand our satellite fleet and assure a generation of Canadians reliable access to advanced video programming."

"Space Systems/Loral leads the industry in the manufacture of high-power, direct-to-user satellites," said John Celli, president of Space Systems/Loral. "The company is particularly well positioned to help DTH satellite operators such as Telesat meet the growing demand for advanced video services. With Nimiq 5, SS/L continues its legacy of providing advanced and essential technology for the delivery of entertainment and communications services around the world. We are proud to be working with Telesat and look forward to a successful relationship."

About Telesat

Headquartered in Ottawa, Telesat Canada is one of the early pioneers in satellite communications and systems management. Created in 1969, Telesat made history three years later with the launch of Anik A1, the world's first domestic communications satellite in geostationary orbit, operated by a commercial company. Telesat operates a fleet of satellites for the provision of broadcast distribution and telecommunications services, and is a highly respected consultant and partner in satellite ventures around the world. Telesat has offices throughout Canada, in the United States and in Brazil.

About Space Systems/Loral

Space Systems/Loral 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 government customers whose applications include broadband data communications, television and radio broadcasting, mobile satellite services, fixed satellite services, defense communications, environmental monitoring, and air traffic control. SS/L satellites have amassed more than 1,300 years of reliable on-orbit service. SS/L is ISO 9001:2000 certified. For more information, visit www.ssloral.com.

About Loral Space & Communications

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.

In December 2006, Loral Space & Communications Inc. announced that it and its Canadian partner, the Public Sector Pension Investment Board (PSP Investments), entered into a definitive agreement with BCE Inc. (TSX/NYSE: BCE) pursuant to which a joint venture company formed by PSP Investments and Loral will acquire 100 percent of the stock of Telesat Canada from BCE. The transaction is expected to close in mid-2007. For more information, visit Loral's 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.

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