

SPACE SYSTEMS/LORAL TO BUILD NEW, HIGH-POWER SATELLITE FOR SIRIUS SATELLITE RADIO

PALO ALTO, Calif. – June 8, 2006 – Space Systems/Loral (SS/L), a subsidiary of Loral Space & Communications (NASDAQ: LORL), today announced that it has been chosen by Sirius Satellite Radio Inc. (NASDAQ: SIRI) to build SIRIUS FM-5, a powerful new geostationary satellite for use in its satellite radio service.

"Since its introduction only a few years ago, satellite radio has established itself as a proven business, based on the advanced technology and coverage capabilities offered by satellites," said Patrick DeWitt, president, Space Systems/Loral. "As the manufacturer of the first three SIRIUS spacecraft, we're proud to have played a significant role in the development of this unique industry and we're happy to be continuing our relationship with SIRIUS on this new and important project."

SIRIUS FM-5 is expected to be completed in the fourth quarter of 2008 and will carry an X-band uplink and S-band downlink payload. The satellite will be one of the most powerful ever constructed, with end-of-life power capability at more than 20 kilowatts. SIRIUS FM-5 is based on SS/L's flight proven and reliable 1300 platform and will have a specified service life of 15 years. It will carry a range of technologies, including a 9-meter unfurlable reflector, which will allow for highly-concentrated transmissions to small, advanced devices.

As part of its commitment to SIRIUS, Loral has agreed to provide to SIRIUS a vendor financing facility of up to \$100 million.

The satellite will join three other SIRIUS satellites in orbit, all manufactured by SS/L. SS/L also manufactured SIRIUS FM-4, which is currently in ground storage.

SIRIUS delivers more than 125 channels of the best radio programming. SIRIUS is the original and only home of 100% commercial-free music channels in satellite radio, offering 67 music channels available nationwide. SIRIUS also delivers 61 channels of sports, news, talk, entertainment, traffic, weather, and data. For more information, visit www.sirius.com.

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 governmental customers whose applications include broadband digital communications, direct-to-home broadcast, defense communications, environmental monitoring, and air traffic control. SS/L satellites have amassed more than 1,200 years of reliable on-orbit service. SS/L is ISO 9001:2000 certified. For more information, visit www.ssloral.com.

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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