

# Space Business Review

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

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## **ORBCOMM PRICES \$250M BOND OFFERING**

On March 31, global M2M solutions provider **ORBCOMM Inc.** (ORBCOMM) announced that it priced \$250m aggregate principal amount of 8% senior secured notes due 2024. ORBCOMM intends to use the net proceeds from the notes issuance to repay \$150m in outstanding loans under its existing \$160m secured credit facilities and for general corporate purposes, including potential future acquisitions.

## **LUXEMBOURG PROMOTES SPACE MINING**

On April 12, a delegation from the **Grand Duchy of Luxembourg** met at the **NASA Ames Research Center** with NASA officials, Silicon Valley entrepreneurs and investors to discuss Luxembourg's **Space Resources** campaign, which promotes harvesting of natural resources from asteroids, moons and planets. Luxembourg announced plans to launch the campaign committing €200m last year to the initiative; it is now working to establish a space agency that will bring together public and private capital to invest a further €70-100m in space mining ventures. Analysts view Luxembourg's commitment to the nascent industry as significant given the general reluctance of venture capital firms to endure the potentially decades-long wait before space mining businesses produce financial results. A number of companies, including **Planetary Resources, Inc.** and **Deep Space Industries, Inc.** have already partnered with Luxembourg; under the campaign, companies with operations in the Grand Duchy are eligible for R&D grants and equity investments. Officials in Luxembourg are also preparing laws and regulations to govern the industry and seeking multilateral agreements with other governments with the aim of compelling the **United Nations** to revise the **Outer Space Treaty** of 1967 to address private ownership of natural resources in space.

## **KYMETA RAISES \$73.5M IN EQUITY ROUND**

In a March 29 filing with the SEC, **Kymeta Corporation** (Kymeta) announced that it raised \$73.5m in an equity investment round, bringing the company's total investment close to \$200m. **Intelsat S.A.** (Intelsat), which announced an investment in Kymeta last month, confirmed that its participation in the equity round accounted for a modest portion of the total amount raised. Intelsat and Kymeta are partnering on the **KÄLO™** satellite broadband data service targeting customers that are currently unserved or underserved by terrestrial networks.

## **SSL ANNOUNCES DARPA CONTRACT**

On April 12, **Space Systems Loral** (SSL) announced that it executed an agreement with the **U.S. Defense Advanced Research Projects Agency** (DARPA) for the **Robotic Servicing of Geosynchronous Satellites** (RSGS) program, under which SSL will supply a satellite platform and DARPA will provide the associated servicing payload and launch services. The completed spacecraft will be launched, likely in 2021, to demonstrate various satellite servicing technologies, including inspection, refueling, repair and relocation; after conclusion of these demonstrations, SSL will take over the spacecraft to provide services to commercial and government customers. DARPA's original selection of SSL, disclosed in February, gave rise to a lawsuit by **Orbital ATK Inc.** (Orbital) to challenge the award on grounds of U.S. government funding of a foreign company (SSL is owned by Canada's **MacDonald, Dettwiler and Associates Ltd.**) and waste of taxpayer dollars on technology already being developed in the private sector by Orbital. DARPA filed a motion in federal court on April 11 to dismiss the lawsuit; a hearing has been scheduled for May 5.

## **APRIL LAUNCH SERVICES ORDERS**

**April 3** – Innovative start-up satellite operator **Global IP Cayman** (Global IP) announced that it selected **Space Exploration Technologies Corp.** to launch Global IP's first satellite, **GiSAT-1**, on a **Falcon 9** launch vehicle in Q4 2018. Currently being manufactured by **Boeing Satellite Systems International, Inc.** (Boeing), GiSAT-1 will provide Internet services to Sub-Saharan Africa.

**April 20** – **Arianespace S.A.** (Arianespace) announced that it was selected to launch the **Horizons 3e** satellite for the **Horizons JV** owned by **Intelsat S.A.** (Intelsat) and **SKY Perfect JSAT Corporation** on an **Ariane 5** launch vehicle in late 2018. Built by Boeing, Horizons 3e will complete Intelsat's **Epic<sup>NG</sup>** network and will provide aeronautical and maritime mobility services across the Asia-Pacific region and North America. In other related news, on April 21, France and French Guiana signed an accord to resolve civil unrest that had prevented any launch activity at the **Guiana Space Centre** (GSC) since mid-March. Arianespace stated that it will soon resume launch activities at GSC and will make up for delays to three interrupted launch campaigns, without impacting the rest of its manifest, by using previously unscheduled windows at CSG over the next two months.