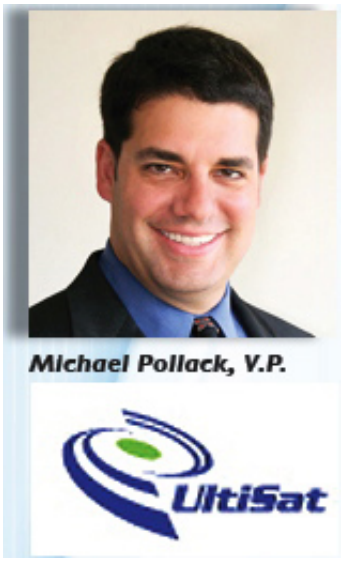
UltiSat — YEAR IN REVIEW



(http://www.ultisat.com/) **This past year has been an exciting year for UltiSat. Despite a challenging economic downturn, UltiSat was able to make some remarkable progress on new projects and to complete an acquisition that expands its global presence. This past year was similar to 2008 in having a strong market for military, government, and nongovernmental organization (NGO) satellite services. However, government and military users are competing for space on commercial satellites, with private-sector segments such as the broadcast industry, combined with the increasing sophistication of applications deployed by all of these users, is starting to exhaust capacity. In regions such as Southwest Asia (SWA), space segment prices are at record highs and availability at record lows.**

The industry has responded with various solutions — better data-compression techniques, increasing use of hybrid satellite/terrestrial techniques, and maximizing capacity on all available satellites and frequencies. However, more capacity, better ground technology, and alternative spectrum will have to come onto the market if all the military and commercial needs are to be met. UltiSat was well positioned to leverage its global infrastructure to accommodate its military, NGO, and infrastructure operator customers in 2009. Acquisition of a well-maintained, modern teleport in Denmark enhanced UltiSat's ability to offer premium SWA and Africa services and coverage. Most of UltiSat's new business in 2009 was created due to the Company's ability to provide soup-to-nuts SATCOM services that ensured best-value solutions for each customer's specific needs. Access to premium bandwidth, a platform-agnostic philosophy, and in-house systems design and implementation experience allowed UltiSat to provide, secure, reliable, and cost-effective operations for its clients.

Broadband IP is clearly the new network standard. Successful companies will be those offering ubiquitous, high-quality, and reliable interworks that can cope with data-rich, graphics-heavy applications. Military users increasingly need easily transportable products, from manpack units in the field to flyway units that can be installed and operated simply and quickly. The military is looking for multipurpose, multiband equipment that can be easily deployed and redeployed. UltiSat has positioned itself to provide these types of terminals.

Alternatives to the traditional C- and Ku-band services such as in X- and Ka-bands and the introduction of the U.S. military's Wideband Global Satcom (WGS) constellation, are going to be increasingly important to the military and government markets. Of particular interest in the short term are the possibilities offered by the X-band spectrum. As Ku- capacity in SWA dries up and become increasingly expensive, X-band becomes an attractive alternative and its use is reserved exclusively for government users. Organizations that already use multiband terminals can often migrate current equipment to X band, but the challenge will be in offering smart designs for new networks. Companies that design networks that can be moved back to Ku-band when prices inevitably drop will be ahead of their competitors in selling useful networks to government users. With offerings of multiband terminals, UltiSat can support any band that might be used by its customers.

Africa continues to offer opportunities for turnkey–solution providers and systems integrators. UltiSat has already installed more than a dozen networks in Africa and is well positioned to support the African market. The prospect of new satellites with African coverage combined with the expansion of cheaper

high-capacity, backbone cable will open the continent up to VSAT networks of every variety. Experienced managed VSAT network providers such as UltiSat, will continue to find opportunities to provide custom networks operating in both C- and Ku-band spectra.

Local and regional Internet service providers are continuing to establish Earth stations to offer affordable IP services to an ever-hungry market. As an end-to-end systems integrator, UltiSat has provisioned a number of large-antenna (greater than 6m) fully redundant, uplink gateways, and hubs in Africa and then provide continuing operation and maintenance. The latest example of this was the successful installation and integration earlier this year of AFCOMSAT's teleport in Nigeria.

Finally, we see growth not only in portable and flyaway systems, but also in mobile satellite services. From office-in-a-box solutions to satellite telephony, UltiSat sees an increasing need for "anywhere, anytime" systems that can be deployed not only by traditional users such as journalists, surveyors, and international aid workers, but by also by state and police agencies, first responders, and the military. To meet this burgeoning market's needs, UltiSat has developed a new product line — based on its UltiKit technology — that provides a premier portable solution for any location on the globe.

The outlook for 2010 for UltiSat is bright — the Company is prepared to meet challenges with cost-effective SATCOM services and value-added applications. While the continuing capacity shortage demonstrates demand, if capacity completely dries up, sales will, no doubt, be suppressed. Certain segments of the market, primarily government and military and some underserved regions, will continue to thrive, regardless.

We believe the biggest and most consistent users of customized satellite communications networks in 2010 will be the military followed by NGOs; either in support of, or on the ground, in areas of turbulence and conflict. Broadband access for morale, welfare, and recreation (MWR) requirements, as well as data-rich applications for military users and defense contractors, will continue to create opportunities in all areas of operation, particularly in SWA and Africa. As the military demands smaller, less conspicuous equipment that can be operated in harsh conditions on the front line, companies looking to be competitive in this market will have to be able to quickly deploy cost-effective solutions that maximize space segment.

UltiSat is optimistic that 2010 will be another great year for those that can offer a range of end-to-end solutions that can be integrated into easy-to-manage networks. Companies with the experience and capabilities to engineer networks that take into account specific customer needs and accommodate both the latest technology and the current spectrum limitations will find success supporting end users in remote markets.