

## **Elephant Talk Communications, Inc. Completes Capital Raise of \$12.3 million**

SCHIPHOL, Netherlands, November 11, 2009 -- Elephant Talk Communications, Inc. (OTC BB: [ETAK](#)), an international telecom and multimedia content distributor, today announced it has completed the final closing of its private placement for \$12.3 million to accredited investors.

The net proceeds of the investment funds will be utilized as working capital and provide the company with the necessary financial means to meet the expansion requirements of an emerging telecom solutions company. The capital will assist to facilitate the acquisition of ValidSoft and allow Elephant Talk to implement and attract new contracts such as the previously announced contracts with T-Mobile and Vizzavi Espana, a Vodafone Group Company.

Dawson James Securities, Inc. ("Dawson James") acted as selling agent in the Offering conducted in the United States and Quercus Management Group N.V., an entity affiliated with certain officers and directors of the Company, acted as placement agent in the European Offering.

"This financing provides validation from the investment community that Elephant Talk is an attractive value proposition as it continues to grow market presence, increase earnings and improve shareholder value," said Steven van der Velden, Chief Executive Officer, Elephant Talk Communications. "The capital provides the ability to close our pending acquisition of ValidSoft Limited, a paradigm shifting anti-fraud technology company. In addition, the capital raise improves the financial stability of the company as we continue to expand our global footprint and seek to secure new contracts with mobile telecom companies. Dawson James has a great understanding of our market and provided us with introductions to excellent investors who support the long-term goals of Elephant Talk."

The capital raise coincides with Elephant Talks recent execution of a heads of terms agreement with ValidSoft Limited which provides financial institutions with identity verification, fraud prevention and false positive reduction for credit and debit card users, Point of Sale transactions, Card Not Present transactions (Internet), Internet Banking and Remote Access using patented software solutions which interact with the users of a mobile device.

Mr. David Weinstein, Managing Partner, Investment Banking, Dawson James, stated, "Dawson James is pleased to have assisted Elephant Talk with raising the capital needed for them to become a dominant service and software provider for mobile telecom companies. Along with our investors we are pleased to help facilitate the acquisition of ValidSoft as we believe that they have the best solution to combat the over \$100 billion credit/debit card fraud problem."

## **About Elephant Talk Communications, Inc.**

Elephant Talk 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 one of 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](http://www.elephanttalk.com).

## **About ValidSoft Limited**

ValidSoft ([www.validsoft.com](http://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 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. The ValidSoft Security Model is a very strong security model and has been independently reviewed by Professors Fred Piper and Andreas Fuchsberger of the Royal Holloway, University of London, one of the foremost security institutions in the world.

## **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. Readers should review carefully reports or documents the company files periodically with the Securities and Exchange Commission.