



## **ValidSoft CEO Announces Progress on Privacy, Security to Elephant Talk Shareholders**

LONDON, May 26, 2011 -- ValidSoft ([www.validsoft.com](http://www.validsoft.com)) CEO Patrick Carroll has announced a range of new activities and cited several competitive advantages for ValidSoft during a recent conference call for shareholders of its parent company, Elephant Talk Communications, Inc. (OTCBB:ETAK) ([www.elephanttalk.com](http://www.elephanttalk.com)). Elephant Talk is an international provider of business software and services to the telecommunications and financial services industries.

“At a time when the news is full of reports that consumers, banks, telecoms, and governments are increasingly concerned about privacy and transaction security, ValidSoft is well positioned to deliver strong privacy and security solutions, backed by the stringent European Privacy Seal,” Carroll said.

Carroll announced that ValidSoft, a global supplier of fraud detection, fraud prevention, authentication and transaction verification solutions, is working with a European governmental agency to improve the unemployment benefits systems through recipient Self-Certification. This project is using ValidSoft’s unique four-factor authentication model that uses voice biometrics, with an automated dialer to authenticate the identity of each individual. The self-certification approach generates significant cost savings and efficiencies to the government agency and also helps identify potential fraud in the system.

ValidSoft’s anonymous Proximity Correlation Logic™ (PCL) is used to verify that the benefit recipient is not outside the jurisdiction required to qualify for receipt of payment, Carroll noted.

Furthermore, Carroll reported that ValidSoft’s public agency solution has attracted interest from a number of jurisdictions across Europe and beyond, where similar verification challenges exist, all of which are larger revenue opportunities for the company.

Carroll pointed out that a key element for ensuring that Mobile Network Operators (MNOs) are comfortable with ValidSoft’s technology is the renewal of its European Privacy Seal. This certification serves as a key pre-requisite for the provisioning of ValidSoft’s services in the market.

ValidSoft’s fraud prevention solution sets also include a product called VALid-POS® for which it was awarded the European Privacy Seal in March 2010. ValidSoft is the only security software company in the world to be awarded the European Privacy Seal certifying its compliance with European Data Protection law . In March 2011, ValidSoft



was designated as a registered data controller with the UK Information Commissioner's Office.

Carroll said that ValidSoft considers the lengthy process for achieving the European Privacy Seal as a strong market differentiator with respect to competitors. Carroll also noted that while ValidSoft has already attained a Privacy Seal for VALid-POS® in the financial services, the company is applying for a second privacy seal for public services deployment.

In other developments, Carroll reported:

- ValidSoft is currently engaged in commercial discussions with the European arm of a major international financial institution concerning the provision of the VALid-POS® solution for card fraud prevention.
- ValidSoft's partnership with Visa Europe to allow Visa Europe to integrate and market the solutions as services to its member banks as part of its European processing platform was progressing.
- ValidSoft is currently in advanced discussions with a major financial institution in Mexico concerning the provision of its VALid® solution for internet banking.
- ValidSoft has a growing number of advanced-stage inventions in development in which patentability is being investigated.
- ValidSoft is seeking to strengthen its patent portfolio for existing products in three core areas: 1. biometric (voice) authentication systems; 2. preventing fraud effected by circumvention of telecommunications network communications channels; and 3. identifying transaction locations.

#### About ValidSoft

ValidSoft is a subsidiary of Elephant Talk Communications, Inc. (OTCBB: ETAK), ([www.elephanttalk.com](http://www.elephanttalk.com)) and is a market leader in providing solutions to counter electronic fraud relating to card, the internet, and telephone channels. ValidSoft's solutions are at the cutting edge of the market and are used to verify the authenticity of both parties to a transaction (Mutual Authentication), and the integrity of the transaction itself (Transaction Verification) for the mass market, in a highly cost effective and secure manner, yet easy to use and intuitive. For more information, please visit ([www.validsoft.com](http://www.validsoft.com)).

#### About Elephant Talk Communications

Elephant Talk Communications, Inc. (OTCBB: ETAK) is 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

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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](http://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. Such statements may include, without limitation, statements with respect to the Company's plans and objectives, projections, expectations and intentions. 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. Additional information concerning certain risks and uncertainties that could cause actual results to differ materially from that projected or suggested is contained in the Company's filings with the Securities and Exchange Commission (SEC), copies of which are available from the SEC or may be obtained upon request from the Company.

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