

Elephant Talk Communications, Inc.
Enables Prevention of Credit Card Fraud and Identity Theft

Completion of ValidSoft Acquisition Positions Elephant Talk to Offer Solutions for the \$100+ Billion Worldwide Banking Fraud Crisis

SCHIPHOL, Netherlands - Elephant Talk Communications, Inc.,(OTC BB: [ETAK](#)), an international provider of business software and services to the telecommunications and financial services industry, today announced it has completed the acquisition of ValidSoft Limited, (“Validsoft”) a leading banking fraud-prevention software company that provides cutting-edge solutions for credit and debit card fraud using ValidSoft’s flagship product; VALid-POS.

Mr. Steven van der Velden, Chief Executive Officer of Elephant Talk Communications, commented, "The acquisition of ValidSoft provides Elephant Talk with superior technology for combating the \$100+ billion worldwide bank fraud crisis. Several of the world’s largest banks have concluded testing of ValidSoft’s propriety VALid-POS product and determined that card-present false positives may be virtually eliminated. We believe we now have a superior product that offers banks significant cost savings while providing banking customers with improved security. By virtually eliminating false positive transactions we increase a banks operational capacity allowing them to detect and resolve greater amounts of fraud activity in real-time. This is a major milestone in credit and debit card processing and will pave the way for banking industry standards worldwide.”

Designed for both cross-border and domestic, card present fraud, covering both Point-of-Sale and ATM devices, VALid-POS works by correlating the proximity of a customer’s cell phone to the location of the actual transaction; anywhere in the world without tracking the individual, like the way GPS based products perform. ValidSoft's patent pending solution not only reduces false-positive card declines (situations where legitimate credit card transactions are denied) by as much as 95%, it also detects fraudulent transactions in real-time. VALid-POS automated solution is invisible to the card user and takes less than half a second to advise the bank.

Elephant Talk Communications expects to achieve several significant milestones during the next six months as the Company rolls out ValidSoft’s products and services worldwide:

- **Receive European Privacy Seal - Official European certification demonstrating compliance with European data protection and privacy laws.**
- **Sign a contract with a major international telecom provider for access to the global signaling network.**
- **Convert banks that have already completed trials into licensed customers.**
- **Sign partnerships with major international credit card processors.**
- **Complete agreements with international and regional banks in Europe.**
- **Official launch VALid-POS in the Asia-pacific markets.**

- **Official launch VALid-POS in the United States.**

“ValidSoft’s entire management believes that our paradigm shifting technology combined with Elephant Talk’s strong telecom platform will provide banks, financial institutions, and individual consumers with the strongest, most cost effective anti-fraud solution on the market that will reduce a very substantial part of the global card fraud losses,” said, Mr. Pat Carroll, Chief Executive Officer of ValidSoft. “We look forward to aggressively entering the United States market while continuing to expand our presence internationally. During the remainder of 2010 we will successfully reach several milestones as we begin to commercialize our technology and generate significant value for Elephant Talk’s shareholder base.”

Mr. Steve Gersten, Vice President North American Sales and Operations for ValidSoft, stated, “The preliminary response to the ValidSoft solutions have been well received by executives in various financial, banking and government organizations located in the United States. We are looking forward to begin testing our flagship product, VALid-POS, the real time credit card fraud prevention product, as well as, our out of band (OOB) authentication and verification security platform, VALid, with these U.S. institutions in the near future. ValidSoft will begin to integrate our software applications with Elephant Talk’s suite of service offerings immediately.”

About Elephant Talk Communications, Inc.

Elephant Talk Communications, Inc. (OTC BB: [ETAK](#)), an international provider of business software and services to the telecommunications and financial services industry. The company enables both mobile carriers and virtual operators to offer a full suite of products, delivery platforms, support services, superior industry expertise and high quality customer service without substantial upfront investments from clients. Elephant Talk provides global telecommunication companies, mobile network operators, banks, supermarkets, consumer product companies, media firms, and other businesses a full suite of products and services that enables them to fully provide telecom services as part of their business offerings. The company offers various dynamic products that include remote health care, credit card fraud prevention, mobile internet ID security, multi-country discounted phone services, loyalty management services, and a whole range of other emerging customized mobile services. For more information visit www.elephanttalk.com

About ValidSoft Limited

ValidSoft (www.validsoft.com) is an Irish software engineering company that develops security software solutions to help global institutions counter the most sophisticated card and electronic fraud consistent with leading independent research thinking. ValidSoft’s solutions are at the cutting edge of the market and are used to verify the authenticity of both consumers and institutions (Mutual Authentication), and the integrity of online transactions (Transaction Verification) for the mass market, in a highly cost effective and secure manner, yet easy to use and intuitive.

Forward-Looking Statements

Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, estimates and projections about the company's industry, management's beliefs and certain assumptions made by management. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Because such statements involve risks and uncertainties, the actual results and performance of the company and its products may differ materially from the results expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise required by law, the company also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made here. Readers should review carefully reports or documents the company files periodically with the Securities and Exchange Commission.