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Contact: Brad Wills, Wills & Associates, (301) 346-7398, bwills@wills-pr.com

“Space Angels 2.0” Gravitate Toward an Online Deal Source Launched by Space Angels Network

New Virtual Angel Investor Group Focuses on Seed- and Early-Stage Funding for Space Ventures

HOLLOMAN AIR FORCE BASE, NM (X PRIZE Foundation Executive Summit) / October 26, 2007 – Space Angels Network, LLC, (www.spaceangelsnetwork.com) a virtual network of angel investors focused on seed- and early-stage investments for space-related ventures, announced today the launch of its operations in the U.S. and Canada. The company’s online platform and strategic relationships with venture finance and technology innovation organizations allow individual accredited investors to connect with space entrepreneurs for financing their innovative ventures.

“There is no question that a gap currently exists in the financing spectrum available to seed- and early-stage space-related ventures, and there are many angel investors around the U.S. and Canada eager to help fill that gap,” stated Burton Lee, CEO of Space Angels Investments, which operates Space Angels Network. “We aim to provide that platform—along with exceptional service, value, and key strategic relationships—to our members.”

Since the Paul Allen-backed Scaled Composites *SpaceShipOne* captured the Ansari X PRIZE in October of 2004, substantial public interest has centered on a number highly touted space ventures launched by prominent entrepreneurs from various industries. These ventures are primarily self-financed by wealthy individuals such as Elon Musk, Robert Bigelow, Jeff Bezos, John Carmack, and Sir Richard Branson. These original “super angels”—now referred to as “Space Angels 1.0”—are being followed by the next wave of early stage investors, “Space Angels 2.0.” Space Angels Network provides an online platform and key strategic relationships specifically aimed at these accredited investors who want to invest in private space-related ventures but prefer to syndicate their deals.

"There is a great deal of capital available to startup ventures, including those related to the commercialization of space," explained Rick Citron, a member of Tech Coast Angels and investor in numerous space ventures such as Kistler Aerospace. "Although there are angel groups and some very high profile investors who are easy to identify, there is no organized process yet in place for entrepreneurs to seek these funds. It takes a very good idea with the right team behind it to figure out how to approach and capture this capital."

"It's a long-tail problem: The market for space ventures isn't very efficient," says Esther Dyson of EDventure Holdings, a long-time angel investor who is a member of New York Angels and has also invested in space ventures such as Zero-G, Space Adventures, XCOR Aerospace, and Constellation Services International. "Most angels don't know where to find space deals, and most space start-ups don't know where to find the few interested angels, who exist but are widely dispersed. This is a way of matching the two sides effectively."

"I've been involved in a number of investments over the years, but I've always had a personal passion for commercial space," said Jim Hayes, the first angel investor member of Space Angels Network. "I feel that the timing is right to get involved with a number of the emerging space ventures, and Space Angels Network provides a vehicle for space-minded investors to overcome limitations of space and time to seek out these companies."

Given its unique virtual model, this new angel investor network also provides space entrepreneurs with a valuable one-stop vehicle for reaching potential investors across the country. In this way, entrepreneurs can expand their professional networks well beyond their own contacts or local angel investor groups.

"Aprize was fortunate early on to raise the initial funding needed to build and launch its low-Earth orbit satellites for monitoring fixed and mobile assets," said Dr. Dino Lorenzini, CEO of Aprize Satellite, Inc. based in Fairfax, Virginia. "Now we are ready to commence commercial satellite services, and are exploring several source of working capital, including strategic partners and/or angel investors through Space Angels Network."

The group expects to serve members with a wide breadth of investment interests, in terms of company maturity, deal size, and market focus. The "sweet spot" will likely center on seed- and early-stage companies with investments ranging from \$250,000 to \$2,500,000. However, the markets served by these companies will likely be quite diverse, including industries such as unmanned aerial vehicles (UAVs), sub-orbital launch vehicles, aviation equipment and services, electronic sensors and

instrumentation for aerospace platforms, advanced materials, software, tourism, real estate, gaming, and more traditional aerospace markets.

“R3 is a company that designs, develops and markets advanced and intelligent aerial robotic systems for military, homeland security, and civilian uses,” said Igor Rafalovsky, President and COO of R3 Scientific Corporation. “While the economic potential of our business generally resonates well with our investors, understanding the nuances of our industry to add value as an early investor is something that we hope to find with members of Space Angels Network.”

Space Angels Network is the result of long-standing efforts within the entrepreneur and investment communities to cultivate a framework supporting private commercial space ventures.

“When Scaled Composites won the Ansari X PRIZE, it drew public attention to the fact that angel investors (in that case, Paul Allen) were willing to take certain risks funding early stage space ventures,” explained Guillermo Söhnlein, co-founder of Space Angels Network. “However, it also highlighted the need for a vibrant and efficient system to syndicate smaller investments among a greater number of individual investors. Imagining what that X PRIZE competition would have looked like if ALL the participants had had access to an efficient ecosystem of seed capital is precisely what triggered the initial idea to launch Space Angels Network.”

The company will take this original concept one step further by offering seed-stage investors a broad spectrum of aerospace investment opportunities. In addition to the higher risk launch vehicle ventures, members will be exposed to lower risk startup companies working in technologies and markets that are more familiar to angel investors.

About Space Angels Network, LLC

Space Angels Network is a virtual network of angel investors focused on seed- and early-stage investments for space-related ventures. The online platform allows members to find investment opportunities, to connect with like-minded accredited investors across the U.S. and Canada, and to collaborate on due diligence and deal negotiations. Through its extended strategic relationships with venture capital firms, federal science and technology agencies, state economic development organizations, research universities, incentive prize organizations, and other partners, Space Angels Network creates a robust ecosystem for both aerospace entrepreneurs and investors to connect for seed- and early-stage financing. For more information, please visit www.spaceangelsnetwork.com.