Press Release

FOR IMMEDIATE RELEASE

MSCI ANNOUNCES A GLOBAL SATELLITE COMMUNICATIONS CONSTELLATION CALLED COMMSTELLATION™

COMMStellation™ Will Address Global Wireless Backhaul Demand

Mississauga, Ontario – January 19, 2011 – Microsat Systems Canada Inc. (MSCI) (formerly the Space Division of Dynacon Inc.), Canada's designer and builder of the Multi Mission Microsatellite Bus (MMMB) and Commercial Microsatellite Bus (CMB), is pleased to announce the development of COMMStellation™, a polar communications constellation comprised of 78 microsatellites that will orbit the Earth at 1,000 km, providing backhaul capacity while connecting remote regions of the Earth to the Internet.

"The influx of millions of data-hungry mobile devices, such as smartphones and tablets, is causing unprecedented strain on mobile networks, which have already reached, or are nearing, capacity," explains David R. Cooper, President and CEO, MSCI. "COMMStellation™ will provide essential backhaul capacity to mobile operators across the globe. It's an initiative many governments are pushing for because of its ability to connect all of Earth's citizens to the Internet."

Companies such as RIM, Apple, Microsoft, Google, Nokia, Yahoo!, Facebook, and Netflix, whose business models increasingly rely on high-speed Internet communications to stream data, are reliant on mobile operators and Internet service providers to enable fast, reliable, and uninterrupted data transfer. "While demand for backhaul bandwidth grows exponentially, there is downward pressure on consumer wireless pricing," explains Michael Neuman, former CEO of Bell ExpressVu Satellite TV and Founder of Elevest Corporation. "This situation, together with the need to reach economically challenged population centers, calls for an innovative, low-cost satellite solution."

"High-speed backhaul infrastructure is the single most important enabler to the growth of Internet business models and wealth generation," adds Mr. Cooper. "If a country does not have it – it will fall behind."

"COMMStellation™ is a completely unique solution born from non-traditional thinking," says Justin Phillips, VP Marketing, MSCI. "Until now, no one in the industry has been able to find the manufacturing cost and scheduling efficiencies, and cost-effective microsatellite technology to enable an economically viable constellation of satellites to provide 100% global coverage."

Press Release

O3b (Other Three Billion), a network service provider, is launching an initial constellation of eight medium-Earth orbit (MEO) satellites into space at an altitude of 8,000 km to address the backhaul market for the "other three billion" – i.e. those with limited or no access to the Internet.

In comparison, MSCI's microsatellite technology enables a constellation of 78 polar low-Earth orbit (LEO) satellites at 1,000 km above the Earth – in other words, an orbit eight times closer to the customer. COMMStellation™ will provide over five times the data bandwidth density, even at the equator, for the same satellite output, and all for hundreds of millions less cost. In addition, COMMStellation™ will provide 1/8 the data latency, ten times the total constellation capacity, and potentially provide bandwidth to *any* of Earth's 6.9 billion (estimate) population, not just the "other three billion."

As noted by Elizabeth Tweedie at the COMSYS VSAT 2010 Conference (http://www.satellitemarkets.com/node/732), the demand for backhaul is so great that even "…with a full constellation, O3b addresses less than 0.5% of the Emerging Markets [for] 3G backhaul…"

MSCI is partnering with some of the top global leaders in satellite-communications technology to provide the antenna payload and to integrate with MSCI`s proven Multi Mission Microsatellite Bus (MMMB) architecture. MSCI continues to discuss partnerships with other companies with complementary interests.

"We are looking for service providers who want to improve service to their customers, technology partners who can bring complementary technologies to the COMMStellation™ initiative, military or industrial leaders who are looking for strategic communications to and from remote areas, and governments that want to improve the lives of all citizens - not only those who live in well served urban areas," says Mr. Cooper.

If you are interested in joining our partnership group, or would like to know more, visit the COMMStellation™ website at www.commstellation.com, email us at commstellation@mscinc.ca, or schedule a call via Justin Phillips, VP Marketing, MSCI at 905.673.0500.

Press Release

About MSCI
MSCI is Canada's leader in the design, development, and delivery of cost-effective microsatellites, and the developer of Canada's Multi Mission Microsatellite Bus (MMMB) and Commercial Microsatellite Bus (CMB) technology. These satellites are capable of hosting a wide variety of remote sensing, military, scientific, and communications payloads, including COMMStellation™, a microsatellite constellation focused on global backhaul connectivity. MSCI also has proven capabilities in systems engineering analysis, the development of sophisticated, cost-effective MicroWheel (reaction wheel) attitude-control systems solutions and their integration into flight hardware and software.

For more information about MSCI, please visit www.mscinc.ca. Additional product-specific information about MSCI's MicroWheel (reaction wheel) attitude control systems can be found at www.reactionwheel.com, and COMMStellation™ at www.commstellation.com.

For more information, please contact:

Justin Phillips
Vice President, Marketing
Microsat Systems Canada Inc. (MSCI)
905.673.0500
justin.phillips@mscinc.ca

###