

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
TERRESTAR CORPORATION, <i>et al.</i> , ¹)	Case No. 11-10612 (SHL)
)	
Debtors.)	Jointly Administered

NOTICE OF MARKETING OF ASSETS AND POTENTIAL SALE THEREOF

PLEASE TAKE NOTICE that, on October 19, 2010 (the “*October Petition Date*”) and February 16, 2011 (the “*Petition Date*”), the Other TSC Debtors and the February Debtors, respectively, filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”). Their chapter 11 cases are currently being jointly administered under Case No. 11-10612 (SHL).

PLEASE TAKE FURTHER NOTICE that, on June 27, 2012, the TSC Debtors filed (i) the *Third Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* (Docket No. 513) (as may be modified or amended from time to time, the “*Plan*”) and (ii) the *First Supplement to the Second Amended Disclosure Statement for the Third Amended Joint Chapter 11 Plan of the TSC Debtors* (Docket No. 515) (the “*First Disclosure Statement Supplement*”) with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that, on August 10, 2012, the TSC Debtors filed the *First Amended Supplement to the Second Amended Disclosure Statement for the Third Amended Joint Chapter 11 Plan of the TSC Debtors* (Docket No. 564) (the “*First Amended Disclosure Statement Supplement*”) and, together with the First Disclosure Statement Supplement and the Second Amended Disclosure Statement,² and as the same may be modified or amended from time to time, the “*Disclosure Statement*”) with the Bankruptcy Court.

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal taxpayer identification number, are: (a) TerreStar Corporation [6127] (“*TSC*”) and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”); and (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the “*Other TSC Debtors*”) and, collectively with the February Debtors, the “*TSC Debtors*”).

² On January 12, 2012, the TSC Debtors filed the *Second Amended Disclosure Statement for the Second Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* (Docket No. 338) (the “*Second Amended Disclosure Statement*”), which was approved by the Court by order entered January 17, 2012 (Docket No. 343).

PLEASE TAKE FURTHER NOTICE that on August 24, 2012, the Bankruptcy Court entered orders approving, among other things, the adequacy of the First Amended Disclosure Statement Supplement [Docket No. 591].

PLEASE TAKE FURTHER NOTICE that, as described in the Disclosure Statement, the Plan provides for a comprehensive restructuring of the TSC Debtors' pre-bankruptcy obligations. The Plan is premised on the consummation of certain restructuring transactions supported by the TSC Debtors' largest preferred shareholders, which include, among other things, either (i)(a) equitizing TSC's obligations with respect to the \$90 million in face amount of outstanding Preferred Series A TSC Interests and \$318.5 million in face amount of outstanding Preferred Series B TSC Interests and (b) satisfying unsecured claims by either, at the option of the TSC Debtors, issuing notes to holders of unsecured claims pursuant to the Plan or paying such claims in cash in full or (ii) in the event of a sale of substantially all of the TSC Debtors' assets, (a) paying unsecured claims in cash in full and (b) distributing to holders of Preferred Series A TSC Interests and Preferred Series B TSC Interests their pro rata share of sale proceeds.

PLEASE TAKE FURTHER NOTICE that concurrently with the TSC Debtors' prosecution of the Plan and Disclosure Statement, and in the full exercise of their fiduciary duties, the TSC Debtors are also seeking alternative transactions (any such transaction, an "**Alternative Transaction**") for the sale of any or all of the TSC Debtors' assets which may result in greater value for the TSC Debtors' stakeholders and estates than the value which will result from the Plan. The assets which would be the subject of any such Alternative Transaction are those assets owned, held or used in the TSC Debtors' businesses, which includes without limitation, TSC's equity interest in TerreStar Holdings Inc. ("**TS Holdings**"), its wholly owned subsidiary, which owns TerreStar 1.4 Holdings LLC ("**1.4 Holdings**").³ 1.4 Holdings holds licenses for 8 MHz of nationwide terrestrial spectrum in the 1.4 GHz band, covering ~312 million people ("**1.4 Spectrum**"). The 1.4 Spectrum is allocated under the FCC's flexible use standard, allowing the licenses to be used for a range of fixed and mobile services.⁴

PLEASE TAKE FURTHER NOTICE that, pursuant to the *Order Pursuant to Bankruptcy Code Section 363(b) Authorizing Entry into a Consulting Agreement with RKF Engineering Solutions, LLC* (Docket No. 533), the TSC Debtors have retained RKF Engineering Solutions, LLC to assist them in evaluating the technical and engineering aspects of the 1.4 Spectrum. In connection therewith, RKF has produced a report, which is available to any interested party upon execution of a standard non-disclosure agreement.

PLEASE TAKE FURTHER NOTICE that all parties interested in pursuing an Alternative Transaction should contact the TSC Debtors' (i) financial advisor, Blackstone Advisory Partners, L.P., Tom Middleton (212-583-5252 or middleton@blackstone.com), Daniel Chang (212-583-5238 or changd@blackstone.com), or Michael Schlappig (212-390-2881 or michael.schlappig@blackstone.com) as the primary point of contact, or (ii) counsel at the contact

³ 1.4 Holdings is not a debtor.

⁴ Recently, 1.4 Holdings entered into a short-term lease agreement with FirstEnergy Service Company whereby FirstEnergy Service Company is leasing the right to use a geographically small portion of the 1.4 Spectrum over the next year subject to certain termination rights.

information below. To receive access to confidential and non-public information, interested parties will be required to execute a standard non-disclosure agreement.

PLEASE TAKE FURTHER NOTICE, that the TSC Debtors will publish a copy of this notice (as may be modified for publication) in the national editions of *The Washington Post* and *USA Today* within ten (10) business days after the filing of this notice, subject to applicable publication deadlines.

PLEASE TAKE FURTHER NOTICE that this notice shall be served upon the following: (a) the Office of the United States Trustee for the Southern District of New York; (b) the entities listed on the TSC Debtors' Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) NexBank, SSB as agent for the lenders under the Bridge Loan and as agent for the lenders under the TSC Debtors' DIP Facility; (d) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and its managed and affiliated funds; (e) Wachtell, Lipton, Rosen & Katz as counsel to the agent for the lenders under the DIP Facility; (f) Richards Kibbe & Orbe LLP as counsel to West Face Long Term Opportunities Global Master, L.P. and its managed and affiliated funds; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; (i) the United States Attorney for the Southern District of New York; (j) the Federal Communications Commission; and (k) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that neither the contents of this notice nor the sale process set forth above is currently the subject of a motion or any other proceeding before the Bankruptcy Court.

New York, New York
Dated: August 31, 2012

/s/ Ira S. Dizengoff

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