

Elephant Talk Communications, Inc. Executes Joint Venture with ValidSoft Limited

Elephant Talk's Joint Venture Products Target Credit Card Fraud

SCHIPHOL, Netherlands, June 24 /PRNewswire-FirstCall/ -- Elephant Talk Communications, Inc. (OTC Bulletin Board: [ETAK](#) - [News](#)), an international telecom and multimedia content distributor, specializing in carrier grade mobile delivery platforms, today announced the completion of a Joint Venture agreement with ValidSoft Limited, a provider of sub-second identity verification, fraud prevention and false positive reduction for Credit and debit card ATM and POS (Point of Sale) transactions. The agreement executed on June 17, 2009, shall remain in place for ten years.

Prominent European banks have completed trials of the product and have reported that card fraud and false positives were both virtually eliminated. The joint venture is now in discussions to deploy its products and services with major financial institutions located around the world. It is estimated that the total cost of credit card fraud in the United States in 2008 cost financial institutions over \$50 billion and industry sources estimate the loss from credit card frauds will triple over the next 3 years.

ValidSoft will use Elephant Talk's international telecommunications platform to integrate and seamlessly deliver their proprietary software solutions to protect users from financial fraud, while offering additional unique product offerings. Each party will be entitled to a commission from the other party for the generation of revenues from each others products and services.

"ValidSoft's best in class software, quality relationships with Fortune 500 companies, and experienced management team provides the perfect complement to Elephant Talk's elite telecommunications network infrastructure," stated Mr. Steven van der Velden, CEO of Elephant Talk Communications. "We believe that this joint venture will assist the users of the joint venture products and services in reducing credit card fraud and will help banking institutions and governments lessen the amount of money loss from fraud. Management expects that this partnership will allow ETAK to offer an innovative proprietary solution to our rapidly expanding customer base which will increase our market share and expand our global footprint."

ValidSoft's patented and patent pending software is based on precisely detecting real time electronic fraud while minimizing false positives detection and resolving fraudulent transactions in a fully automated manner whilst protecting the privacy of the individual. False positives result in the denial of legitimate transactions which is a leading reason for customer dissatisfaction with the card issuing bank. Due to ValidSoft's ability to accurately detect electronic fraud and eliminate up to 95% of false positives, the software offers card issuing banks significant operational cost savings, high customer satisfaction, greater customer protection, higher transaction completion and significantly reduced fraud.

"Bank fraud and identity theft are a worldwide epidemic that account for tens of billions of dollars lost annually," said Pat Carroll, Chief Executive Officer of ValidSoft. "We are confident that this strategic relationship is the ideal partnership to combat the global fraud dilemma, and bring innovative products using mobile networks. Upon completion of paid trials, ValidSoft has received positive feedback from major European banks. We believe that banks and governments worldwide will make a concerted effort to stop bank fraud and identity theft in order to provide peace of mind to customers and promote better business practices. It is our goal to establish ourselves as a worldwide leader in fraud prevention and we believe that this agreement will help us achieve that goal."

ValidSoft is a real-time, risk-based, Out-of-Band Multi-factor Authentication and Transaction Verification platform with solutions designed to help prevent fraud across a variety of transaction types and channels including: Card Present (CP) & Card Not Present (CNP) fraud and false positive detection, identification and resolution; Internet Banking; Telephone Banking; Mobile Financial Services; Extranet; VPN; Remote Access, and Business Continuity. The solutions are disability enabled, environmentally friendly and based on telecommunications technologies thereby providing the highest levels of security up to non-repudiation level where required, based on the banks risk policies.

Mr. Martin Zuurbier, CTO of Elephant Talk Communications added, "The market for fraud prevention software and solutions is an emerging and rapidly growing sector. In the last 100 years, the scope and quality of telecommunications technology has exceeded anything anyone could have imagined, from the introduction of basic Telephone Service, up to the massive introduction of the Internet followed by the enormous development of mobile and wireless capabilities. In today's market financial institutions would benefit from adopting our mobile enabling technology in coordination with ValidSoft's capabilities in order to lower credit fraud. On top of that, our joint venture will provide banks the platform for a secure mobile distribution channel as an alternative for bricks and mortar or internet banking, while allowing the banks to reach their customer base on an individualized basis. Further, by using our converging technology and fully integrating Fixed, Mobile, WIMAX and WIFI platforms, Elephant Talk should gain a strong competitive advantage in servicing the needs of the world's largest banks."

"The approach taken by Elephant Talk and ValidSoft represents a complete paradigm shift to combating the global electronic fraud epidemic," stated Mr. Phil Hickman, Chairman of ValidSoft Limited. "During my 32 years at HSBC Bank, I spent much of my time focused on trouble-shooting, change management and innovation. In my opinion ValidSoft's software, in combination with Elephant Talk's superior delivery platform will provide both banks and governments the most accurate, best in class, and cost effective fraud prevention solution on the market. We estimate that our software combined with Elephant Talk's platform will provide significant savings to the banking industry."

About Elephant Talk Communications

Elephant Talk Communications is positioning itself as an international telecom operator and enabler to the multimedia industry by facilitating the distribution of all forms of content as well as mobile and fixed telecom services to global telecommunications consumers. The Company provides traditional telecom services, media streaming, and distribution services primarily to the business-to-business (B2B) community within the telecommunications market where it has a presence. The Company's global footprint as a fully licensed carrier, supported by its propriety IN (Intelligent Network) and Billing/CRM (Client Relationship Management) Systems, has been designed to offer cutting-edge solutions to the increasingly competitive global multimedia industry. Elephant Talk's telecommunications platform eliminates the usual limitations caused by national borders, networks, devices or media and, therefore, enables its B2B customers to operate as independent telecom and multimedia distribution organizations. Elephant Talk is also a developer for mobile telecom and content distribution solutions; and, as a Mobile Virtual Network Enabler (MVNE), the company has positioned itself as the premier outsourcing partner for both Mobile Network Operators (MNO's) as well as for Mobile Virtual Network Operators (MVNO's). At the same time, Elephant Talk assists its MNO partners to more efficiently provide a broad range of sophisticated services to their own existing base of MVNO's. Elephant Talk is positioning itself as the preferred MVNE partner of the larger, global Mobile Operators and currently operates sophisticated networks in over a dozen markets in Europe, Asia Pacific, and the Middle East. The Company was ranked fifth on the Orange County 2008 Deloitte Technology Fast 50. For more information, visit: www.elephanttalk.com.

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 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; however, readers should review carefully reports or documents the Company files periodically with the Securities and Exchange Commission.

About ValidSoft

ValidSoft is an emerging leading provider of telecommunications based, world class security solutions to counter the serious problem of growing fraud, in particular Card Fraud (ATM and Point of Sale), Card Not Present fraud (e.g. Internet purchases) and

Internet Banking fraud, which is costing the Financial Services Industry, Corporations and Governments billions of dollars per annum in fraud losses and associated administration and manual processing costs. ValidSoft solutions represent a paradigm shift in solving these problems with performance improvements of over 900% achievable over today's industry standard results. ValidSoft solutions are easy to implement, are operationally fast (sub second), accurate, low cost and avoid privacy issues. The solutions are capable of providing protection against the most sophisticated fraud, yet are simple and convenient for users and provide a fast return on investment. For more information, visit www.validsoft.com.