



ValidSoft's CEO Voices Support for U.S. Senate Subcommittee on Privacy Hearing

Privacy and Security Can Work Together, the Company Believes

Washington D.C., May 10, 2011 - Patrick Carroll, CEO of ValidSoft, a global supplier of fraud prevention, authentication and transaction verification solutions, is voicing his company's support for a hearing today on the subject of mobile technology and privacy which is being held by the U.S. Senate Judiciary Subcommittee on Privacy, Technology and the Law.

ValidSoft (www.validsoft.com) is a wholly-owned subsidiary of Elephant Talk Communications, (OTCBB: ETAK) (www.elephanttalk.com) an international provider of business software to the telecommunications and the financial industry.

"At a time when threats to consumer privacy are multiplying, ValidSoft supports the intent of the hearing to look into whether U.S. laws that protect consumer privacy on mobile communications devices are keeping up with advances in technology. Consumer privacy is paramount, and we can already see that privacy matters around the world are increasingly under focus. Europe has already made great strides towards recognizing the need to combine the prevention of fraud with the protection of individual privacy, an approach which is at the core of our solutions. We hope that the U.S. will move in the same direction," Carroll said.

ValidSoft's unique technology correlates the origination of a card-based transaction to the card holder through the card holder's cell phone. In less than 400 milliseconds the issuing bank can reliably decide whether a transaction is likely legitimate or fraudulent. ValidSoft ensures user privacy because its technology does not record or store tracking data or the user's location, nor does it use Location Based Service (LBS), tracking of any sort, GPS, Lat/Long resolution, triangulation or any other measurement technique associated with these services.

ValidSoft's proprietary anonymous Proximity Correlation Logic™ (PCL) is unique, making it the first, and only, security software company in the world to receive the European Privacy Seal for its card fraud detection and prevention solution, VALid-POS®. EuroPriSe, an independent certification body, awarded the seal to ValidSoft in 2010 after a rigorous review and certification process; it certifies that ValidSoft fully complies with European Data Protection and Data Privacy legislation, arguably the most demanding legislation in the world.

For authentication, transaction verification and anomaly resolution, ValidSoft uses a layered multi-factor security solution, VALid®. Based on four factors: "something you know", "something you have", "something you are", with the additional dimension of "somewhere



you are/you are not". The strength of ValidSoft's technology is that it is only concerned with where the cardholder ISN'T, not where the cardholder is.

Currently, ValidSoft has a contractual arrangement with Visa Europe to provide ValidSoft's fraud-prevention solutions, VALid-POS®, and VALid®, ValidSoft's multi-factor authentication platform. The agreement will allow Visa Europe to integrate and market the solutions as services to its member banks as part of its European processing platform. There are about 4,000 member banks in the European Visa group, which processes about 24 billion transactions a year annually.

ValidSoft's fraud detection technology was featured in a technology research report by Ovum, part of the Datamonitor Group. The report was published in February 2011 and can be found at <http://about.ovum.com/app/mobile-devices-are-being-used-to-prevent-fraud/>

Professor Douwe Korff, a leading expert in data privacy matters, said, "The EuroPriSe European Privacy Seal certifies that IT products are privacy compliant with European data protection regulations. The award offers a transparent European privacy certificate that fosters consumer protection and civil rights, trust in IT, and privacy by marketing mechanisms. VALid-POS® shows that fraud prevention can be fully reconciled with privacy protection." Professor Korff has been professor of international law at London Metropolitan University since 2002. For the last fifteen years, Professor Korff has also been a leading data protection expert and consultant and has carried out six major studies for the European Union's Directorate-General on the Internal Market, relating to the implementation of EC Directives harmonizing data protection law in the EU and the European Economic Area (EEA).

About ValidSoft

ValidSoft is a subsidiary of Elephant Talk Communications, Inc. (OTCBB: ETAK), (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).

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 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).

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