

Elephant Talk Communications, Inc. to Enter the Credit Card Fraud Prevention Market

- **Elephant Talk to Acquire Controlling Interest in ValidSoft Limited**

SCHIPHOL, Netherlands, March 23, 2009 -- Elephant Talk Communications, Inc. (OTC BB: [ETAK](#)), an international telecom and multimedia content distributor, specialized in carrier grade mobile enabling platforms, today announced that it has entered into a letter of intent to acquire controlling interest in ValidSoft Limited. ValidSoft is an emerging global leader in preventing electronic bank theft, credit card fraud, and identity theft. Through its proprietary software, ValidSoft provides strong mobile authentication, transaction verification capabilities and location based services. ValidSoft's software allows organizations to quickly implement solutions that protect against the latest sophisticated fraud.

This strategic transaction will combine ValidSoft's best in class proprietary software with Elephant Talk's telecommunication platform to create the best electronic fraud prevention total solution on the market. ValidSoft's patent pending software is primarily based on accurately detecting real time electronic fraud while minimizing false positives detection. A false positive causes many legitimate transactions to be denied which results in a leading reason for customer dissatisfaction with the card issuing bank. Since ValidSoft can 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.

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 (ATM/POS), Card Not Present, Internet Banking, Telephone Banking, Mobile Financial Services, Extranet, VPN, Remote Access, Business Continuity. The Company provides a real-time, cost effective solution for banks, online buyers and regulatory agencies in securing all financial transactions, while greatly reducing operational costs.

Mr. Pat Carroll, CEO of ValidSoft, stated, "Identity theft and electronic bank fraud account for many billions of dollars in stolen currency every year. We are confident that ValidSoft's fraud prevention software solutions combined with Elephant Talk's global telecom network are the perfect way to combat the worldwide fraud dilemma, and bring innovative products to mobile phone subscribers. ValidSoft has received incredible feedback from two major European banks that have piloted the ValidSoft solution. Another benefit of our product is that a great majority of the stolen funds from electronic fraud are used to support organized crime and terrorist activities globally. Many governments throughout the world are making it a top priority to put a stop to these organizations activities and we believe our solution can play a critical role in that endeavor."

In addition, to providing secure transactions, ValidSoft, along with Elephant Talk's converging services platform, will also specialize in Location Based Services that allows for targeted mobile advertising and instant mobile coupons to be provided to shoppers via their mobile devices while they are in relevant retail locations. Users will also be provided mapping/navigating services, instant rewards programs, secure transaction services, anti-fraud plastic card/phone matching services, security services, personal protection and online medical applications. These services will be utilizing the existing network infrastructure whilst further developments will take place leveraging emerging technologies such as WIFI/WiMAX/4G, while at the same time addressing the new security challenges that come with "anytime, anywhere communications," stated Mr. Martin Zuurbier CTO of Elephant talk Communications. "We will see more need for integrated security as system and possibilities emerge within our mobile enabling platforms proposals for the

integration of Banking or Health Care Services with for example Near Field Communication Services to support identification, payment and personal (medical) records.”

“ValidSoft will greatly increase the product and service offerings that Elephant Talk can offer in the growing telecommunications sector as we continue to rapidly grow our market share,” stated Mr. Steven van der Velden, CEO of Elephant Talk Communications. “ValidSoft’s software, in combination with our telecommunications network infrastructure, can greatly reduce fraud thus save banking institutions and governments billions of dollars in the immediate future. Elephant Talk expects this acquisition will allow us to offer an innovative proprietary solution which will increase our global footprint and improve market share. By joining forces, we believe that the (potential) customers and shareholders of both companies will greatly benefit.”

About Elephant Talk Communications

Elephant Talk Communications is positioning itself as an international telecom operator and enabler/systems integrator 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 system integrator and 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 (MNOs) as well as for Mobile Virtual Network Operators (MVNOs). 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 MVNOs. 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

About ValidSoft.

ValidSoft provides products and services designed to meet the needs of organizations operating in dynamic business environments where e-channel applications provide competitive advantage. The demands of today's business environment have increased dramatically in recent years, driven by technologies such as the Internet, card, e-Business and the penetration of mobile phone technology into all aspects of business. ValidSoft solutions provide Strong Authentication and Transaction Verification capabilities allowing organizations to quickly implement solutions that protect against the latest sophisticated fraud and are yet simple and convenient for users. For more information, visit www.validsoft.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.

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