



**ORBITNET CONTRACTS FOR CAPACITY ON TELSTAR 18
BRINGING ADVANCED BROADBAND SERVICES
TO DEVELOPING COUNTRIES IN ASIA**

OTTAWA, CANADA, January 28, 2010 – Telesat, the world's fourth largest fixed satellite services operator, announced today that Orbitnet LLC of Mongolia (ORBITNET) has signed a multi-year agreement for Ku-band capacity on Telesat's Telstar 18 satellite. ORBITNET is a leading provider of advanced Internet solutions in Asia and is using Telstar 18 to bring broadband connectivity to business, government, and cellular operators in the region.

"Broadband satellite services combine the reliability, high speed and cost effectiveness that make them an ideal solution to meet the growing needs of developing Asian countries like Kazakhstan and Mongolia," said Sukhbaatar Pagvajav, Technical Director of ORBITNET. "Our company began using Telstar 18 in 2008 and our customers are very impressed with the quality of service we have been able to deliver. ORBITNET's business in Mongolia is going well. We have expanded into Bhutan and Kazakhstan and look forward to bringing broadband satellite services to more countries in 2010."

"The coverage and capabilities of Telstar 18 are ideal for meeting the needs of Asian broadband providers like ORBITNET," said Nigel Gibson, Vice President, International Sales for Telesat. "Telstar 18 is one of the most versatile satellites in the region with C-band that connects Asia to the Americas and Ku-band to serve video broadcasters and broadband networks. We see good opportunities for continued growth in Asia with Telstar 18."

About Telstar 18

Located at 138 degrees East, Telesat's Telstar 18 is a hybrid satellite operating in the standard and extended C-band frequency ranges and in standard Ku-band. The satellite's Ku-band footprint reaches Afghanistan with full coverage of India, China, the Koreas and Southeast Asia supporting broadband and video distribution services. Its wide-beam C-band coverage reaches from Hawaii across the Asian continent to India and neighboring countries including Afghanistan and provides direct access to leading Asian media centers for video distribution and contribution.

About ORBITNET LLC (www.orbitnet.mcs.mn)

ORBITNET LLC was established in 2004 to provide satellite communication services such as broadband internet connectivity, high speed transmission of

voice, video and data, as well as video conferencing. ORBITNET has succeeded in establishing a nationwide integrated satellite communication network in Mongolia and is a pioneer and operator of the only Ku-band station in the country. ORBITNET has two teleports located in Ulaanbaatar-capital city of Mongolia with 24/7 NOC support.

ORBITNET's serves such customers as the Mongolian Government including the military, mining companies, private enterprises, CDMA and GSM cellular operators.

About Telesat (www.telesat.com)

Headquartered in Ottawa, Canada, with offices and facilities around the world, Telesat is the fourth largest fixed satellite services operator. The company provides reliable and secure satellite-delivered communications solutions to broadcast, telecom, corporate and government customers. Telesat has a global state-of-the-art fleet of 12 satellites, with two more under construction, and manages the operations of 13 additional satellites for third parties. Telesat is privately held. Its principal shareholders are Canada's Public Sector Pension Investment Board and Loral Space & Communications Inc.

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Forward-Looking Statements Safe Harbour

This news release contains statements that are not based on historical fact and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this news release, the words "scheduled for", "planned", "will", or "expected" or other variations of these words or other similar expressions are intended to identify forward-looking statements and information. Actual results may differ materially from the expectations expressed or implied in the forward-looking statements as a result of known and unknown risks and uncertainties. Detailed information about some of the known risks and uncertainties is included in the "Risk Factors" section of Telesat Canada's final prospectus filed with the United States Securities and Exchange Commission (SEC) on June 29, 2009 as well as Telesat Canada's other filings with the SEC which can be obtained on the SEC's website at <http://www.sec.gov>. Readers are specifically referred to those documents. Known risks and uncertainties include but are not limited to: risks associated with operating satellites and providing satellite services, including satellite construction or launch delays, launch failures, in-orbit failures or impaired satellite performance and risks associated with domestic and foreign government regulation. The foregoing list of important factors is not exclusive. The information contained in this news release reflects Telesat's beliefs, assumptions, intentions, plans and expectations as of the date of this news release. Telesat disclaims any obligation or undertaking to update or revise the information herein.

For further information:

Vanessa Brûlé, Telesat, +1 613 748-8700 ext. 2407 (vbrule@telesat.com)