

FAIRNESS OPINIONS

Opinion of Jefferies

Jefferies & Company, Inc. ("Jefferies") was engaged to render an opinion to the Company's Board of Directors as to whether the following transactions (the "Transactions") are fair, from a financial point of view, to the Company: (i) the issuance of between \$50 million and \$75 million of Exchangeable Notes (the "EchoStar Exchangeable Notes Issuance") and one share of Series C Preferred Stock to EchoStar, (ii) the issuance of between \$50 million and \$75 million of Exchangeable Notes (the "Harbinger Exchangeable Notes Issuance") and one share of Series D Preferred Stock to Harbinger, (iii) the Company's acquisition of the rights of CCTV Wireless, Inc. ("CCTV") in the 1.4 GHz Band Spectrum licenses and CCTV's delivery to the Company of the Nationwide Spectrum License (as defined in Annex A to the Opinion (as defined below)) in exchange for the issuance of 30,000,000 Junior Preferred Shares and (iv) the Company's acquisition of an ownership interest in a joint venture entity (the "JV Entity") to which EchoStar will contribute its rights in the 1.4 GHz Band Spectrum in exchange for (a) the issuance by the JV Entity to EchoStar of a convertible preferred interest in the JV Entity equal to the market value of 30,000,000 Common Shares at the time of formation of the JV Entity and (b) the Company's entry into an operating lease pursuant to which the Company would lease the 1.4 GHz Band Spectrum from the JV Entity (the "Band Lease"). On February 3, 2008, Jefferies delivered to the Company's Board of Directors its oral opinion, subsequently confirmed in writing, that, as of the date of its opinion, based upon and subject to the assumptions, limitations, qualifications, and factors contained in its opinion, the Transactions are fair, from a financial point of view, to the Company. The February 3, 2008 opinion of Jefferies is referred to hereinafter in this "Opinion of Jefferies" section as the "Opinion."

The full text of the Opinion is attached to this Information Statement as Annex C and incorporated into this Information Statement by reference. We urge you to read the Opinion carefully and in its entirety for the assumptions made, procedures followed, other matters considered, and limits of the review undertaken in arriving at the Opinion.

The Opinion is for the use and benefit of the Company's Board of Directors in its consideration of the Transactions. The Opinion does not address the relative merits of the transactions contemplated by the agreements related to the Transactions which are described on Annex A attached to the Opinion (collectively, the "Agreements"), as compared to any alternative transaction or opportunity that might be available to the Company, nor does the Opinion address the underlying business decision by the Company to engage in the Transactions or, except as expressly set forth therein, the terms of the Agreements or the documents referred to therein. In addition, the Company's Board of Directors did not ask Jefferies to provide, and the Opinion does not provide, advice concerning the structure or any other aspects of the Transactions, or provide services other than the delivery of the Opinion. Jefferies was not authorized to and did not solicit any expressions of interest from any parties with respect to the Transactions or any other alternative transaction. Jefferies did not participate in negotiations with respect to the terms of the Transactions and related transactions. Consequently, Jefferies has assumed that such terms are the most beneficial terms from the Company's perspective that could under the circumstances be negotiated among the parties to such transactions, and the Opinion does not express whether any alternative transaction might result in consideration more favorable to the Company than that contemplated by the applicable Agreements.

The Opinion does not constitute a recommendation to any holder of securities of the Company in respect of the Transactions or a recommendation to any holder of securities of the Company as to how such holder should vote on any transaction contemplated by the Agreements or any matter related thereto. In addition, the Company's Board of Directors did not ask Jefferies to address, and the Opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company. The Opinion was authorized by the Fairness Opinion Committee of Jefferies.

In arriving at the Opinion, Jefferies, among other things:

- reviewed final draft forms of the Agreements;
- reviewed the final draft form of the Certificate of Designations for the Junior Preferred Shares,

Series C Preferred Stock and Series D Preferred Stock;

- reviewed certain publicly available financial and other information about the Company;
- reviewed certain information furnished to Jefferies by the Company's management, including financial forecasts and analysis, relating to the business, operations and prospects of the Company;
- held discussions with members of senior management of the Company concerning the matters described in the third and fourth bullet points above;
- reviewed the financial performance of the Company and compared such performance with that of certain publicly traded companies that we deemed relevant;
- compared the proposed financial terms of the Transactions with the financial terms, to the extent available, of certain other transactions that we deemed relevant; and
- conducted such other financial studies, analyses and investigations as we deemed appropriate.

With respect to the Transactions, the phrase "fair, from a financial point of view, to the Company" in the Opinion means that, as of the date of the Opinion, the material terms of the Exchangeable Notes, the Series C Preferred Stock and the Series D Preferred Stock, including, without limitation, the exchange ratio for the Common Shares and the Assumptions (as defined below), could reasonably be expected to be no less favorable to the Company than those terms that would have been obtained in a comparable transaction in arm's-length dealings by the Company with a person or entity who is not an affiliate.

The Opinion necessarily reflects the current state of the debt capital markets, and the scarcity of transactions similar to the Transactions. Accordingly, comparing the Transactions to similar transactions for similar companies is not practicable. Therefore, Jefferies' opinion is based on Jefferies' experience as an underwriter of debt financings in the capital markets over an extended period of time, and is based, in large part, on Jefferies' informed judgment as to the matters set forth herein. In addition, the term "comparable transaction in arm's length dealings" (in the preceding paragraph) refers to a transaction in which such non-affiliated party has no other business dealings with the Company that could alter its economic incentive with respect to the Transactions.

In its review and analysis and in rendering the Opinion, Jefferies assumed and relied upon, but did not assume any responsibility to independently investigate or verify, the representations and warranties set forth in the Agreements (and Jefferies assumed that such representations and warranties are true and correct in all respects) and the accuracy and completeness of all financial and other information that was supplied or otherwise made available by the Company to Jefferies or that was publicly available (including, without limitation, the information described above), or that was otherwise reviewed by Jefferies. Jefferies relied on assurances of the management of the Company that they are not aware of any facts or circumstances that would make such information inaccurate or misleading. Jefferies did not obtain any independent evaluation or appraisal of any of the assets or liabilities of, nor did Jefferies conduct a physical inspection of any of the properties or facilities of, the Company. Jefferies has not been furnished with any such evaluations or appraisals of such physical inspections, nor does Jefferies assume any responsibility to obtain any such evaluations or appraisals.

All assumptions made in the Opinion, including those referred to below, are referred to as the “Assumptions.”

With respect to the financial forecasts provided to and examined by Jefferies, Jefferies notes that projecting future results of any company is inherently subject to uncertainty. The Company informed Jefferies, however, and Jefferies assumed, that such financial forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of the Company as to the future financial performance of the Company. Jefferies expresses no opinion as to the Company’s financial forecasts or the assumptions on which they are made.

The Opinion was based on economic, monetary, regulatory, market, and other conditions existing and which could be evaluated as of the date of the Opinion. Jefferies has no obligation to advise any person of any change in any fact or matter affecting the Opinion of which Jefferies becomes aware after the date of the Opinion.

Jefferies made no independent investigation of any legal or accounting matters affecting the Company. Jefferies assumed the correctness in all respects material to its analysis of all legal and accounting advice given to the Company and its Board of Directors, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the Agreements to the Company and its stockholders. Jefferies also assumed that in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Transactions, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company or the contemplated benefits of the Transactions in any way meaningful to Jefferies’ analysis. In addition, Jefferies assumed that the Band Lease will be entered into within the time provided for in such lease, and that the final Band Lease will be on terms not less favorable to the Company than the draft Band Lease reviewed by Jefferies. Jefferies assumed that the final Agreements would not contain any terms less favorable to the Company than the drafts reviewed by Jefferies, which drafts are identified on Annex A attached to the Opinion.

The following is a brief summary of the analyses performed by Jefferies in connection with the Opinion. This summary is not intended to be an exhaustive description of the analyses performed by Jefferies, but includes all material factors considered by Jefferies in rendering the Opinion. Jefferies did not attribute any particular weight to any analysis, methodology, or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor; accordingly, the analyses performed by Jefferies must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusions expressed in the Opinion. Each analysis performed by Jefferies is a common methodology utilized in determining valuations for transactions of the nature contemplated by the Agreements. Although other valuation techniques may exist, Jefferies believes that the analyses described below, when taken as a whole, provide the most appropriate analyses for Jefferies to arrive at the Opinion.

1.4 GHz Spectrum Contribution

Purchase Price for the Spectrum

Jefferies initially calculated the implied aggregate purchase price paid by the Company in the Transactions to obtain the 1.4 GHz Band Spectrum covering a population of 285.6 million persons, or 2.3 billion MHz POPs. This calculation, detailed below, demonstrated that the Company paid \$0.13 per MHz POP in the Transactions.

In calculating such amount, Jefferies first analyzed the Company's acquisition of CCTV's rights and interest (the "CCTV Band Interest") in the 1.4 GHz Band Spectrum (the "CCTV Band Acquisition") in exchange for 1.2 million shares of the Junior Preferred Shares, each share of which is convertible into 25 Common Shares. Jefferies multiplied the number of Common Shares into which the 1.2 million shares of Junior Preferred Shares issued by the Company in the CCTV Band Acquisition are convertible (30 million) by the closing price per Common Share (\$4.64) on January 30, 2008, resulting in implied consideration paid by the Company in the CCTV Band Acquisition of \$139.2 million. Jefferies notes that on the date of the Opinion, the conversion ratio of the Junior Preferred Shares into Common Shares was expected to be 1:1, but the conversion ratio changed to 1:25. This does not affect the Opinion because in each case the Junior Preferred Shares issued to EchoStar are convertible into 30 million Common Shares (i.e., as contemplated by the Opinion, 30 million Junior Preferred Shares would have been convertible at a 1:1 ratio into 30 million Common Shares, and as actually issued to EchoStar, the 1.2 million Junior Preferred Shares are convertible at a 1:25 ratio into 30 million Common Shares).

Jefferies then analyzed the Company's right to either: (i) lease EchoStar's interest in the 1.4 GHz Band Spectrum in exchange for payments to be made by the Company to the JV Entity, subject to, and under the terms of, the Band Lease (collectively, the "Band Lease Payments") or (ii) acquire EchoStar's interest in the 1.4 GHz Band Spectrum in exchange for the issuance of 30 million Common Shares to EchoStar, subject to, and under the terms of, the EchoStar Spectrum Agreement (the "EchoStar Option Consideration").

In order to calculate the net present value of the Band Lease Payments, Jefferies applied a 15% discount rate to the ten annual \$26.5 million lease payments payable by the Company, and then applied a 15% discount rate to the \$82.9 million balloon payment due in year ten of the Band Lease. Using this methodology, Jefferies calculated the net present value of the aggregate Band Lease Payments at \$153.5 million, or \$133.0 million in respect of annual lease payments plus \$20.5 million in respect of the final balloon payment. Jefferies calculated the value of the EchoStar Option Consideration by multiplying the EchoStar Option Consideration of 30 million Common Shares by the closing price per Common Share (\$4.64) on January 30, 2008, resulting in implied consideration of \$139.2 million.

Jefferies then calculated the total purchase price for the 1.4 GHz Band Spectrum assuming that: (i) the CCTV Band Acquisition is completed for \$139.2 million and EchoStar's interest in the 1.4 GHz Band Spectrum is leased for \$153.5 million in Band Lease Payments, for total consideration of \$292.7 million, or \$.13 per MHz POP, and (ii) the CCTV Band Acquisition is completed for \$139.2 million and EchoStar's interest in the 1.4 GHz Band Spectrum is acquired for \$139.2 million in EchoStar Option Consideration, for total consideration of \$278.4 million, or \$.12 per MHz POP. For purposes of the following analyses, Jefferies assumed that the Company will pay the higher total consideration (i.e., that the CCTV Band Acquisition is completed for \$139.2 million and that EchoStar's interest in the 1.4 GHz Band Spectrum is leased for \$153.5 million in Band Lease Payments, for total consideration of \$292.7 million, or \$.13 per MHz POP).

As described in more detail below, Jefferies compared the implied consideration of \$.13 per MHz POP paid by the Company in the Transactions against (i) the implied consideration per MHz POP in selected comparable spectrum transactions, (ii) the ratio of total enterprise value of selected public companies in the mobile satellite system/ancillary terrestrial component ("MSS/ATC") industry divided by MHz POP, (iii) the implied consideration per MHz POP in connection with the acquisition of the 1.4 GHz Band Spectrum in March 2007, (iv) the implied consideration per MHz POP in connection with the acquisition of the CCTV Band Interest in January 2008 and (v) the net present value of the 1.4 GHz Band Spectrum to the Company, on a per MHz POP basis, assuming the Company successfully implements the management's business plans for the 1.4 GHz Band Spectrum.

Third Party Spectrum Transaction Analysis

Jefferies utilized precedent third party spectrum transaction analysis, a method of valuing a business relative to recent spectrum acquisition transactions. Jefferies analyzed three such transactions that have closed since September 2006 and one ongoing auction transaction. These transactions are summarized in the following table:

<u>Date Closed</u>	<u>Transaction</u>	<u>Description</u>	<u>Purchase Price</u> (in millions)	<u>\$ / MHz POP</u>
N/A (1)	FCC 700 MHz Band (Auction 73)	U.S. National Spectrum Auction – weighted average price based on FCC-imposed minimum reserve price	\$10,053	\$0.57
October 2007	AT&T / Aloha Partners	AT&T purchase of U.S. 700 MHz Spectrum from Aloha Partners – negotiated transaction price	2,500	1.06
February 2007	Clearwire / AT&T	Clearwire purchase of 2.5 GHz Spectrum from AT&T – negotiated transaction price	300	0.18
September 2006	Advanced Wireless System Auction (Auction 66)	U.S. National Spectrum Auction – weighted average price based on winning bids by 104 bidders	13,700	0.54

(1) Auction, commenced January 2008, is ongoing.

Mean 0.59

Median 0.55

Jefferies calculated the ratio of the purchase price paid in each such transaction by the MHz POP acquired in the transaction to determine the amount paid per MHz POP. Jefferies then compared these amounts to the amount paid by the Company per MHz POP in the Transactions.

The transactions utilized in the precedent third party spectrum transaction analysis are not identical to the Transactions. In evaluating the precedent transactions, Jefferies made judgments and assumptions with regard to industry performance; general business, economic, market, and financial conditions; and other matters, many of which are beyond the control of the Company. Mathematical analysis of precedent transactions (such as determining means and medians) in isolation from other analyses is not an effective method of evaluating transactions.

Comparable MSS/ATC Public Company Analysis

Jefferies utilized comparable public company analysis, a method of valuing a business relative to publicly-traded companies with similar products or services, similar operating or financial characteristics, or servicing similar customer markets. Jefferies reviewed and compared certain stock trading data and financial data for certain publicly-traded companies holding an ownership interest in MSS/ATC operating businesses. These included the Company, ICO Global Communications (Holdings) Limited and Skyterra Communications, Inc.

Jefferies then calculated the ratio of the company's TEV by the MHz POPs covered by each company's spectrum as of January 30, 2008, as set forth in the table below. Jefferies then compared these amounts to the amount paid by the Company per MHz POP in the Transactions.

<u>Company</u>	<u>TEV / MHz POP</u>
TerreStar Corporation	\$0.23
ICO Global Communications (Holdings) Limited	\$0.17
Skyterra Communications, Inc	\$0.17

Mean \$0.19

Median \$0.17

Related Party Comparable Spectrum Transaction 1 – 1.4 GHz Spectrum (Auction 69)

Jefferies reviewed, as a related comparable spectrum acquisition transaction, the March 8, 2007 acquisition by Port and CCTV Wireless Inc. in Auction 69 of the 1.4 GHz Band Spectrum covering 2.3 billion MHz POPs, for aggregate consideration of \$123.6 million, or \$.05 per MHz POP. Jefferies then compared this amount to the amount paid by the Company per MHz POP in the Transactions. Jefferies noted that the purchase price per MHz POP in Auction 69 was less because the acquirers each only purchased a portion of the 1.4 GHz Band Spectrum which does not provide the same benefits and uses as ownership of the entire 1.4 GHz Band Spectrum.

Related Party Comparable Spectrum Transaction 2 – Harbinger's Agreement to Acquire CCTV

Jefferies reviewed as a related comparable spectrum acquisition transaction Harbinger's January 30, 2008 agreement to acquire an option to indefeasibly purchase all of the issued and outstanding equity of CCTV Wireless I, LLC, which then owned a 1.4 GHz spectrum covering 1.1 billion MHz POPs, for aggregate consideration of \$212.5 million, or \$0.19 per MHz POP. Jefferies then compared this amount to the amount paid by the Company per MHz POP in the Transactions.

Implied Net Present Value of 1.4 GHz Band Spectrum to Company

Jefferies utilized discounted cash flow analysis, which values a company or a business of a company as the sum of its unlevered (before financing costs) free cash flows over a forecast period and the terminal or residual value of the company or business at the end of the forecast period. Jefferies examined the value of the 1.4 GHz Band Spectrum, strictly from a financial perspective, to the Company under Company management's proposed business plans for the 1.4 GHz Band Spectrum, assuming that the operating assumptions included in those plans are based on Company management's best judgments. Jefferies examined the value of the 1.4 GHz Band Spectrum under each business plan based on projected free cash flow estimates, which were generated utilizing financial projections provided by the Company's management during the period beginning on the anticipated launch date of each business plan (either the first quarter of 2009 or the first quarter of 2010, depending on the plan) and ending on a terminal date (2018, 2019 or 2020, depending on the plan). A range of terminal values for each plan's terminal date was determined by ascribing perpetual growth rates, which ranged from 4.0% to 8.0%, to the projected free cash flow for the projection period for that plan. Jefferies selected its range of perpetual growth rates (4.0% - 8.0%) based on expected sustainable long-term cash flow growth, which Jefferies deemed most reasonable in light of the nature of the Company's proposed business plan.

Jefferies calculated a discount rate of 20.5% using the Capital Asset Pricing Model, using the unlevered beta median for ICO Global Communications (Holdings) Limited and Skyterra Communications, Inc., calculated using the 2-year historical raw weekly data from Bloomberg information services, an assumed Company capital structure of 49.6% equity and 50.4% debt and adjusting for the approximate yield of the Company's outstanding debt as of September 30, 2007 (16.0%). Based on the selected range of perpetual growth rates (4.0% - 8.0%) and discount rates (15.0% - 25.0%), Jefferies calculated the projected low, median and high value of the 1.4 GHz Band Spectrum to the Company under each business plan. Jefferies then summed the low, median and high projected values of each business plan to calculate aggregate low, median and high projected values of the 1.4 GHz Band Spectrum to the Company, assuming successful implementation of the proposed business plans. The resulting low, median and high projected values of the 1.4 GHz Band Spectrum to the Company were \$533.4 million, \$670.3 million and \$856.2 million, or \$0.23, \$0.29 and \$0.37 per MHz POP acquired in the Transactions, calculated using a discount rate of 20.0% and a terminal growth rate of 6.0%. Jefferies compared these values to the amount paid by the Company per MHz POP in the Transactions.

While discounted cash flow analysis is a widely accepted and practiced valuation methodology, it relies on a number of assumptions, including growth rates and discount rates. The valuation derived from the discounted cash flow analysis is not necessarily indicative of the value of the 1.4 GHz Band Spectrum to the Company in the future, or the Company's present or future value or results. Discounted cash flow analysis in isolation from other analyses is not an effective method of evaluating transactions.

Exchangeable Notes

Comparable Convertible Debt Securities Analysis

Because the Exchangeable Notes are convertible into Common Shares, Jefferies considered the EchoStar Exchangeable Notes Issuance and the Harbinger Exchangeable Notes Issuance (together, the "Exchangeable Note Issuances") in connection with its fairness analysis. In analyzing the Exchangeable Note Issuances, Jefferies compared the terms of comparable issuances of debt securities convertible into equity securities with the terms of the Exchangeable Notes. This analysis was based on Jefferies' review of: (i) 34 convertible debt securities issuances completed during 2007 and 2008 that were unrated by both Moody's Investors Service and Standard & Poor's Corporation, had a principal amount between \$100 million and \$650 million and involved companies with market capitalizations between \$250 million and \$1 billion, regardless of issuer industry and (ii) three convertible debt securities issuances by participants in industries relatively similar to the Company's industry.

Non-Industry Specific Comparable Convertible Debt Securities

As part of its fairness analysis, Jefferies examined certain aspects of the Exchangeable Note Issuances in relation to the 34 non-industry specific comparable transactions, including: issuer common stock liquidity prior to issuance; issuer common stock volatility prior to issuance; conversion premium; interest rate payable, or coupon; issuer redemption limitations, or first hard call; issuer capital structure/leverage; maturity of securities; and issuer revenue generation prior to issuance, or operating history. The results of this examination are summarized in the following table and discussed below:

	100-Day Volatility At Issue	Conversion Premium	Coupon	3 Month Avg. Daily Trade Volume Prior to Issue	First Hard Call (years)	At Issue LTM Revenue	At Issue Leverage
Trimmed Mean (1)	36.18%	27.58%	3.422%	886,237	6	\$829.7	4.8x
Low	19.75%	0.00%	0.750%	186,253	2	0.0	0.2x
High	124.30%	75.00%	9.000%	10,450,548	12	9,299.0	14.0x
TerreStar Corp.	66.02%	20.00%	6.500%	141,116	6.5	—	—

(1) Trimmed mean is the mean, calculated to exclude the highest and the lowest of the 34 data points.

Jefferies examined volatility because volatility affects the pricing of convertible notes by impacting the likelihood of conversion and, therefore, the likelihood of issuance of the securities into which the notes are convertible. Increased volatility generally positively impacts the pricing of convertible securities. The average 100-day volatility of the stock of the issuers of the 34 comparable convertible issues was 36.2%. The 100-day volatility of the Common Shares was 66.0% as of January 29, 2008.

Jefferies also evaluated the three-month average daily trading volume prior to issue as a measure of the liquidity of the underlying common stock of the comparable convertible issues, and noted that lower trading volume tended to increase volatility. Jefferies noted that the Company's three-month average daily trading volume prior to issue, 141,116 shares, was lower than that of any of the issuers of the comparable convertible securities and that the mean three-month average daily trading volume prior to issue for such issuers was 886,237 shares.

Conversion premium reflects the stock price at which a noteholder can exchange such note into equity of a company. A lower conversion premium generally positively impacts the pricing of convertible securities. The Company's conversion premium of 20.0% was within the range of the comparable convertible issues.

The coupon for the Exchangeable Notes is 6.5%, compared to a mean coupon of 3.4% for the comparable convertible securities. Jefferies noted that although the Exchangeable Notes' coupon is higher than most of the comparable convertible issues, the Company has the option to pay in-kind rather than pay in cash. Jefferies noted that this may benefit the Company in the future because it provides the Company greater flexibility with respect to managing its cash flow, but also creates risk for the investor.

The Exchangeable Notes have a non-call period. Non-call periods are the period in which an issuer's ability to redeem convertible securities prior to maturity is prohibited; therefore, an extended non-call period enhances the "option" value of convertible securities. The non-call period for the Exchangeable Notes is six and a half years. The average non-call period for the comparable convertible securities was six years.

Most of the issuers of the comparable convertible securities had significant revenues for the one-year period preceding the issuance of the securities, with the average revenue of the issuers for that period at \$829.7 million. The Company, however, currently has no revenue and does not expect to have revenue until the first quarter of 2009. The lack of issuer revenue increases the risk of default on debt securities and may cause issuers to incur additional indebtedness.

The 34 transactions utilized in the precedent non-industry specific convertible securities analysis are not identical to the Exchangeable Notes. In evaluating the precedent transactions, Jefferies made judgments and assumptions with regard to industry performance; general business, economic, market, and financial conditions; and other matters, many of which are beyond the control of the Company. Comparability of precedent transactions is also limited due to the various industries involved, differences in issuer characteristics, ranking, and the amount of senior leverage. Mathematical analysis of precedent transactions (such as determining means) in isolation from other analyses is not an effective method of evaluating transactions.

Industry Specific Comparable Convertible Debt Securities

Jefferies reviewed three industry specific comparable transactions in comparison to the Exchangeable Notes Issuances. Jefferies selected these transactions based on the issuers' participation in industries similar to the Company's industry. The transactions are summarized in the following table:

	<u>Exchangeable Notes Transaction</u>	<u>FiberTower Corporation</u>	<u>ICO North America</u>	<u>Inmarsat Plc</u>
Coupon	6.5%	9.0%	7.5%	1.75%
Amount	\$150 million	\$402.5 million	\$650 million	\$287.7 million
Market Cap	\$418 million	\$266 million	\$452 million	\$4.3 billion
Security	Exchangeable Senior Notes	Convertible Senior Secured Notes	Convertible Senior Secured Notes	Convertible Euro- Dollar Bonds
Change of Control Call	111.0%	101.0%	107.5%	100.0%
Conversion Premium	20.0%	15.0%	-	32.5%
Call Protection	6.5 years	4 years	4 years	7 years
PIK vs. Cash	PIK option for 4 years	Cash	PIK option after 2 years	Cash
Liquidity	Low	Below Average	Average	High
Volatility	High	High	High	Average
Senior Debt Level	High	None / Low	None / Low	High

Certain Other Features of the Exchangeable Notes Affecting Pricing

Jefferies observed that several features of the Exchangeable Notes are unusual for convertible debt securities, and that in the U.S. debt markets such unusual features generally have had a negative impact to the issuer on pricing. These features include a payment in-kind coupon rather than a cash coupon, the minimal ability to hedge (which affects certain investors' ability to mitigate risk and therefore generally negatively impacts pricing), illiquidity, the Company's pre-existing senior debt, and the fact that the Company is a newly public company that, at the time of issuance, had no revenue. Jefferies consulted its Convertible Securities Group and High Yield Capital Markets Group to evaluate the marketability of the Exchangeable Notes.

Conclusion

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at the Opinion, Jefferies considered the results of all its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Furthermore, Jefferies believes that selecting any portion of its analysis, without considering all analyses, would create an incomplete view of the process underlying the Opinion. In performing its analyses, Jefferies made judgments and assumptions with regard to industry performance; general business, economic, market, and financial conditions; and other matters, many of which are beyond the control of the Company. The analyses performed by Jefferies are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Jefferies did not recommend any specific consideration to the Company's Board of Directors or that any specific consideration constituted the only appropriate consideration with respect to the Transactions.

Miscellaneous

Jefferies has, in the past, provided financial advisory and financing services to the Company unrelated to the Transactions and may continue to do so. Jefferies has received, and may receive, fees for the rendering of such services. In addition, Jefferies may seek to, in the future, provide financial advisory and financing services to the Company, Parent, or entities that are affiliated with the Company or Parent, for which Jefferies would expect to receive compensation.

Jefferies was engaged by the Company's Board of Directors to deliver the Opinion, and Jefferies was paid a fee upon delivery of the Opinion. Jefferies will be reimbursed for expenses incurred. The Company has agreed to indemnify Jefferies against liabilities arising out of or in connection with the services rendered and to be rendered by Jefferies under such engagement. We paid Jefferies a fee of \$1 million for rendering its Opinion.

Jefferies maintains a market in the securities of the Company, and in the ordinary course of its business, Jefferies and its affiliates may trade or hold securities of the Company and/or its respective affiliates for its own account and the accounts of its customers and, accordingly, may at any time hold long or short positions in those securities.

Annex C

OPINION OF JEFFRIES & COMPANY, INC.

February 3, 2008

The Board of Directors
TerreStar Corporation
One Discovery Square
12010 Sunset Hills Road
Reston, Virginia 20910

Re: TerreStar Corporation – Band Acquisition

Members of the Board:

We understand that Harbinger Capital Partners, Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. (collectively, “Harbinger”), TerreStar Corporation, a Delaware corporation (the “Company”), TerreStar Networks, Inc., a Delaware corporation and a subsidiary of the Company (“TerreStar Networks”), CCTV Wireless, Inc., a Delaware corporation (“CCTV”), and EchoStar Corporation, a Nevada corporation (“EchoStar”), propose to enter into the following transactions (collectively, the “Transactions”), on the terms and conditions set forth in the applicable Transaction agreements listed on Annex A attached hereto (the “Agreements”): (i) the issuance (A) by TerreStar Networks to EchoStar of between \$50 and \$75 million of 6.5% Senior Exchangeable PIK Notes (the “Exchangeable Notes”) and (B) by the Company to EchoStar of 1 share of the Company’s Series C Preferred Stock (the “Series C Preferred Stock”); (ii) the issuance (A) by TerreStar Networks to Harbinger of between \$50 and \$75 million of Exchangeable Notes and (B) by the Company to Harbinger of 1 share of the Company’s Series D Preferred Stock (the “Series D Preferred Stock” and together with the Series C Preferred Stock, the “Company Senior Preferred Stock”); (iii) the Company’s acquisition of CCTV’s rights and interest (the “CCTV Band Interest”) in a 1.4 GHz band (the “Band”) and CCTV’s delivery to the Company of the Nationwide Spectrum License (as defined in Annex A attached hereto) in exchange for the issuance to CCTV of 30,000,000 shares of the Company’s junior participating convertible preferred stock (the “Company Junior Preferred Stock”); and (iv) the Company’s acquisition of an ownership interest in a joint venture entity (the “JV Entity”) to which EchoStar will contribute all of its rights and interests in the Band in exchange for (A) the issuance by the JV Entity to EchoStar of a convertible preferred interest in the JV Entity equal to the market value of 30,000,000 shares of the Company’s Common Stock at the time of formation of the JV Entity and (B) the Company’s entry into an operating lease pursuant to which the Company would lease the Band from the JV Entity (the “Band Lease”). The terms and conditions of the Transactions are more fully set forth in the applicable Agreements.

You have asked for our opinion as to whether the Transactions are fair, from a financial point of view, to the Company.

In arriving at our opinion, we have, among other things:

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- (i) reviewed drafts of the Agreements, dated as of the dates set forth on Annex A attached hereto;
 - (ii) reviewed a draft of the Certificate of Designations for the Company Junior Preferred Stock, Company Series C Preferred Stock and Company Series D Preferred Stock;
 - (iii) reviewed certain publicly available financial and other information about the Company;
 - (iv) reviewed certain information furnished to us by the Company's management, including financial forecasts and analysis, relating to the business, operations and prospects of the Company;
 - (v) held discussions with members of senior management of the Company concerning the matters described in clauses (iii) and (iv) above;
 - (vi) reviewed the financial performance of the Company and compared such performance with that of certain publicly traded companies that we deemed relevant;
 - (vii) compared the proposed financial terms of the Transactions with the financial terms, to the extent available, of certain other transactions that we deemed relevant; and
 - (viii) conducted such other financial studies, analyses and investigations as we deemed appropriate.

With respect to the Transactions, the phrase "fair, from a financial point of view, to the Company" means that, as of the date hereof the material terms of the Exchangeable Notes and the Company Senior Preferred Stock, including, without limitation, the exchange ratio for Company Common Stock and the Assumptions (as defined below), could reasonably be expected to be no less favorable to the Company than those terms that would have been obtained in a comparable transaction in arm's-length dealings by the Company with a person or entity who is not an affiliate.

Our opinions expressed herein necessarily reflect the current state of the debt capital markets, and the scarcity of transactions similar to the Transactions. Accordingly, comparing the Transactions to similar transactions for similar companies is not practicable. Therefore, our opinion is based on our experience as an underwriter of debt financings in the capital markets over an extended period of time, and is based, in large part, on our informed judgment as to the matters set forth herein. In addition, the term "comparable transaction in arm's length dealings" (in the preceding paragraph) refers to a transaction in which such non-affiliated party has no other business dealings with the Company that could alter its economic incentive with respect to the Transactions.

In our review and analysis and in rendering this opinion, we have assumed and relied upon, but have not assumed any responsibility to independently investigate or verify, the representations and warranties set forth in the Agreements (and we have assumed that such representations and warranties are true and correct in all respects) and the accuracy and completeness of all financial and other information that was supplied or otherwise made available by the Company to us or that was publicly available (including, without limitation, the information described above), or that was otherwise reviewed by us. We have relied on assurances of the management of the Company that it is not aware of any facts or circumstances that would make such information inaccurate or misleading. In our review, we did not obtain any independent evaluation or appraisal of any of the assets or liabilities of, nor did we conduct a physical inspection of any of the properties or facilities of, the Company, nor have we been furnished with any such evaluations or appraisals of such physical inspections, nor do we assume any responsibility to obtain any such evaluations or appraisals.

All assumptions made in this opinion, including those referred to below, are referred to as the "Assumptions."

With respect to the financial forecasts provided to and examined by us, we note that projecting future results of any company is inherently subject to uncertainty. The Company has informed us, however, and we have assumed, that such financial forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of the Company as to the future financial performance of the Company. We express no opinion as to the Company's financial forecasts or the assumptions on which they are made.

Our opinion is based on economic, monetary, regulatory, market and other conditions existing and which can be evaluated as of the date hereof. We expressly disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting our opinion of which we become aware after the date hereof.

We have made no independent investigation of any legal or accounting matters affecting the Company, and we have assumed the correctness in all respects material to our analysis of all legal and accounting advice given to the Company and its Board of Directors, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and transactions contemplated by, the Agreements to the Company and its stockholders. We have also assumed that in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Transactions, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company or the contemplated benefits of the Transactions in any way meaningful to our analysis. In addition, we have assumed that the Company and the JV Entity will enter into the Band Lease within the time provided for in Section 2.03 of the EchoStar Contribution Agreement (as defined in Annex A attached hereto) and that the final form of the Band Lease will be on terms not less favorable to the Company than the draft Band Lease reviewed by us. We have assumed that the final forms of the Agreements will not contain any terms less favorable to the Company than the drafts reviewed by us, which drafts are identified on Annex A.

It is understood that our opinion is for the use and benefit of the Board of Directors of the Company in its consideration of the Transactions, and our opinion does not address the relative merits of the transactions contemplated by the Agreements as compared to any alternative transaction or opportunity that might be available to the Company, nor does it address the underlying business decision by the Company to engage in the Transactions or, except as expressly set forth herein, the terms of the Agreements or the documents referred to therein. In addition, we were not requested to and did not provide advice concerning the structure or any other aspects of the Transactions, or to provide services other than the delivery of this opinion. We were not authorized to and did not solicit any expressions of interest from any parties with respect to the Transactions or any other alternative transaction. We did not participate in negotiations with respect to the terms of the Transactions and related transactions. Consequently, we have assumed that such terms are the most beneficial terms from the Company's perspective that could under the circumstances be negotiated among the parties to such transactions, and no opinion is expressed whether any alternative transaction might result in consideration more favorable to the Company than that contemplated by the applicable Agreements.

Our opinion does not constitute a recommendation to any holder of securities of the Company in respect of the Transactions or a recommendation to any holder of securities of the Company as to how such holder should vote on the Spectrum Contribution or any matter related thereto. In addition, you have not asked us to address, and this opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company. This opinion has been authorized by the Fairness Opinion Committee of Jefferies & Company, Inc.

Annex C-3

We have been engaged by the Company to deliver this opinion and will receive a fee for our services. We also will be reimbursed for expenses incurred. the Company has agreed to indemnify us against liabilities arising out of or in connection with the services rendered and to be rendered by us under such engagement. We have, in the past, provided financial advisory and financing services to the Company and may continue to do so and have received, and may receive, fees for the rendering of such services. We maintain a market in the securities of the Company, and in the ordinary course of our business, we and our affiliates may trade or hold securities of the Company or its affiliates for our own account and for the accounts of our customers and, accordingly, may at any time hold long or short positions in those securities. In addition, we may seek to, in the future, provide financial advisory and financing services to the Company or entities that are affiliated with the Company, including TerreStar Networks, for which we would expect to receive compensation. Except as otherwise expressly provided in our engagement letter with the Company, our opinion may not be used or referred to by the Company, or quoted or disclosed to any person in any manner, without our prior consent.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, the Transactions are fair, from a financial point of view, to the Company.

Very truly yours,

JEFFERIES & COMPANY, INC.