



Overland Storage Inc. Announces Proposed Public Offering of Common Stock

March 22, 2012

SAN DIEGO, CA, Mar 22, 2012 (MARKETWIRE via COMTEX) --Overland Storage Inc. ("Overland") (NASDAQ: [OVRL](#)), a trusted global provider of effortless data management and data protection solutions across the data lifecycle, today announced that it is offering to sell, subject to market and other conditions, shares of its common stock in an underwritten public offering. Needham & Company, LLC is acting as the sole underwriter for the offering.

Overland intends to use the net proceeds from the offering for general corporate purposes, which may include, among others, working capital.

The shares described above are being offered by Overland pursuant to a shelf registration statement previously filed with and subsequently declared effective by the Securities and Exchange Commission ("SEC"). A preliminary prospectus supplement and accompanying prospectus relating to the offering will be filed with the SEC and will be available on the SEC's website at <http://www.sec.gov>. Before investing, you should read the preliminary prospectus supplement and accompanying prospectus for information about Overland and this offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Copies of the preliminary prospectus supplement and accompanying base prospectus relating to this offering may be obtained, when available, from Needham & Company, LLC, 445 Park Avenue, New York, NY 10022, (800) 903-3268.

About Overland Storage Inc.

Overland is a trusted global provider of effortless data management and data protection solutions across the data lifecycle. By providing an integrated range of technologies and services for primary, nearline, offline, archival, and cloud data storage, Overland makes it easy and cost effective to manage different tiers of information over time. Whether distributed data is across the hall or across the globe, Overland enables companies to focus on building their business instead of worrying about data growth. Overland SnapServer(R), SnapSAN(R), NEO(R) and REO(R) solutions are available through a select network of value added resellers and system integrators. For more information, visit www.overlandstorage.com.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the proposed public offering and the intended use of proceeds from the offering. The offering is subject to market and other conditions and there can be no assurance as to whether or when the offering may be completed or as to the actual size or terms of the offering. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including market conditions, risks associated with Overland's ability to continue to raise capital as needed to fund its operations, the risk that Overland's intentions regarding the use of proceeds may change and other risks detailed from time to time in Overland's filings with the SEC, including, without limitation, Overland's most recent filings on Forms 10-K, 10-Q and 8-K. These forward-looking statements represent Overland's views only as of the date they are made and should not be relied upon as representing Overland's views as of any subsequent date. Overland does not intend to update any of the statements in this press release upon further developments.

Overland Storage, SnapServer, SnapSAN, NEO, REO and the Overland logo are trademarks of Overland Storage, Inc., that may be registered in some jurisdictions. All other trademarks used are owned by their respective owners.

Investor Relations Contact:

Charles Messman or Todd Kehrl
MKR Group Inc.
323-468-2300
ovrl@mkr-group.com

SOURCE: Overland Storage