

## **SpaceDev Joins SpaceShipTwo Team**

*SpaceDev signs rocket motor development contract with Scaled Composites*

**POWAY, CA – August 18, 2008 – SpaceDev, Inc. (OTCBB: SPDV)** announced today that it has signed a multi-year contract with Scaled Composites, to assist Scaled in the development of a production rocket motor for the first commercial space vehicle designed for space tourism called SpaceShipTwo. The vehicle is being designed by Scaled for Virgin Galactic and is part of a complete space system that also includes the recently unveiled WhiteKnightTwo carrier aircraft. The WhiteKnightTwo aircraft will ferry SpaceShipTwo and thousands of private astronauts, science packages and payloads as the first stage of Virgin Galactic's sub-orbital space experience.

“We are thrilled to once again be part of the Scaled Composites/Virgin Galactic team and to be able to assist the team on this historic aviation and space endeavor,” said Mark N. Sirangelo, Chairman and CEO of SpaceDev. “Burt Rutan, Doug Shane and the Scaled team have yet again created an outstanding design that will be the first commercial venture to open space to large numbers of the public.”

Under the contract, SpaceDev will be the lead rocket motor team member for SpaceShipTwo and will collaborate with Scaled's internal design team to develop a production ready hybrid rocket motor. The SpaceDev teaming will be similar to that done from 2001 through 2004 on the SpaceShipOne program, in that SpaceDev will be providing engineering services to refine the design of the hybrid rocket motor being developed by Scaled Composites, as well as providing the development, manufacture and integration of key rocket motor system components. Also, SpaceDev will again be conducting ground tests on those motor components and will be working to assist Scaled in the full-scale rocket test program both on the ground and during SpaceShipTwo flight tests. The contract, which runs through 2012, has an initial value of approximately \$15 million for work to be primarily completed over the next two years.

“Scaled and SpaceDev have worked together successfully in the past and we are very pleased to welcome them back onto the team,” commented Doug Shane, President of Scaled Composites. “We look forward to a long relationship that will result in the successful initiation of commercial human space travel.”

Additional information regarding the contract can be found at:  
[www.spacedev.com/sec\\_filings\\_financial\\_reports.php](http://www.spacedev.com/sec_filings_financial_reports.php) then click on 8-K reports.

Additional information regarding the program can be found at:  
[www.virgingalactic.com](http://www.virgingalactic.com) and [www.scaled.com](http://www.scaled.com).

### **About SpaceDev**

SpaceDev, Inc. is a space technology/aerospace company that creates and sells affordable and innovative space products and mission solutions. For more information, visit [www.spacedev.com](http://www.spacedev.com).

*Except for factual statements made herein, this news release consists of forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words such as "believe," "intends," "expects," "plans," "anticipates" and variations thereof, identify forward-looking statements, although their absence does not mean that a statement is not forward looking. Forward-looking statements are based on the Company's current expectations, and are not guarantees of performance. The Company's actual results could differ materially from its current expectations. Factors that could contribute to such differences include risks and uncertainties associated with: the Company's ability to effectively integrate acquisitions; rescheduling or cancellation of customer orders; uncertainties in the government budgeting process; ability to control costs and expenses; and larger competitors' competitive advantages. Reference is also made to other factors described in the Company's periodic reports filed with the SEC, including the Company's most current Annual Report on Form 10-KSB. These forward-looking statements speak only as of the date of this release. SpaceDev does not undertake to update these forward-looking statements.*