



Overland Storage Announces Availability of LTO4 Tape Drive Technology

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SAN DIEGO, June 19, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Overland Storage, Inc. (Nasdaq: OVRL), a leading provider of tape- and disk-based backup and recovery solutions, has announced that its NEO Series and ARCvault families of tape automation will use HP fourth-generation linear open-tape drives, known as LTO4.

"HP was chosen as Overland's LTO4 tape drive supplier due to the relationship that exists between the two companies and HP's leadership in the LTO tape drive market," said Scott McClendon, interim president and CEO of Overland Storage.

Additionally, HP LTO4 tape drives, which offer device-level encryption, improved performance, and higher capacity than previous LTO generations, will be integrated into the HP StorageWorks MSL6000 tape libraries manufactured by Overland under an OEM contract.

"HP values its relationship with Overland both as a supplier for the HP StorageWorks MSL line and as a customer of our tape drives," said Bob Wilson, vice president, Nearline, StorageWorks Division, HP. "We look forward to supporting Overland in introducing LTO4 tape drive technology in their products."

"The combination of improvements in capacity and performance as well as support for data encryption makes LTO4 a compelling enhancement for customers looking for faster backup and/or improved data retention," said Peri Grover, director of product management at Overland Storage. "With LTO4, our NEO SERIES(R) and ARCvault(TM) solutions will scale from 9.6 terabytes to 1.6 petabytes and reach speeds of up to 20 terabytes per hour, satisfying the needs of customers of all sizes."

"The introduction of LTO4 represents another compelling event in the storage industry," added Grover. "The decision to add LTO4 support to the MSL6000 series from HP reflects the ongoing demand for the products and how well these libraries have held up over time."

Availability and Pricing

Overland's family of NEO tape libraries will begin shipping this month with a starting MSRP of \$16,615. Availability of LTO4 configurations of the ARCvault tape libraries will follow within 30-45 days.

About Overland Storage

Now in its 26th year, Overland Storage is a market leader and innovative provider of simply protected storage solutions - smart data protection appliances and software modules designed to work together, affordably, to ensure that information is automatically safe, readily available and always there. Overland's award-winning data protection solutions include the ULTAMUSTM RAID SERIES of affordable, high-capacity storage; REO SERIES(R) of disk-based backup, recovery and VTL appliances; and the NEO SERIES(R) and ARCvault(TM) family of tape automation solutions. Overland sells its products through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's web site at <http://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," "hopes," "intends," "estimates," "expects," "projects," "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 possible delays in new product introductions and shipments by the company including the new ULTAMUS and ARCvault product lines; possible delays in enhancements and new offerings in the company's REO line; market acceptance of the company's other new product offerings; the performance of the company's newly restructured management team; the timing and market acceptance of new product introductions by competitors; unexpected inventory charges resulting from the termination of the relationship with the company's former outsourced manufacturing partner; inefficiencies and excessive manufacturing costs in the early stages of the return of production to the company's San Diego facility; worldwide information technology spending levels; unexpected shortages of critical components; rescheduling or cancellation of customer orders; loss of a major customer; 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 Forms 10-K and 10-Q currently on file with the SEC. 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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