



Department of Interior Standardizes on Overland Storage NEO SERIES Tape Libraries

November 15, 2004

Adds enterprise-class NEO 8000 to multi-year, multi-million dollar contract

SAN DIEGO, Nov. 15 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL), a leading provider of backup and recovery solutions, today announced that in partnership with IoDynamix, a Colorado-based Overland value added reseller, the multi-year, multi-million dollar contract with the U.S. Department of Interior (DOI) has been expanded to include Overland's NEO 8000. As a result, DOI now utilizes the entire line of NEO SERIES(R) libraries to meet its data storage needs.

DOI oversees eight agencies and spans 2,400 locations, from isolated forest ranger offices to large data centers. Accordingly, its data storage requirements range from several gigabytes to multiple terabytes. The scalable, reliable and affordable NEO SERIES libraries provide an expandable platform that meets DOI's diverse needs.

"We are required to collect and store an extensive amount of data on all the acreage we manage, so reliable data protection is essential for us," said Dan Ialenti, technical staff for DOI. "We needed an innovative, cost-effective tape automation solution that met our stringent criteria backed by a company with a solid reputation. We found both in Overland Storage. IoDynamix and Overland Storage installed more than 150 tape libraries in a very organized and streamlined manner."

DOI underwent a thorough evaluation process, which focused on the following key criteria: price, performance, technical capability and service. Overland's award-winning NEO SERIES successfully met the department's requirements in every area. In addition, scalability was an important decision factor. The NEO SERIES features a modular architecture, ensuring that DOI can purchase only the storage it needs today and easily add libraries as its requirements grow.

"From the start, the Overland NEO SERIES offered DOI everything it was looking for to meet its extensive data storage needs," said Kees Lawrence, vice president of IoDynamix. "Working with Overland to deliver a tape automation solution to DOI has been a seamless integration, and we're confident the products will continue to serve DOI well for years to come."

"Overland Storage has developed significant momentum in the government sector, as evidenced by the DOI standardizing on the NEO platform," said Chet Baffa, vice president of worldwide sales, Overland Storage. "In partnership with IoDynamix, we will continue to demonstrate the key benefits of our NEO family in order to meet the ever-increasing storage demands faced by our end-user customers."

DOI consists of the following eight agencies: U.S. Fish and Wildlife Services, Bureau of Indian Affairs, Bureau of Reclamation, Minerals Management Service, U.S. Geological Survey, Bureau of Land Management, National Park Service, and the Office of Surface Mining.

About NEO SERIES

Overland's award-winning family of scalable libraries, the NEO SERIES, provides enterprise-class data protection with nonstop operation, expansion on demand, investment protection, remote library management, and 1 and 2 GB/second serverless backup in a SAN environment. Overland's NEO technology has won more industry awards than any other vendor, including Storage Magazine's Product of the Year.

The NEO architecture provides unprecedented levels of availability through non-stop operation, investment protection through SmartScale Architecture, and flexible connectivity to DAS, NAS or SAN environments through iSCSI, SCSI and dual-path Fibre Channel I/O. The NEO SERIES library architecture is designed to support environments up to hundreds of terabytes of data, and transfer rate performance of up to multiple terabytes per hour.

The newest addition to the NEO family is the NEO 8000, a data-center class library offering up to 200 TB of storage in a 19-inch rack footprint. The NEO 8000 provides industry-leading performance, scalability, data availability and field-proven technology at the best value in its class.

About Overland Storage

For almost 25 years, Overland Storage has delivered world-class data protection solutions designed to ensure business continuity. Focused on backup and recovery, Overland's data protection solutions include the REO(TM) family of disk-based backup and recovery appliances and the award-winning NEO SERIES(R) of tape libraries. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers. 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 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 delays, unbudgeted expenses, inefficiencies and production problems that may result from the transition of manufacturing to Sanmina-SCI; difficulty of predicting sales to the company's major OEM customer; worldwide information 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 new product introductions by the company, including the company's new REO products, competitors or licensees of the company; the timing and amount of licensing royalties; general competition and price pressures in the marketplace; the company's ability to control costs and expenses; and general

economic conditions. 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.

Overland, Overland Storage, REO SERIES, NEO SERIES, REO 1000 and REO 9000 are trademarks or registered trademarks of Overland Storage, Inc.

SOURCE Overland Storage, Inc.
11/15/2004

CONTACT: Melinda Hutcheon, PR Manager of Overland Storage, +1-858-495-4187, mhutcheon@overlandstorage.com; or Jamie Ernst of Brodeur Worldwide, +1-210-495-5757, jernst@brodeur.com, for Overland Storage
Web site: <http://www.overlandstorage.com>