



Overland Storage REO SERIES™ Delivers Industry's Fastest Backups and Immediate Data Recovery with iSCSI-based Family of Appliances

September 9, 2003

SAN DIEGO – Sept. 9, 2003 – Overland Storage, Inc. (Nasdaq: OVRL), the leading provider of backup and recovery solutions trusted by Fortune 10,000 companies to ensure zero downtime, today announced the availability of the REO SERIES™ product family, the first iSCSI-based appliances designed specifically to accelerate data backup and recovery over high-speed Ethernet networks. The REO SERIES includes the R2000 application backup acceleration appliance, RA2000 backup server acceleration appliance, and RX2000 expansion module.

The REO SERIES brings Fibre Channel backup performance without requiring a change of software or the installation of complex, expensive Fibre Channel technology. Each REO product works with a customer's existing backup software applications and existing Ethernet infrastructure ensuring a quick and easy deployment. The products use Gigabit Ethernet (GigE) and Serial ATA technology, reducing backup time and expense and provide immediate data recovery at very low prices.

"The REO SERIES builds upon Overland's strong foundation in tape automation technology, to deliver the fastest, most secure way to move data from disk-to-disk-to-tape (D2D2T™)," said John Matze, vice president and CTO of Overland Storage. "By building our REO SERIES appliances on iSCSI, end users can backup and recover data in the fastest possible timeframe, regardless of where the data resides and without incurring the cost associated with Fibre Channel."

REO SERIES RA2000 – Backup Server Accelerator

The RA2000 is a dynamic disk-to-disk (D2D) appliance that accelerates the backup and recovery performance of existing backup servers. A sharable storage device, the RA2000 uses iSCSI and Ethernet technology to consolidate data from multiple backup servers whether local or remote. IT professionals can use the RA2000 to "assign" or "reassign" backup data storage among servers with varying capacity requirements, deferring new storage purchases and improving operational efficiency.

The RA2000 is available now for a suggested retail price of \$17,500

REO SERIES R2000 – Network Backup Accelerator

The R2000 is a powerful iSCSI appliance that resides on the network between application servers and backup servers. The R2000 dramatically accelerates backup and recovery performance by consolidating data from up to eight application servers simultaneously. The REO SERIES iSCSI technology allows the R2000 to backup both onsite and remote application servers simplifying the protection of remote computers. Simultaneous multi-server backups can run at speeds of up to 300 GB/hour or 90-100 MB/second, and recovery takes place at disk speed reducing the impact of data loss.

The R2000 is available for a suggested retail price of \$24,995 for 2 TB of Serial ATA storage. It is fully interoperable with Microsoft iSCSI drivers for Window platforms.

REO SERIES RX2000

The RX2000 expansion modules allow the R2000 and RA2000 to easily grow in both storage capacity and data transfer performance. An iSCSI-based appliance, it increases the amount of backup data kept online, providing faster recovery from data loss and reducing the impact of a system outage. Each RX2000 module adds 2 TB of capacity and 100 MB/s of data transfer bandwidth. Each module also appears as eight additional disk drives on its R2000 or RA2000 Web-based browser management interface to simplify configuration.

The RX2000 is available now for a suggested retail price of \$15,600

Targeted at the SMB market and Fortune 1000 workgroups and departments, the REO SERIES enhance a standard tape backup by dramatically shortening the backup window while still moving the data safely to tape.

"Tape is the gold standard of data protection and business continuity," said John Cloyd, vice president and general manager of the storage management business unit of Overland Storage. "The REO SERIES products enhance and expand tape functionality by providing Fibre Channel performance at a fraction of the cost. Our customers are seeing backup improvements of up to 300 percent without changing software, installing new wiring or hubs, or retraining their staff. The ability to consolidate backups to the REO before sending the data to tape has reduced the number of tapes required for a backup, and the ability to restore required data at disk speeds means that problem recovery time is shortened dramatically".

Competitive benefits of the Overland REO SERIES family of products include:

- iSCSI-based solution leverages the power of the network
- SATA technology keeps data nearby for immediate recovery
- Multi-server, parallel backup reduces backup times significantly
- Consolidates multi-location of offsite data
- Maintains copies of critical data at a disaster recovery location

- Optimized tape backup makes best use of tape storage
- Provides easy additions to existing backup and recovery environments
- Modular approach expands capacity and bandwidth
- Reduces errors and pays for itself in a single recovery event

Overland Storage products are available through leading storage partners worldwide. To find the one nearest you, or for more information on Overland's REO SERIES, please call 1-800-729-8725 or visit <http://www.reoseries.com/>

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 delivers high availability products, including award-winning automated storage libraries that set the standard for intelligent, automated and scalable storage. 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.

CONTACT INFORMATION:

OVERLAND STORAGE INVESTOR RELATIONS:

Cynthia A. Bond, Director of Corporate Communications
cbond@overlandstorage.com
(858) 571-5555

OVERLAND STORAGE PUBLIC RELATIONS:

Melinda Hutcheon, PR Manager
mhutcheon@overlandstorage.com
(858) 495-4187

MEDIA INQUIRIES:

Jamie Ernst
Brodeur Worldwide
jernst@brodeur.com
(310) 316-9335

Except for the factual statements made herein, the information contained in this press release consists of forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include unexpected shortages of critical components, rescheduling or cancellation of customer orders, the timing and market acceptance of new product introductions by the Company and its competitors, and general competition and price pressures in the marketplace. 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.