State of New Mexico

Office of the Governor

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Governor Bill Richardson and Sir Richard Branson Announce Virgin Galactic Will Locate World Headquarters and Mission Control at World's First Purpose-Built Spaceport in New Mexico

SANTA FE– Governor Bill Richardson and Sir Richard Branson, Chairman of the Virgin Companies, today announced that Virgin Galactic, the world's first commercial space tourism business, will locate its world headquarters and Mission Control in New Mexico. The agreement between the State of New Mexico and Virgin Galactic calls for New Mexico to build a $225 million spaceport in the southern part of the state, on 27-square miles of state land.

"This is a historic day for our great state, and particularly Southern New Mexico," said Governor Bill Richardson. "With Virgin at the controls, enthusiasts from around the world will fly to space, routinely and safely, just a few years from now. And they will be flying from the world's first purpose-built spaceport here in New Mexico. I am excited that New Mexico will be on the ground floor of this new industry, and I know this will mean new companies, more high-wage jobs and opportunities that will move our state's economy forward."

New Mexico's spaceport, will offer fledgling astronauts an experience that will be truly out of this world. Virgin Galactic also plans to create a five-star destination experience in New Mexico to accommodate customers, their families, and space enthusiasts.

Construction will begin in 2007 and should be completed by 2009/2010. Branson and Richardson confirmed that Virgin Galactic plans to inaugurate space flights out of New Mexico once construction of the spaceport is complete, and plans to send 50,000 customers to space in the first ten years of operation.

Virgin, based in England, is one of the world's most recognized and successful companies, with a brand that extends from airlines to trains, consumer goods, and online

services. The Virgin group consists of more than 200 companies around the world with expected annual revenues of $10.7 billion in fiscal year 2005/6.

Commenting on the historic decision by the State of New Mexico to build the world's first purpose-built spaceport for personal spaceflight, Virgin Chairman Sir Richard Branson said, "It seems like only yesterday that Virgin Galactic was a dream relying on future technologies. Today, six years later, we have had a successful X PRIZE winning prototype and are now actively engaged on design and development of our commercial space craft 'SpaceShipTwo' which will be an eight-astronaut vehicle. When the spaceport is built, we look forward to basing our world headquarters and U.S. operations and a fleet of up to five spaceships and a launch aircraft at the new facility, which will be the first purpose-built private spaceport that the world has ever seen."

Customers will spend training time in simulators and light aircraft vehicles in order to assimilate to the g-forces they will encounter in space. Additionally, they will learn how to operate a "personal communications console" that will allow them to record their experience in space. The flight itself will consist of SpaceShipTwo being propelled into suborbital space by a rocket motor after it is dropped by a launch aircraft.

"This is an opportunity of a lifetime and I can't wait to be one of the first Virgin Galactic customers into space," stated Victoria Principal, actress/skincare expert and space enthusiast, who attended the announcement with Richardson and Branson. "With only a couple days of training, we will reach an altitude of 400,000 feet and experience weightlessness firsthand. As one of the 100 Virgin Galactic Founders I am proud and excited to be part of this revolutionary venture."

Funding for construction of the spaceport is expected to come from a combination of state capital outlay, federal appropriations, and a local-option gross receipts tax that will be proposed to voters of southern New Mexico counties that stand to benefit from the spaceport and the resulting job growth.

Based on a study done by Futron, a well-respected aerospace industry consulting firm, the annual economic impact of the Southwest Regional Spaceport in 2020 could be in excess of $750 million in total revenues, and exceed 3,500 jobs, including all commercial space cluster space transportation services and manufacturing activities, as well as tourism-related visitor spending. This provisional, forward-looking estimate is strongly dependent on the ability of the State of New Mexico and early commercial space transportation sector entrants to attract vehicle manufacturers and key suppliers to the vicinity of the spaceport.

The majority of this economic impact would be concentrated in the vicinity of Las Cruces and Upham, with secondary impacts anticipated for Albuquerque and tourism-centric localities elsewhere in the state.

Futron estimates that the earliest economic impact of the spaceport project would come from spaceport construction, which is scheduled to begin as early as 2006, and be

completed in 2008. Maximum construction impacts in 2007 are estimated to be $331 million in total revenues, and 2,460 total jobs.

New Mexico stands to gain thousands of jobs, and hundreds of millions of dollars of payroll and capital investment. A New Mexico State University study looked at construction; overall spending from suborbital and orbital activities; and research and development activities. In the first five years, the study projects spending of $1 billion, payroll of $300 million, and employment reaching 2,300 by the fifth year of operation.

The agreement between New Mexico and Virgin says the state will build and then lease to Virgin Galactic customized hangar and training facilities, and the company will pay user fees for use of the spaceport, as is customary in the aerospace industry. Virgin Galactic will sign a 20-year lease.

Virgin Galactic will set up its operations headquarters, administration, marketing/sales, launch, maintenance, pilot training, and other operations critical to basing its operations here in New Mexico, creating at least 200 new jobs for New Mexicans.

Richardson praised New Mexico's U.S. congressional delegation, including Senator Pete Domenici, Senator Jeff Bingaman, Representative Steve Pearce Representative Tom Udall, Representative Heather Wilson, New Mexico state legislators, and city and county officials from southern New Mexico for their support of the spaceport.

Richardson also credited Rick Homans, Cabinet Secretary for the Economic Development Department & Chairman of the newly created New Mexico Spaceport Authority, for his leadership during the negotiations that resulted in the agreement with Virgin Galactic. Secretary Homans' team included President and CEO of the New Mexico Economic Development Partnership, Jim Colson; Former Governor and Dean Garrey Carruthers of the College of Business Administration & Economics at New Mexico State University; and Dr. Bill Gutman, NMSU, Physical Sciences Laboratory.

"When Burt Rutan and SpaceShipOne won the X PRIZE in October 2004, we knew the new space industry had arrived," said Secretary Rick Homans. "And when Sir Richard Branson announced that Virgin would use that same technology to fly paying passengers into space, we realized that our most important job was to convince Virgin Galactic to come to New Mexico and launch the personal spaceflight industry. This announcement is a convergence of dreams and we are proud that Virgin will be New Mexico's anchor tenant at the world's most exciting space tourism location."

Homans traveled twice to Virgin headquarters in London, and hosted Virgin Galactic officials several times in New Mexico, most recently at the successful "Countdown to the X PRIZE CUP" in Las Cruces, New Mexico in October 2005.

Will Whitehorn, President of Virgin Galactic, explained the attractions of New Mexico: "New Mexico has worked hard to bring us to their exciting new spaceport facility. The State has several factors that make it an ideal operations base: climate, free airspace, low

population density, high altitude, and stunning scenery. Our team was highly impressed by the professionalism and the competitive pitch the state and its advisors developed. We look forward to working together to make the "Final Frontier" a reality for tens of thousands of pioneering space tourists. Our activities will prove the commercial viability and excellent safety technology behind private personal spaceflight and give birth to a new industry in New Mexico."

Description of Virgin Galactic:

Sir Richard Branson's interest in space began when he witnessed the Apollo moon landings as a teenager. The name Virgin Galactic was first registered in March 1999 as Virgin began discussions with several fledgling private space ventures with a view to investment in the sector.

However, it was to be another three years before circumstances brought Virgin closer to SpaceShipOne and the X-Prize. Scaled Composites were in the process of constructing the Virgin Atlantic Global Flyer. This was an aircraft successfully piloted non stop around the world by Steve Fossett in March 2005. Virgin saw SpaceShipOne under construction and forged an agreement with the visionary, Paul Allen, to license the technology should the craft successfully win the X-Prize.

A design for SpaceShipTwo is now in its final planning stages and construction of the commercial prototype is expected to commence in 2006 and be flying by 2008. It is expected that five SpaceShipTwo's and two White Knight Two carrier aircrafts will be built, in order to allow 50,000 customers to experience personal spaceflight over a ten year period up to 2019.

Currently, there are 40,000 registrations from individuals from 120 countries.

Virgin has an unprecedented record of innovation, past performance in implementing new commercial ventures, demonstrated insightful leadership, and sound business planning.

History of New Mexico's spaceport:

New Mexico's spaceport has been in the planning stages for 15 years.

The spaceport, located in Sierra County, about 45 miles northeast of Las Cruces, and 25 miles southeast of Truth or Consequence is approximately 27 square miles of open, generally level, range land with an average elevation of 4700 feet. The complete lack of conflicting operations, facilities, and environmental constraints provides a unique opportunity to design and develop a purpose-built launch complex that meets the needs of spaceport customers.

Since the "Father of Modern Rocketry" Robert Goddard built his prototypes in Roswell in the 1930s, New Mexico has been at the epicenter of space exploration technology.

In 1946, New Mexico became the official birthplace of space in the United States when Wernher von Braun successfully launched the V2- Rocket into space from White Sands Missile Range.

Then in 1961 ENOS, a chimpanzee trained at Holloman Air Force Base in Alamogordo New Mexico, was the first chimp launched into orbit. He successfully completed two orbits around the Earth.

In 1978 Space Shuttle astronaut training began at Northrup Strip at White Sands and NASA astronauts landed the Space Shuttle Orbiter Columbia at WSMR in 1982.

New Mexico was announced as the host of the X PRIZE CUP annual spaceflight exhibition in 2004, winning over Florida, California and Oklahoma. In October 2005, the "Countdown to the X PRIZE CUP" event, attracting over 15,000 people, was held in Las Cruces, New Mexico.

UP Aerospace, Inc., will launch its SpaceLoft rocket on a sub-orbital flight from New Mexico's spaceport in March 2006.

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