

Virgin Orbit files for bankruptcy, seeks buyer

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The Virgin Orbit 'Cosmic Girl' -- a modified Boeing 747 carrying a LauncherOne rocket under its wing -- takes off from Mojave Air and Space Port in 2021.

Virgin Orbit, the satellite launch company founded by Richard Branson,

has filed for Chapter 11 bankruptcy and will sell the business, the firm said in a statement Tuesday.

The California-based company said last week it was laying off 85 percent of its employees—around 675 people—to reduce expenses due to its inability to secure sufficient funding.

Virgin Orbit suffered a major setback earlier this year when an attempt to launch the first rocket into space from British soil ended in failure.

The company had organized the mission with the UK Space Agency and Cornwall Spaceport to launch nine satellites into space.

On Tuesday, the firm said "it commenced a voluntary proceeding under Chapter 11 of the U.S. Bankruptcy Code... in order to effectuate a sale of the business" and intended to use the process "to maximize value for its business and assets."

Last month, Virgin Orbit suspended operations for several days while it held funding negotiations and explored strategic opportunities.

But at an all-hands meeting on Thursday, CEO Dan Hart told employees that operations would cease "for the foreseeable future," US media reported at the time.

"While we have taken great efforts to address our financial position and secure additional financing, we ultimately must do what is best for the business," Hart said in the company statement on Tuesday.

"We believe that the cutting-edge launch technology that this team has created will have wide appeal to buyers as we continue in the process to sell the Company."

Founded by Branson in 2017, the firm developed "a new and innovative method of launching satellites into orbit," while "successfully launching 33 satellites into their precise orbit," Hart added.

Virgin Orbit's shares on the New York Stock Exchange were down 3 percent at 19 cents on Monday evening.

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