



Overland Storage Inc. Prices Underwritten Public Offering of \$6,400,000 Million of Common Stock

March 23, 2012

SAN DIEGO, CA, Mar 23, 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 the pricing of an underwritten public offering of 3,200,000 shares of its common stock at a price of \$2.00 per share. Overland has also granted to the underwriter a 30-day option to acquire an additional 480,000 shares to cover overallotments in connection with the offering. Overland expects to receive net proceeds of approximately \$5.8 million after deducting the underwriting discount and estimated offering expenses payable by Overland, assuming no exercise of the overallotment option. The offering is expected to close on March 28, 2012, subject to customary closing conditions. Needham & Company, LLC is 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 final 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>.

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 final prospectus supplement and accompanying 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 expected closing of the public offering and the intended use of proceeds from the offering. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the risk that the conditions to closing of the offering might not be satisfied and that the purchase and sale of the shares of common stock might not be consummated, 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.

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SOURCE: Overland Storage