SIRIUS Satellite Radio Announces Equity Offerings and Related Share Borrow Facility

Shares to facilitate hedging for XM Exchangeable Note Offering
Shares will not be considered outstanding for accounting purposes

NEW YORK, July 28, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- SIRIUS Satellite Radio Inc. (Nasdaq: SIRI) announced today the commencement of an offering of shares of its common stock. The common stock being offered represent shares of SIRIUS common stock that SIRIUS will be lending to affiliates of Morgan Stanley & Co. Incorporated and UBS Investment Bank, the share borrowers, pursuant to share lending agreements between SIRIUS and each of the share borrowers. It is estimated that, based on current market values, approximately $375,000,000 of SIRIUS common stock will be sold in a fixed-price public offering described below, and up to approximately $65,000,000 of SIRIUS common stock will be sold as described below from time to time at prevailing market or negotiated prices. The exact number of shares of SIRIUS common stock to be offered will depend on the terms of the concurrent offering of exchangeable senior subordinated notes described below and the hedging to be conducted by investors in such notes. While the borrowed shares will be considered issued and outstanding for corporate law purposes, SIRIUS believes that under U.S. generally accepted accounting principles currently in effect, the borrowed shares will not be considered outstanding for the purpose of computing and reporting earnings (loss) per share because the borrowed shares are required to be returned to SIRIUS.

The common stock offering is being conducted concurrently with a private offering by XM Satellite Radio Inc. of $550 million aggregate principal amount of Exchangeable Senior Subordinated Notes due 2014 ("Notes") which will be exchangeable into shares of SIRIUS common stock. The terms of the Notes, including the interest rate and exchange ratio, will be determined at the time that such offering is priced. The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States or to U.S. person absent registration or an applicable exemption from the registration requirements of applicable securities laws.

In connection with the common stock offering, SIRIUS will enter into a share lending agreement with each of the share borrowers, pursuant to which SIRIUS will lend shares to the share borrowers. The share borrowers will sell a portion of the borrowed shares in a fixed-price public offering expected to close concurrently with the Notes offering. After the closing of the fixed-price offering, the share borrowers will offer and sell the remaining borrowed shares in one or more registered public offerings at prevailing market or negotiated prices. Over the same period that the share borrowers sell the remaining borrowed shares, the share borrowers or their affiliates expect to purchase at least an equal number of shares of SIRIUS common stock on the open market and/or enter into derivative transactions providing it with a synthetic long position equal to such number of shares. SIRIUS will not receive any proceeds from the sale of its common stock by the share borrowers other than a nominal loan fee equal to $0.001 per share issued to the share borrowers. The share borrowers will be required to return the borrowed shares pursuant to the share lending agreements following the maturity date of the Notes or their earlier retirement.

Morgan Stanley & Co. Incorporated and UBS Investment Bank will act as sole underwriters for the sale of the borrowed shares. A prospectus can be obtained by contacting Morgan Stanley & Co. Incorporated, 180 Varick Street, New York, NY 10014; Attention: Prospectus Department or by email at prospectus@morganstanley.com or by contacting UBS Investment Bank, Attention: Prospectus Department, 299 Park Avenue, New York, NY 10171, (888) 827-7275.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About SIRIUS

SIRIUS, "The Best Radio on Radio," delivers more than 130 channels of the best programming in all of radio. SIRIUS is the original and only home of 100% commercial free music channels in satellite radio, offering 69 music channels. SIRIUS also delivers 65 channels of sports, news, talk, entertainment, traffic, weather and data. SIRIUS is the Official Satellite Radio Partner of the NFL and NASCAR, and broadcasts live play-by-play games of the NFL as well as live NASCAR races. All SIRIUS programming is available for a monthly subscription fee of only $12.95.

SIRIUS Internet Radio (SIR) is an Internet-only version of the SIRIUS radio service, without the use of a radio, for the monthly subscription fee of $12.95. SIR delivers more than 80 channels of talk, entertainment, sports, and 100% commercial free music.

SIRIUS Backseat TV™ is the first ever live in-vehicle rear seat entertainment featuring three channels of children's programming, including Nickelodeon, Disney Channel and Cartoon Network, for the subscription fee of $6.99 plus applicable audio subscription fee.

SIRIUS products for the car, truck, home, RV and boat are available at shop.sirius.com and in more than 20,000 retail locations, including Best Buy, Circuit City, Crutchfield, Target, Wal-Mart, Sam's Club and RadioShack.
As of June 30, 2008, SIRIUS radios were available as a factory and dealer-installed option in 126 vehicle models and as a dealer-only-installed option in 45 vehicle models.

SIRIUS has agreements with Aston Martin, Audi, Automobili Lamborghini, Bentley, BMW, Chrysler, Dodge, Ford, Jaguar, Jeep, Kia, Land Rover, Lincoln, Maybach, Mazda, Mercedes-Benz, Mercury, MINI, Mitsubishi, Rolls-Royce, Volvo, and Volkswagen to offer SIRIUS radios as factory or dealer-installed equipment in their vehicles. SIRIUS has relationships with Toyota and Scion to offer SIRIUS radios as dealer-installed equipment, and a relationship with Subaru to offer SIRIUS radios as factory or dealer-installed equipment. SIRIUS radios are also offered to renters of Hertz vehicles at airport locations nationwide.

Click on www.sirius.com to listen to SIRIUS live, or to purchase a SIRIUS radio and subscription.

Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance with respect to SIRIUS Satellite Radio Inc. are not historical facts and may be forward-looking and, accordingly, such statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, any such statements are qualified in their entirety by reference to the factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission. Among the significant factors that could cause our actual results to differ materially from those expressed are: our pending merger with XM Satellite Radio Holdings, Inc., including related uncertainties and risks and the impact on our business if the merger is not completed; any events which affect the useful life of our satellites; our dependence upon third parties, including manufacturers of SIRIUS radios, retailers, automakers and programming providers; and our competitive position versus other audio entertainment providers.

SOURCE SIRIUS Satellite Radio Inc.

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