



Overland Storage Introduces Industry's Lowest Cost, Highest Value Dual Drive LTO Automation Product

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Overland's New PowerLoader Provides Library Functionality at a Loader Price

Overland Storage, Inc. (Nasdaq: OVRL), a leading provider of storage solutions, today announced a new dual drive LTO automation product aimed at the extended-functionality loader market. This product establishes a new class of automation product for the high performance and high capacity LTO tape format. Now Overland's award-winning PowerLoader(TM) is the highest performing and most cost-effective automated tape backup solution, providing many of the features normally found in competing automation systems that cost far more.

Offering the user a choice of one-drive or two-drive models, Overland's PowerLoader is available in both rackmount and tabletop versions. A second drive can easily be field added to an existing one-drive unit. PowerLoader is ideal for users requiring protection for up to 3.4 terabytes of compressed data, users whose application supports tape copy or cloning to a second drive for off-line archiving, as well as for individuals just beginning to deploy automated tape backup in their organizations.

"Our new PowerLoader resets the bar in LTO automation," said Bob Scroop, vice president and general manager of Overland's storage resource business unit. "End users are no longer faced with a hard choice between low priced loaders, which have limited functionality, and libraries that deliver the desired functionality but at a substantially higher price."

Designed for workgroup servers and networks, Overland's PowerLoader includes features typically found in much higher priced automated storage solutions. Standard features include dual-drive support, barcode scanner, a single easy-to-remove tape magazine, robust interactive user control and display panel, and optional Web-based monitoring and control capabilities. The PowerLoader is a rugged, field-proven unit, based on Overland's award-winning robotics design.

About Overland Storage

Overland Storage, Inc. (Nasdaq: OVRL) is a leading global supplier of innovative hardware and software storage solutions for mid-range computer networks. The Company's reputation for delivering high availability products, including the award-winning NEO Series(TM) of tape libraries and the industry's first family of fully open storage management software solutions, sets the standard for intelligent, automated and scalable storage. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers. On June 28, 2002, the company changed its name from Overland Data, Inc. For more information, visit Overland's Web site at www.overlandstorage.com.

Except for the factual statements made herein, the information contained in this news release consists of forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words and expressions reflecting optimism and satisfaction with current or future prospects, as well as words such as "believe," "intends," "expects," "plans," "anticipates" and variations thereof, identify forward-looking statements, but their absence does not mean that a statement is not forward looking. Such forward-looking statements are not guarantees of performance and the company's actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include economic conditions and technology spending levels, unexpected shortages of critical components, rescheduling or cancellation of customer orders, loss of a major customer, the timing and market acceptance of any new hardware, software or other product introduction by the company and its competitors, general competition and price pressures in the marketplace and the company's ability to control costs and expenses. Reference is also made to other factors set forth in the company's filings with the Securities and Exchange Commission, including the "Risk Factors," "Management's Discussion and Analysis" and other sections of the company's Form 10-K for the most recently completed fiscal year. 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.

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