



Overland Storage Receives Notice of Compliance From Nasdaq

March 20, 2009

SAN DIEGO, March 20 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) announced today that Nasdaq has withdrawn its prior notification concerning the company's compliance with a listing maintenance standard for minimum shareholders' equity. Nasdaq subsequently determined that this requirement does not apply to Overland at this time because the company currently meets an alternative maintenance standard. Overland previously announced that it would address the noticed deficiency by applying to transfer its listing to The Nasdaq Capital Market. Overland has withdrawn that application given the compliance notification, and will maintain its listing on the Nasdaq Global Market.

Overland's compliance with the alternate maintenance standard is enabled in part by Nasdaq's current suspension of the standards relating to minimum bid price and market value of publicly held shares. The company was in a permitted re-compliance period for the minimum bid price standard at the time those standards were suspended, thereby extending the re-compliance period for the length of the suspension. Overland will continue to monitor its compliance with Nasdaq's continuing listing standards in light of any expiration, change or extension of the suspension of those standards.

About Overland Storage

Overland Storage provides affordable end-to-end data protection solutions that are engineered to store smarter, protect faster and extend anywhere -- across networked storage, media types and multi-site environments. Overland Storage products include award-winning NEO SERIES(R) and ARCvault(R) tape libraries, REO SERIES(R) disk-based backup and recovery appliances with VTL capabilities, Snap Server(R) NAS appliances, and ULTAMUS(R) RAID high-performance, high-density storage. Overland sells its products through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's web site at www.overlandstorage.com

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This press release includes forward-looking statements that reflect management's current views of future events including statements regarding the Company's ability to comply with the requirements under the Nasdaq Marketplace Rules. Actual results may differ materially from the forward-looking statements due to a number of important factors, including, but not limited to, Nasdaq's rules suspending certain maintenance standards and the Company's ability to maintain compliance with the continued listing requirements as they are in effect from time to time. Other risks affecting the Company are detailed from time to time in the Company's periodic reports filed with the SEC. These forward-looking statements speak only as of the date of this release and the Company undertakes no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this release.

SOURCE Overland Storage, Inc.

CONTACT: Kurt L. Kalbfleisch
VP Finance and CFO of Overland Storage, Inc.
1-858-571-5555, kkalbfleisch@overlandstorage.com
or
Sue Hetzel of HetzelMeade Communications
1-760-434-9927, sue@hetzelmeade.com
for Overland Storage, Inc.
Web Site: <http://www.overlandstorage.com>