

FOR IMMEDIATE RELEASE:

**XCOR Aerospace Closes \$5 Million
Round of Investment Capital**

CONTACTS:

Mike Masee
XCOR Aerospace, Inc.
+1-661-824-4714 x127
press@xcor.com

27 February 2012, Mojave, CA and Palo Alto, CA – XCOR Aerospace announced today that it recently closed a \$5 million round of equity funding. The round, combined with cash on hand plus anticipated and existing contracts should fund the company through production of its Lynx Mark I Suborbital vehicle.

The financing included participation of new and previous investors. Among them are Esther Dyson, Pete Ricketts (co-owner of the Chicago Cubs) and several top Silicon Valley entrepreneurs and former venture capitalists.

"We have chosen to announce this wonderful news at the Next Generation Suborbital Researchers Conference here in Silicon Valley because we believe the future of commercial space access will be driven by enterprise customers like the attendees here today," said Andrew Nelson, XCOR's Chief Operating Officer. He added, "This investment represents a vote of trust and confidence in the markets represented by NSRC participants."

Jeff Greason, Founder and CEO of XCOR noted, "I believe we were able to raise funds in these trying economic times because XCOR has demonstrated compelling value to investors and customers. Our \$60-plus Million backlog of orders for Lynx suborbital vehicles, flights on Lynx, and our unique reusable non-toxic rocket engines gives the investor community reason to take notice."

As part of this financing, XCOR is also happy to announce a reformulated Board of Directors. The directors include newcomer Esther Dyson, former venture capitalist Stephen Fleming, Chairman of the Space Studies Institute Dr. Lee Valentine, and company founders Jeff Greason and Dan DeLong. Ms Dyson is well known for her perceptive early investments in the Internet, software and social media industries, her service on private and public corporate boards and foundations, and for leading NASA's Technology and Innovation Advisory Council. Mr Fleming is a former general partner at the venture capital firm of ATV Partners and is now Vice President at Georgia Tech where he leads the *Enterprise Innovation Institute*. Dr Valentine is well known in the commercial space community for his leadership of the Space Studies Institute and his work with many early stage startup companies.

Work proceeds on the Lynx suborbital vehicle at XCOR. With the recent receipt of the Lynx Mark I fuselage, the continued testing of the liquid oxygen and kerosene propulsion system, the fielding of the non-toxic high performance bi-propellant reaction control system, and the recent release of request for quotes for the cockpit pressure vessel and wing strakes, XCOR is getting ever closer to first flight.

"While the recent and unprecedented disruptions in the capital markets have impacted every fledgling aerospace company, XCOR has weathered the storm and in 2011 we had our best year ever from a revenue and profitability perspective. And while the difficulties of the last few years have delayed the Lynx, we're excited about the challenges ahead. There is a lot of work and sizable risk in front of us, but XCOR continues its uncompromising commitment to safety and excellence. We remain focused on delivering our customers the coolest rocket plane on the planet," said Nelson.

#

XCOR Aerospace is a California corporation located in Mojave, California. The company is in the business of developing and producing safe, reliable and reusable rocket powered vehicles, propulsion systems, advanced non-flammable composites and other enabling technologies. XCOR is working with aerospace prime contractors and government customers on major propulsion systems, and concurrently building the Lynx, a piloted, two-seat, fully reusable, liquid rocket powered vehicle that takes off and lands horizontally. The Lynx-family of vehicles serves three primary missions depending on their specific type including: research & scientific missions, private spaceflight, and micro satellite launch (only on the Lynx Mark III). The Lynx production models (designated Lynx Mark II) are designed to be robust, multi-mission (research / scientific or private spaceflight) commercial vehicles capable of flying to 100+ km in altitude up to four times per day and are being offered on a wet lease basis. (www.xcor.com).