



**FOR IMMEDIATE RELEASE**

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**QUALSTAR UNVEILS ONE OF THE LARGEST ENTERPRISE TAPE LIBRARY SYSTEMS ON THE MARKET WITH NEXT-GENERATION ARCHITECTURE**

*Expands to over 4 Petabytes of storage, up to 96 LTO-3 drives, over 6,000 tape cartridges -- all easily managed with the new X-Link™ intelligent interface*

**SIMI VALLEY, Calif., May 23, 2006** — Qualstar® Corporation (Nasdaq: QBAK), an innovator in automated tape storage solutions, today unveiled its XLS Enterprise Tape Library System, one of the highest capacity libraries on the market today. The XLS Library System expands from 140 terabytes to more than 4 petabytes to enable corporate users to invest in as much capacity and data access power as they need for enterprise backup, archive and data security solutions and then seamlessly and easily scale up as their needs increase.

Like all its *Simply Reliable* libraries, XLS reaffirms Qualstar's design leadership since 1994 in automated tape systems. Qualstar's XLS is based on its new, patent-pending Compass Architecture™ that delivers very high storage densities exceeding 40 TB per square foot while reducing the wear and power consumption that are typical of less advanced designs. Compass Architecture enables fast access to data since the XLS robotics can access more than 2,800 tapes while moving an average of only 21 inches, horizontally.

Modularity and ease of expansion are hallmarks of the Compass Architecture design, which consists of two distinct modules that can be combined to build flexible, high density and cost-effective library systems. The LRM, Library Resource Module, is a self-contained, standalone tape library. The initial LRM models house up to 655 cartridges and 32 LTO™ (Ultrium™) tape drives. Cartridge bays and drive bays can be mixed and matched to achieve the desired balance between storage capacity and data throughput to meet individual system requirements.

The second key part of the XLS system is the MEM, Memory Expansion Module. Two MEMs can be attached to a single LRM. Each MEM holds an additional 1,075 tapes, 430 TB (native) using LTO 3 technology, in just over 8 square feet of valuable IT floor space.

According to William Gervais, Qualstar president and CEO, "Our new XLS library system presents an unsurpassed choice for enterprise customers. Users can buy what they need to meet their storage needs today, and easily add MEMs and LRMs to create much larger systems as their requirements increase."

"Easy expansion and great flexibility means that XLS is the library system that can't be outgrown. The LRM and MEM building blocks can be assembled in various configurations starting at 355 tapes and easily expanding to more than 6,000 tapes. Seamless capacity expansion combined with support for up to 96 tape drives make XLS one of the most flexible, scalable storage designs ever introduced," Mr. Gervais added.

"Qualstar's entry into the enterprise library space is strategically sound and uncanny in its timing," says Robert Abraham of Freeman Reports. "Our most recent market analysis ([www.freemanreports.com](http://www.freemanreports.com)) reports a revenue growth rate of 19% in 2005 for high-end LTO libraries and projects continued double-digit growth for several years. This new opportunity significantly expands the market reach of Qualstar's product offerings."

Managing large tape libraries is a significant challenge for administrators. The answer is X-Link™, the intelligent, single-view XLS management interface that provides powerful tools and comprehensive information to monitor and manage library operations around the clock, throughout the enterprise or across the globe. Identical X-Link access is delivered locally via the 15" color touch screen built into every LRM, and remotely via an intranet connection or the Internet. Authorizations, passwords and user group controls give administrators the security tools needed to organize, manage and customize individual user access to up to eight independent logical library partitions. With appropriate permissions, Qualstar Technical Support technicians can also remotely access an XLS via X-Link to review event logs and run diagnostics.

XLS will be available exclusively through Qualstar's worldwide network of Authorized Reseller Partners. Shipments will begin this summer. Contact Qualstar, one of our Reseller Partners or visit <http://www.qualstar.com/xls> for more information.

## **About Qualstar Corporation**

Qualstar is a manufacturer of automated tape libraries used for backup, archival storage, data protection and disaster recovery. Its products are known throughout the world for their rugged, *Simply Reliable* design yielding years of trouble-free operation. Qualstar tape libraries are sold, installed and supported worldwide by authorized Value Added Resellers, Systems Integrators and Distributors, and Original Equipment Manufacturers. Qualstar also designs, manufactures and sells ultra small, high efficiency open-frame switching power supplies under the "N2Power" brand name to OEMs. Qualstar Corporation is publicly traded on the NASDAQ National Market under the symbol QBAK. More information is available at [www.qualstar.com](http://www.qualstar.com) or by phone at 805-583-7744.

## **Forward-Looking Statements**

Statements in this press release concerning the future business, operating results and financial condition of the Company are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations and are subject to a number of uncertainties that could cause actual performance and results to differ materially from the results discussed in the forward-looking statements. Factors that could affect the Company's actual results include the Company's ability to increase sales of its tape libraries, whether development of the Company's new enterprise-class tape libraries will be completed on time and achieve customer acceptance, rescheduling or cancellation of customer orders, unexpected shortages of critical components, unexpected product design or quality problems, and adverse changes in market demand for tape libraries or Qualstar's products. The Company undertakes no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise. Further information on these and other potential factors that could affect the Company's financial results or condition are included in Qualstar's filings with the Securities and Exchange Commission. In particular, reference is made to the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, and to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of its Form 10-K and its most recent Quarterly Report on Form 10-Q.

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