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A monthly round-up of space industry developments for the information of our clients and friends.

Intelsat Senior Notes Offering

Intelsat, Ltd. announced on January 29 that its subsidiary, **Intelsat Subsidiary Holding Company, Ltd.** (Intelsat Sub Holdco), priced \$400 million aggregate principal amount of 8.875% senior notes due 2015 at an issue price of 88.50%. The net proceeds of the notes will be used to fund Intelsat Sub Holdco's purchase of a portion of Intelsat, Ltd.'s outstanding 7.625% Senior Notes due 2012 and 6.50% Senior Notes due 2013 that are tendered in Intelsat Sub Holdco's cash offer. Launched on January 14, the tender offer initially contemplated the purchase of \$200 million maximum aggregate principal amount of notes, however was increased to \$375 million and ultimately doubled due to strong demand. **Goldman, Sachs & Co.** acted as the dealer manager for the notes offering, which is expected to close on February 12.

Thales Alenia to Build two Yamal Satellites

On January 19, **Gazprom Space-Systems** (Gazprom) announced that it had signed an agreement with **Thales Alenia Space** to build two **Yamal 400** communications satellites. Both spacecraft will be built based on the **Spacebus 4000** platform, equipped with between 20 and 24 Ku-band transponders and have design lives of 15 years. **Yamal-401** will share the 90°EL orbital location with **Yamal-201** and **301** and its footprint will cover the Russian Federation almost exclusively. **Yamal-402** will operate from the 55°EL orbital location shared with **Yamal-302** and will have one beam covering Europe and the Middle East and one covering Africa. Launch of the two spacecraft is scheduled for 2011.

New Satellite Projects for Telkom

In December 2008, **JSC "Academician M.F. Reshetnev" Information Satellite Systems** announced that it will build and launch the **Telkom 3** communications satellite for Indonesian operator **PT Telekomunikasi Indonesia Tbk** (Telkom). The spacecraft will be built based on a new medium class platform, **Ekspress-1000N**, and equipped with 32 C-band and 10 Ku-band transponders to provide coverage over the Asia-Pacific region. Telkom 3 is scheduled for launch in mid-2011 on a Proton launch vehicle. It was also announced that Telkom is in discussions with its competitors (including **PT Indosat**) to jointly procure the **Telkom 4** satellite to expand domestic capacity for Internet and telecommunications services.

Swedish Space Corporation Acquires USN

Swedish Space Corporation (SSC) announced on January 21 that it had reached an agreement to acquire all of the shares of **Universal Space Network** (USN). The two companies have been collaborating for the last ten years in providing worldwide satellite tracking services via **PrioraNet**, a global network of ground stations. The acquisition is subject to regulatory approvals in the U.S., and upon closing, USN will operate as a U.S.-based subsidiary of SSC.

China Great Wall to Replace NigComSat-1

Following the failure of the **NigComSat-1** satellite in November 2008, it is reported that **Nigerian Communications Satellite Ltd.** (NigComSat) and **China Great Wall Industry Corporation** reached an agreement in December 2008 for the manufacture and in-orbit delivery of a replacement satellite, **NigComSat-1R**, at no cost to the Nigerian company. NigComSat-1R will provide coverage of Africa, parts of the Middle East and Southern Europe. NigComSat has leased interim capacity on **SES's Astra 2B** satellite for service continuity purposes pending the launch of NigComSat-1R.

Sea Launch To Orbit Intelsat 17

Sea Launch Company, LLC announced on January 19 that it will launch the **Intelsat 17** (IS-17) communications satellite for **Intelsat, Ltd.** in late 2010, as the first of five missions to be performed in connection with a multi-launch agreement signed in November 2008. IS-17, being built by **Space Systems/Loral** using its model **1300** bus, will be equipped with 46 Ku-band and 28 C-band transponders and is expected to replace Intelsat 704 at the 66°EL orbital location to provide coverage of Europe, Northern Africa, India and the Middle East.

New Dawn Satellite Project Gets Funded

New Dawn Satellite Company Ltd., a joint venture between **Intelsat, Ltd.** and a South African consortium led by **Convergence Partners**, concluded the financing to fund the manufacture and launch of a new satellite to deliver wireless backhaul, broadband and television services to the African continent in January. The \$250 million project is funded 15% with equity and 85% with debt, in the form of a non-recourse project financing provided by lead arranger **Nedbank** and the **Industrial Development Corporation** of South Africa.

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