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AAE Systems, Inc. Awarded Teleport Contract

Project Set for First Phase Completion in September 2006

Sunnyvale, CA (21 June 2006) – AAE Systems, Inc. (AAE) announced a major contract award for system and network architecture design services, as well as the supply, installation, and management of the first phase for a Teleport in the Persian Gulf region.

AAE has been actively working for the first phase completion scheduled in September 2006, ensuring the facility becomes a recognized state-of-the-art Teleport and Co-location facility.

The facility will be the start of a vital gateway for the Middle East, offering services through a large number of proposed facilities, enabling satellite links with an optical fiber backbone. The facility will be an essential component of the global Internet infrastructure, offering voice, video, data, and video on demand in Star, Mesh, and Hybrid topologies. Organizations serving local regions, including telemedicine, oil and gas, governmental entities, enterprise, tele-education, and NGOs will benefit. The Middle East teleport will reduce dependency on distant Network Access Points and provide significant cost savings.

Teleport access will be focused on the Middle East, Near East, Western Asia, Africa and surrounding regions -- especially in locations with no direct inter-ISP connectivity.

AAE is honored to have been chosen to develop and implement this high-tech facility, and is confident that this project will gain global recognition.

About AAE Systems, Inc.

AAE Systems, Inc. has remained a global leader in the communications solutions industry since 1984. AAE has always focused on addressing the needs of customers by providing cutting edge satellite-based communications networks and services.

For more information on AAE, please visit <http://www.aaesys.com>.