



UPDATE

Fall 2008

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Liftoff of EchoStar XI
July 15, 2008



Liftoff of Galaxy 19
September 24, 2008

Sea Launch Delivers Two Satellites in the Third Quarter

Sea Launch successfully completed its fourth and fifth missions of 2008 with the launches of EchoStar XI, on July 15, and Galaxy 19, on September 24.

The launch of the 5,511 kg (12,150 lb) EchoStar XI broadcast satellite was Sea Launch's third mission for DISH Network. Built by Space Systems/Loral (SS/L), the EchoStar XI spacecraft is designed with 20kW of power for a service life of 15 years in its orbital position at 110 degrees West Longitude. Now in operation, EchoStar XI is supporting the expansion of DISH Network's capacity and capabilities to customers throughout the United States.



"For the third mission in a row, Sea Launch has successfully launched a satellite for DISH Network, and we are thrilled to add our eleventh high-power satellite to our fleet," said Rohan Zaveri, vice president of Space Programs for DISH Network. "We look forward to enhancing our already extensive, high quality programming lineup."

Galaxy 19 was Intelsat's eighth successful mission with Sea Launch. Also built by SS/L, the 4,690 kg (10,340 lb) 1300-series hybrid spacecraft is now located at 97 degrees West Longitude. It carries a total of 52 transponders, providing Intelsat's U.S. customers valuable 50-state coverage, as well coverage over the Caribbean islands, Canada and Mexico.



"Galaxy 19 will host the largest international video programming platform in North America, providing distribution of news and entertainment to our customers who serve the ethnically diverse audience of this region. Likewise, Galaxy 19 will offer our government and network customers seamless data communications for years to come," said David McGlade, Intelsat CEO. "This was our last launch of 2008, completely refreshing the capacity of Intelsat's North American Galaxy Fleet."

Following these successful missions, Kjell Karlsen, president and general manager of Sea Launch, noted, "We're proud of our role in DISH Network's and Intelsat's continued successes. We thank both of these important customers for their continued trust and confidence in our system and our team. Also, I want to thank everyone at SS/L for their consistently professional work leading up to the successful completion of these missions. And, it is again my privilege to acknowledge and thank the Sea Launch partners, contractors and the entire team for these superbly executed launches."

Upcoming Missions

By Sea...



SICRAL 1B satellite arrives at Sea Launch Home Port



Preparations are underway for the January 2009 launch of SICRAL 1B communications satellite for Telespazio, a Thales/Finmeccanica company, based in Rome. A contract signed with Telespazio in 2007 provides for the launch of SICRAL 1B to geosynchronous transfer orbit on a Zenit-3SL vehicle. Built in Torino by Thales Alenia Space Italia, also a Thales/Finmeccanica company, the dual-use Italsat 3000 bus spacecraft was integrated and tested in Cannes, France, for military telecommunications operations of the Italian Ministry of Defense and NATO.

The launch of the SICRAL 1B satellite will follow the successful deployment and operation of SICRAL 1A, part of Italy's first military communications satellite system dedicated to national security. SICRAL 1B has an expected operating life of 13 years and is designed to extend the potential of the system within NATO programs until 2019. As an investor in the SICRAL 1B program, Telespazio will have access of some of the satellite's transmission capacity from its final orbital position at 11.8 degrees East Longitude.

By Land...



Telstar 11N (artist's concept)



We are also preparing for our next Land Launch mission in the first quarter of 2009, with the launch of the Telstar 11N satellite for Telesat. Built by Space Systems/Loral on its 1300 series platform, Telstar 11N will provide service from 39 high-power Ku-band transponders that connect three continents: North America, Western Europe and Africa. In addition, its unique Atlantic Ocean beam will support growing demand for mobile broadband from maritime and aeronautical markets. From its orbital position of 37.5 degrees West Longitude, Telstar 11N will meet the needs of commercial and government customers seeking solutions for IP networking and transport of video content. The satellite has a design life of 15 years.

Kjell Karlsen brings Sea Launch to his alma mater



At the invitation of Professor Dick Sloan, Kjell Karlsen gave a presentation about Sea Launch to an Entrepreneurship class in the MBA program at the University of Oregon, in October.

New Contracts

Sea Launch Partners with Intelsat on Multi-Launch Agreement

In October, Sea Launch and Intelsat signed a multiple launch services contract for five missions on the Sea Launch system, scheduled for execution beginning in late 2010 through 2012.

"We want to thank the Intelsat team for their continued confidence in our team and our launch system," said Kjell Karlsen. "This agreement demonstrates the long-standing partnership that Sea Launch has developed with Intelsat over several years, featuring eight successful missions to date, most recently the flawless launch of the Galaxy 19 satellite on September 24. The award, from industry's leading satellite operator, represents a significant addition to the Sea Launch manifest. We are looking forward to executing these five additional missions in support of Intelsat's fleet replacement requirements.

"Intelsat has had a long-term relationship with Sea Launch. This year, Sea Launch executed two successful launch missions for Intelsat, delivering our Galaxy 18 and Galaxy 19 spacecraft into orbit which completely refreshed the North American Galaxy fleet," said Ken Lee, Intelsat's senior vice president, space systems. "We look forward to working with Sea Launch in the years to come as we introduce new spacecraft, optimized to deliver critical transmission services for our video, voice, network services and government customers."

Sea Launch Signs Launch Agreement with O3b Networks

In September, Sea Launch signed a launch services agreement with O3b Networks Limited for up to two launches in support of their Medium Earth Orbit (MEO) telecommunications satellite constellation. The first launch is scheduled for late 2010.



artist's concept

Built by Thales Alenia Space, the O3b Networks satellites will be deployed by Sea Launch's Zenit-3SL system in groups of eight per launch, to an equatorial injection orbit of 7,825 kilometers above the Earth. Sea Launch is developing a new multi-spacecraft dispenser for these missions, which will accommodate O3b Networks' specific orbital insertion requirements. The satellites, each weighing approximately 700 kg (1,540 lb.), are designed

to provide high-speed, ultra-low-latency Internet Protocol (IP) connectivity between emerging and developed markets worldwide. Upon successful sequential deployment, the satellites are expected to have an on-orbit maneuvering lifetime of ten years.

"We selected Sea Launch because of its knowledge, expertise and successful track record of moving payloads into orbit," said Greg Wyler, O3b Networks Founder and CEO. "With the placement of our first eight satellites, we will provide emerging-market network operators with a low-cost, high-speed alternative to connect their 3G, WiMAX and fixed-line networks to the rest of the world. This will allow consumers and businesses in emerging markets to benefit from high-speed Internet connectivity for educational, medical and commercial applications."

Upon signing the new contract, Kjell Karlsen noted, "We are delighted to have the opportunity to launch these innovative spacecraft for O3b Networks and to have a significant role in this dynamic new communications system. We are grateful for O3b Networks' confidence in our reliable launch system and the team behind it. We are proud of our ability to not only launch satellites, but to help launch O3b Networks' new communications system, which will bridge the digital divide substantially."



Web Sites

To learn more about Sea Launch and our partners, please visit the following websites:

Sea Launch Company
www.sea-launch.com

The Boeing Company
www.boeing.com

Aker ASA
www.akerasa.com

RSC Energia
www.energia.ru

SDO Yuzhnoye
www.yuzhnoye.com

PO Yuzhmash
www.yuzhmash.com



Kjell Karlsen

At the Helm An interview with Kjell Karlsen

Kjell Karlsen was named President and General Manager of the Sea Launch Company in July 2008. Until that appointment, he had served as Executive Vice President and Chief Financial Officer since 2002 and previously had been Vice President and Chief Financial Officer since 1999. Prior to joining Sea Launch, he was President of Kvaerner, Inc., the Norwegian shipbuilder's U.S. headquarters in Philadelphia. Concurrently, he was Vice President of Kvaerner Financial Services, Kvaerner's U.S. treasury operation, reporting to the Treasurer of the Kvaerner Group (now Aker ASA). From 1988-1997, Kjell held increasingly responsible executive positions with Den norske Bank of Oslo, Norway, and its New York-based operation. He has a Bachelor of Science degree in Business Administration from the University of Oregon and a Master of Business Administration degree from Lehigh University. He is a graduate of the Executive Development Program of The Wharton School at the University of Pennsylvania and also of the officer training program of the Norwegian Air Force.

You've been with the Sea Launch Company for nearly ten years... What are your overall observations about the company and where do you see it going in the next ten years?

Sea Launch has accomplished a tremendous amount in its ten years of operations. Since our formation as the world's first multi-national, commercial launch provider in 1995, we have carved out a niche in the global market. We have performed 29 Zenit-3SL missions, for more than a dozen customers – all the while growing our expertise as unique and creative problem-solvers. I am now in the process of implementing a business model based on the balance of profitable revenue, combined with maintaining sustainable operating margins and cost structure. I've always been a firm believer that we've had appropriate cost controls in place, but the revenue side has been stretched for the last few years, starting in 2001, when prices dropped significantly because there were so few satellites going to orbit. It has taken time for satellite orders to return to historic levels and for launch services to return to sustainable pricing.

Over the next ten years, I anticipate continued maturity as an organization and a greater measure of growth going forward. We continuously strive to be in synch with our customers and their needs, bringing value and innovation to the satellite operator community. Successfully managing the financial goals of the organization, as well as evolving our launch service offerings to fit a changing marketplace, all represent challenges to us and many companies in this industry.

On The Road

January 18-21

Pacific Telecom Council
(PTC 09)
Honolulu, HI

March 24-27

Satellite 2009 Conference
and Exhibition
Washington, DC

Contact Info

Sea Launch Company

One World Trade Center
Suite 950
Long Beach, CA 90831
USA
562.499.4700

Can you compare your previous experiences in the ship-building and financial industries with leading an international launch services provider?

I've been able to leverage my financial background at Aker and Den norske Bank during my experience at Sea Launch. At Aker, we were responsible for very large-scale shipbuilding activities and faced unique circumstances funding working capital during the construction of a vessel. My experiences at Den norske Bank gave me important insight into the funding challenges facing operators and manufacturers in any industry.

At Sea Launch, I have been fortunate to work alongside our previous leaders as well as our incredibly talented international team. Today, in my leadership role here, I am drawing from the best from all of my predecessors, as well as bringing my own unique perspectives to make the best management decisions going forward.

What is your approach towards managing the diverse interests of all of the Sea Launch stakeholders in this multi-national partnership?

My approach is one of aligning the needs of our satellite operator customer base with those of Sea Launch and the individual parent companies that comprise the venture. For us to be successful going forward, we've got to be cohesive as an entity. That means balancing the very real financial requirements of running a commercial launch company with the equally demanding environment that our customers are operating in today. In addition to their broad expertise in launch operations, our partner organizations bring considerable innovative solutions to the company. Having the opportunity to work in an environment that demands excellence is inspiring. Our relationships are built on a foundation of performance and trust. A successful mission is not an accident but, rather, the culmination of efforts of thousands of individuals, components, equipment and procedures. The reward of bringing all of these elements together in a successful launch is certainly a highlight for me.

What do customers want to see from Sea Launch going forward?

We need to continue to focus on mission execution on behalf of our customers. We need to do this consistently, efficiently and reliably. We need to launch on time, minimize delays in our hardware flow and increase transparency throughout the process. And we must accomplish these things with a value proposition that is among the best in the business.