



Telesat to Collaborate with General Dynamics Mission Systems in Developing User Terminals that Will Exploit the Advanced Networking Capabilities of Telesat's Low Earth Orbit (LEO) Satellite Constellation

OTTAWA, CANADA, July 10, 2018 – Telesat announced today that it has signed a Memorandum of Understanding (MOU) with General Dynamics Mission Systems under which the companies will cooperate in developing user terminals to meet the mission critical needs of government and commercial customers who choose to make Telesat LEO a core component in their communications infrastructure.

Telesat LEO is designed to deliver transformative, fiber-like broadband for commercial and government customers throughout the world. The initial constellation will consist of approximately 120 state-of-the-art satellites providing full global coverage and Telesat is evaluating options to expand its system beyond this initial configuration. As previously announced, satellite industry leaders including Global Eagle Entertainment, OmniAccess and Optus Satellite have agreed to collaborate in live, over-the-air trials on Telesat's Phase 1 LEO satellite. Other companies that serve major markets of interest to Telesat will also be participating in live testing.

General Dynamics Mission Systems is a leader in command-and-control systems, secure communications, sensors and cyber products used on land, at sea, in the air and in space, from Low Earth Orbit missions to those reaching beyond our solar system. In this MOU, General Dynamics will draw upon its decades of experience in designing, building and operating satellite ground systems for the Department of Defense, NASA and other government agencies. The focus of General Dynamic Mission Systems and Telesat will be to design and test high performing user terminals that exploit the advanced capabilities of Telesat LEO and provide end users with important advantages to fulfill their missions.

"Telesat's LEO system will provide government users with unprecedented communications speed and resiliency anywhere on the globe to fulfill their missions," said Don Brown, Telesat's General Manager, Government Services. "We are very pleased to have signed this MOU with General Dynamics Mission Systems, the first company collaborating on the development of Telesat's LEO constellation that specializes in government markets. Combining their deep knowledge of government customer requirements with the innovations of Telesat's LEO system will enable each of our companies to deliver a new generation of government communications capabilities."

"General Dynamics Mission Systems has achieved success by providing our government customers with innovative solutions that give them important operational advantages," said Manny Mora, a vice president and general manager of General

Dynamics Mission Systems. “Our customers increasingly require global communications networks that deliver high levels of resiliency, scalability, security and speed. We look forward to working closely with the experts at Telesat and bringing our customers new communications advances that they can rely on now and in decades to come.”

About Telesat (www.telesat.com)

Telesat is a leading global satellite operator, providing reliable and secure satellite-delivered communications solutions worldwide to broadcast, telecom, corporate and government customers. Headquartered in Ottawa, Canada, with offices and facilities around the world, the company’s state-of-the-art fleet consists of 15 GEO satellites, the Canadian payload on ViaSat-1 and one Phase 1 LEO satellite which is the start of Telesat’s planned global LEO satellite constellation that will offer low latency, high throughput broadband services. An additional two GEO satellites are scheduled for launch mid-2018. Telesat is also a leading technical consultant providing high value expertise and support to satellite operators, insurers and other industry participants on a global basis. Privately held, Telesat’s principal shareholders are Canada’s Public Sector Pension Investment Board and Loral Space & Communications Inc. (NASDAQ: LORL).

Forward-Looking Statements Safe Harbor

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 “will”, “options”, “expand”, “designed to”, “look forward to”, 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 Annual Report on Form 20-F for the fiscal year ended December 31, 2017 which can be obtained on the SEC website at <http://www.sec.gov>. 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, the ability to successfully deploy an advanced global LEO satellite constellation, volatility in exchange rates and risks associated with domestic and foreign government regulation. The foregoing list of important factors is not exhaustive. The information contained in this news release reflects Telesat’s beliefs, assumptions, intentions, plans and expectations as of the date of this news release. Except as required by law, Telesat disclaims any obligation or undertaking to update or revise the information herein.

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