



SPACE SYSTEMS/LORAL AWARDED CONTRACT TO DELIVER SATELLITE TO PROTOSTAR LTD.

ProtoStar I Will Provide Direct-To-Home Broadcast and Broadband Services Across Multiple Regions In Asia

PALO ALTO, Calif. – January 5, 2007 – Space Systems/Loral (SS/L), a subsidiary of Loral Space & Communications (NASDAQ:LORL) and the world's leading provider of commercial telecommunications satellites, today announced that it has been awarded a contract to deliver a high-power satellite to ProtoStar Ltd. with an expected launch in 2008. With this award from ProtoStar, SS/L received seven commercial satellite contracts in 2006.

SS/L will immediately begin modifications on the former ChinaSat-8 satellite, a high-power geostationary satellite that has been in storage at SS/L's manufacturing facility in Palo Alto, Calif. ProtoStar acquired the satellite from China Telecommunications Broadcast Satellite Corporation and China National Postal and Telecommunications Appliances Corporation under an agreement reached in 2006. SS/L will tailor the spacecraft to meet ProtoStar's requirements, which target emerging and existing direct-to-home (DTH) operators in the Asian market as well as other broadband communication needs in the region.

"Space Systems/Loral is a leading manufacturer of high-powered satellites that meet the advanced video and data services requirements of major DTH operators in Asia and worldwide," said Philip Father, chief executive officer of ProtoStar. "As a result, we are excited to work with them to leverage their proven reliability and performance to meet the customized needs of our anchor Asian DTH customers."

The ProtoStar I satellite is undergoing specialized customization to meet the defined power and footprint/coverage requirements of ProtoStar's customers. It is the first in a fleet of multiple satellites that ProtoStar plans to launch to support in-country partners that want to offer its subscribers satellite television packages with more than 150 channels of digital-quality video (ultimately high definition), audio, and pay-per-view programming, as well as powerful two-way broadband Internet access as an added offering.

The satellite built by Space Systems/Loral is based on the company's highly reliable 1300 spacecraft bus. It will operate in both Ku-Band and C-Band and is expected to provide more than 15 years of service.

"ProtoStar has planned an innovative approach to the delivery of satellite services in Asia and SS/L is proud to be building the technology that will drive this unique service," said John Celli, president of Space Systems/Loral. "ProtoStar I will focus on three different regions, enabling ProtoStar to deliver digital television services to large, underserved areas across multiple, highly populated countries. We are very pleased to provide ProtoStar with a satellite that quickly helps it achieve its goals."

About ProtoStar

ProtoStar, a Bermuda corporation with operational headquarters in San Francisco, California, was formed to acquire and operate high-power geostationary satellites optimized for DTH satellite television and broadband Internet access services in the Asia-Pacific region. For more information, visit www.protostarsat.com.

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. 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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