XTAR TO PROVIDE COMMUNICATIONS SERVICES TO DANISH ARMED FORCES

Through Agreement With HISDESAT, Denmark to Use XTAR's Dual-Polarization X-band Satellite Service

ROCKVILLE, MD. - January 17, 2006 - XTAR, LLC today announced that it has been awarded a multi-year contract from HISDESAT Servicios Estratégicos, S.A. (HISDESAT) to provide the Royal Danish Navy (RDN) with X-band communications services throughout Europe, Africa and the Middle East. XTAR is a joint venture between Loral Space & Communications (NASDAQ: LORL) and HISDESAT.

The initial five-year agreement will provide the RDN with capacity either in right- or left-hand circular polarization on the XTAR-EUR satellite, ideally located at 29 degrees East longitude.

"By taking advantage of XTAR's right- or left-hand polarization, the Royal Danish Navy will be able to use its new, state-of-the-art dual-polarization terminals," said Miguel Angel Primo, chief operating officer, HISDESAT. "The use of both polarizations on the XTAR satellite essentially doubles throughput compared to older, single-polarization satellites, making available much needed X-band capacity."

In addition to being Loral Space & Communications' joint venture partner in XTAR, HISDESAT acts as XTAR's exclusive sales agent to certain Western European ministries of defense.

Denis Curtin, chief operating officer, XTAR LLC, said, "The agreement with the RDN is a direct result of the unique industry and government partnership that XTAR and HISDESAT have achieved with its joint venture. Denmark is now the second European nation to use XTAR-EUR following the company's initial contract with the Spanish Ministry of Defense."

In May 2005, XTAR was awarded a contract with the U.S. Department of State's Diplomatic Telecommunications Service Program Office (DTS-PO), Fairfax, Va., to provide X-band communications services to embassies and consulates in Africa and Asia. The DTS Network provides responsive, reliable, secure, and cost-effective telecommunications services to users at more than 260 sites around the world, representing nearly 50 U.S. Government entities.

In 2005, XTAR demonstrated its high-power X-band service to branches of the US military and other allied governments. Using legacy equipment, test results from XTAR-EUR have consistently shown data rates that far eclipse current military X-band systems. With minor antenna and terminal modifications, XTAR has achieved data rates in excess of 100 Mbps using both left and right hand polarizations.

Built by Space Systems/Loral (SS/L), XTAR-EUR entered service in April 2005. The satellite carries twelve 72 MHz, high-power X-band transponders that provide coverage from Eastern Brazil and the Atlantic Ocean, across all of Europe, Africa and the Middle East to as far east as Singapore. XTAR-EUR is expected to provide service for nearly 20 years. Upon the launch of SPAINSAT in early 2006, XTAR will lease eight 72 MHz X-band transponders on the satellite, to be designated XTAR-LANT, in order to provide greater flexibility and additional X-band services.

The XTAR-EUR satellite features traditional global beams as well as on-board switching and multiple steerable beams, allowing users access to X-band capacity as they travel anywhere within the footprint of the satellite. XTAR-EUR is designed to work with existing X-band terminals, as well as next generation X-band terminals that feature antennas smaller than 2.4 meters.

XTAR, LLC, headquartered in Rockville, Md., is a new satellite communications company committed to serving the long-haul communications, logistics and infrastructure requirements of the U.S., Spanish and allied governments. The company is a joint venture between Loral Space & Communications, which owns 56 percent, and HISDESAT, which owns 44 percent. For more information, visit XTAR's web site at http://www.xtarllc.com.

HISDESAT Servicios Estratégicos S.A. is a Spanish company headquartered in Madrid. HISDESAT's aims are the acquisition, operation and commercialization of Government-oriented space systems, beginning with satellite communications in the X- and Ka-band frequencies. HISDESAT is owned jointly by HISPASAT, S.A., the Spanish commercial satellite services company, INSA and the leaders of Spain's space industries: EADS-CASA Espacio, INDRA and SENER. HISDESAT will provide enhanced capabilities, including Ka-band, for Spain's defense applications.

Loral Space & Communications is a satellite communications company. Its Space Systems/Loral division is a world-class leader in the design and manufacture of satellites and satellite systems for commercial and government applications including direct-to-home television, broadband communications, wireless telephony, weather monitoring...
and air traffic management. Through its Loral Skynet division, it owns and operates a fleet of telecommunications satellites used to broadcast video entertainment programming, distribute broadband data, and provide access to Internet services and other value-added communications services.

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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 also described in the section of the annual report on Form 10-K for the fiscal year ended December 31, 2004 of Loral Space & Communications Ltd. (the predecessor registrant to the company) ("Ltd."), entitled "Commitments and Contingencies," and the company's and Ltd.'s other filings with the Securities and Exchange Commission. The reader is specifically referred to these documents.