

PRESS RELEASE

t/Space Announces Expanded Technical and Financial Team

RESTON, VA – June 28 – Transformational Space Corp., which is a finalist in a \$500 million NASA competition to build a new space vehicle to bring crew and cargo to the International Space Station (ISS), announced today an expansion of its technical and financial team. Ball Aerospace will design and produce the avionics for the space vehicle. Near Earth LLC has been engaged as the company's investment banker. In addition, Lon Levin – the cofounder of XM Satellite Radio – has joined senior management to focus on capital and corporate strategies.

t/Space and NASA are negotiating a potential contract under NASA's innovative Commercial Orbital Transportation System (COTS) initiative. NASA's goal is to fund the development of one or more commercial services that can bring cargo and personnel to the ISS after the Space Shuttle is retired in 2010.

Ball Aerospace & Technologies Corp. of Boulder, Colo., will deliver the complete avionics, guidance, navigation, and control solution – hardware and software – for the t/Space system: a Crew Transfer Vehicle (CXV) that will provide safe and affordable crew and cargo service to the ISS. “We sought an agile, experienced company to take on the avionics challenge, but we also needed an organization with a history of success in very difficult tasks,” said Chairman and CEO Charles Duelfer. “Ball has demonstrated its technical excellence with NASA missions such as Deep Impact, which hit a comet millions of miles away from Earth, and the QuickBird imaging satellite, which was first to deliver sub-meter resolution on a commercial basis.”

Near Earth LLC of New York will assist the company in further building private and strategic capital for both the NASA program and non-NASA markets. “As NASA focuses on the return to the Moon and to Mars, it is eager to have commercial companies take over the vital mission of supplying the ISS, especially in a post-Shuttle world. This creates a major business opportunity for t/Space.” said Hoyt Davidson, Managing Partner.

t/Space also announced the addition of Mr. Levin to its senior management team as Chief Strategic Officer. Mr. Levin is the cofounder of XM Satellite Radio, and also played integral roles in the creation and development of Mobile Satellite Ventures, XM Canada, American Mobile Satellite Corporation, and TerreStar Networks. “Lon has been a critical part of innovative space-centric companies that have raised billions of dollars to turn ideas into business. He has helped guide their early growth when skeptics were the loudest,” said Mr. Duelfer, t/Space CEO.

“It is a privilege to be part of NASA's great effort to commercialize space. t/Space will offer the safest, least expensive, and most reliable space transportation service in history.” Mr. Levin said.

Mr. Levin serves on the Board of Directors of the Space Foundation and the International Association of Space Entrepreneurs, the Board of Governors of the National Space Society, and was a founding board member of the Satellite Industry Association.

About t/Space:

t/Space completed a \$6 million NASA contract in September 2005 under which it built and tested components of its proposed air-launched low-cost space vehicles. During this contract, t/Space worked with Scaled Composites of *SpaceShipOne* fame to utilize their *Proteus* aircraft to conduct three drops over the Mojave Desert. The test series demonstrated the safety and effectiveness of the new air-release technology that t/Space will use to send its vehicle to orbit. The t/Space design, fabrication and test program is led by former astronaut Jim Voss, Vice President of Space Exploration Systems. A former manager for NASA, Voss's space experience includes five Space Shuttle flights and a six-month stay onboard the International Space Station during Expedition Two. For more information, visit www.TransformSpace.com.

About Ball Aerospace:

Ball Aerospace & Technologies Corp. delivers high-capability spacecraft, electro-optical and infrared sensors, RF and microwave systems, laser applications, data exploitation and processing solutions and specialty components for important national missions. Ball Aerospace supports national defense, intelligence and civil government agencies, as well as numerous aerospace industry prime contractors. For more information, visit www.ballaerospace.com

About Near Earth LLC:

Near Earth is an investment banking firm focused on the commercial space industry, as well as some of the newer and higher growth sectors of the telecommunications and media industries. Near Earth's professionals have been involved in financings in excess of \$30 billion during their careers. These financings pioneered the commercial space industry giving visionary entrepreneurs the capital they needed to bring us services we all take for granted today, like satellite TV, satellite radio, mobile voice and data communications anywhere in the world, satellite imagery of the earth and most recently Internet broadband for rural areas. For more information, visit www.nearearthllc.com

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