



**Press Release
For Immediate Release**

**Overland Storage REO iSCSI Disk-Based Backup Appliance Qualified
on Backup Exec 10.0 Software**

Industry-Leading Disk and Tape-based Backup and Recovery Solutions Validated

SAN DIEGO, September 19, 2005 – After successfully completing testing, Overland Storage, Inc. (NASDAQ: OVRL), a leading provider of backup and recovery solutions, has qualified the REO SERIES™ of disk-based backup and recovery appliances on market-leading VERITAS Backup Exec 10.0 Software for Windows servers, now from Symantec. The REO SERIES joins Overland's previously qualified NEO SERIES™, of tape automation solutions to create an iSCSI disk-to-tape solution qualified on Backup Exec Software.

Overland Storage is a member of the Symantec Technology Partner Program, under which products are jointly-tested and validated to help customers manage complex, heterogeneous storage environments, ease multi-vendor implementations and reduce costs through improved storage utilization and management.

"The certification of the REO SERIES on Backup Exec software allows our partners and end-users to take greater advantage of their backup software while incorporating a proven disk-based appliance with instantaneous restores and shorter backup windows," explained Christopher Calisi, president and chief executive officer, Overland Storage. "This qualification represents another milestone for the REO SERIES, adding to our achievement of being named the world's best selling purpose-built disk-based backup and recovery appliance by Enterprise Strategy Group."

Adding to the REO's success is its ability to seamlessly integrate with existing backup software through Overland's Protection OS™ software. Protection OS, which ships on all REOs, delivers embedded data protection intelligence including sophisticated virtualization, management and connectivity features. In addition, the built-in virtual tape library (VTL) functionality allows the REO to be configured as any combination of virtual tape libraries, virtual tape drives and/or disk volumes, providing maximum flexibility. As a result, Backup Exec is able to take full advantage of the REO, speeding up the recovery of files and volumes or even entire servers using Backup Exec's Intelligent Disaster Recovery (IDR) Option.

Backup Exec software, the gold standard in Windows data protection, delivers comprehensive, cost-effective, and certified data protection and recovery to address the growing and agile needs of small and medium-size businesses.

About Overland Storage

Now in its 25th 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 REO SERIES™ of disk-based backup and recovery appliances and the NEO SERIES™ of tape libraries. Overland sells its products through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's web site at www.overlandstorage.com.

Overland, Overland Storage, REO SERIES, NEO SERIES and Protection OS are trademarks of Overland Storage, Inc.

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.

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