

TerreStar and telSPACE Enter Into Joint Development Agreement to Enable US-Based MVNOs.

Redmond, WA, September 20, 2007 – telSPACE, a leading MVNE, announced today that it has entered into a Joint Development Agreement with TerreStar Networks Inc., an emerging mobile network operator that plans to build, own and operate North America's first all-IP 4G integrated mobile satellite and terrestrial communications network.

The strategic relationship between TerreStar and telSPACE allows the two companies to efficiently roll out TerreStar's integrated network services to select MVNOs (Mobile Virtual Network Operators) in the US marketplace. telSPACE, which currently serves 43 MVNOs in the United States, expects to integrate into the TerreStar back office system, enabling and automating creation of private-label MVNOs.

"With almost ten years experience working with major carriers in the United States, telSPACE's deep understanding of the operational needs of MVNOs will help ensure that TerreStar can provide its MVNO distribution with unprecedented operational support," stated Robert H. Brumley, TerreStar's president and chief executive officer. "Partnering with telSPACE enhances TerreStar's wholesale approach to working with MVNOs and will help ensure that the product that hits the marketplace is both commercially appealing as well as operationally sound."

"We are very excited to be partnering with a cutting edge team with whom we share a common vision. We are pledging significant company resources to ensure that TerreStar's MVNO model is a world class success," stated Paris Holt, chief executive officer of telSPACE. "I firmly believe that this product will help save lives and revolutionize the wireless industry. There are only so many great relationship opportunities that a CEO encounters and this one hit the mark for me personally and for our management team."

As TerreStar approaches commercial launch at the end of 2008, telSPACE will be finalizing the support platform that will allow MVNOs to seamlessly integrate, allowing for automated provisioning, billing, and managing of the subscriber. Support will be provided for both post- and pre-paid business models, as well as conduits for MVNOs to launch mobile banking and manage the content rich environment that TerreStar's 4G network is designed to deliver.

About TerreStar Networks Inc.

TerreStar Networks Inc. (www.terrestar.com), a majority owned subsidiary of TerreStar Corporation, plans to build, own and operate North America's first 4G integrated mobile satellite and terrestrial communications network that will provide universal access and tailored applications throughout North America over conventional wireless devices. TerreStar expects to be the first to offer customer-designed products and applications over a fully optimized 4G IP network.

About telSPACE

Based in Redmond, Washington, telSPACE enables its MVNO clients using its proprietary turnkey back office infrastructure to sell, provision, fulfill, and care for multiple telecom services, including Pre and Post Paid Cellular, Internet, and Long Distance. In development for over nine years, the company has used feedback from its 43MVNO clients to refine its product and create a platform that provides core MVNO functionality that rivals any in the industry.

For more information go to www.telSPACE.com.

