



NEWS RELEASE

iStor Networks and Independent Distributor Arbitech Align for Small and Medium Business Success

IRVINE, Calif. – June 18, 2007 -- iStor Networks, Inc., an innovative technology leader in the development of network storage solutions today announced a new distribution partner with a unique business model is helping iStor generate new opportunities in the small and medium sized business (SMB) market.

Arbitech, LLC, based in Irvine, CA, is one of the nation's leading independent distributors of tier one computer products including servers, storage, networking, laptops, printers and software. Their nationwide customer base consists of VARs, VADs and systems integrators of all sizes.

“As an independent distributor, Arbitech gains a high degree of flexibility in programs and pricing that enables the company to offer a unique sourcing resource for resellers. This business model has proven especially powerful for building relationships with small and mid-sized resellers serving SMB end users,” says Jessica Barlow, Director of North American Channel Sales, iStor Networks.

iStor has been selected as a key partner for storage networking solutions in Arbitech's SMB initiatives. Enterprise-level products are typically too expensive for these resellers, and even the lower end products from large vendors are often out of reach.

“The iStor solution offers our SMB reseller's enterprise-level storage at an SMB cost,” stated Jimmy Whalen, Vice President of Business Development, Arbitech. “It gives us a cost effective storage solution as we work very closely with these resellers to win deals, create attractive solutions and provide high levels of service.”

The iS325 Storage System combines the speed of iStor's flagship GigaStor™ iSCSI network storage controller with the capacity and high availability of a flexible chassis. The iS325 supports up to 15 high capacity Serial ATA drives, providing compelling total cost of ownership for block-based applications such as SQL, Exchange, video, IP surveillance, disk-to-disk backup and secondary storage. Additionally, the iS325 is ideal for SAN extension over IP-based WANs and SAN/NAS consolidation across a single unified fabric. Flexible configurations are offered with 4 or 8 port 1GbE models and a 1 port 10GbE model providing the customer with a product family of high performance storage that address the connectivity and network requirements of all customer environments along with providing investment protection to scale the storage network for the future.

iStor was selected by Arbitech based on a two-pronged evaluation that encompassed input from resellers on the business potential for taking on such a product as well as technical testing. The business opportunity became clear, while the tech evaluation earned a “gold star” based on a combination of speed, capacity, scalability, ease of use, cost per node, and the ability to pool storage. Arbitech will provide the iStor GigaStorATX as a fully “plug and play” package solution complete with drives.

“iStor is a superior product and addresses a key section of the market,” Whalen observed. “It will help us continue our growth by expanding our storage solution offerings and enable Arbitech to successfully embrace the advantages of iSCSI with a tremendous manufacturer like iStor.”

“The authorized distributorship that Arbitech has engaged in with iStor has further strengthened Arbitech’s position in the channel as the leading independent distributor in the U.S.,” stated Don Shafer, Arbitech’s Vice President of Corporate Development.

Visit www.istor.com or www.arbitech.com for more information.

About iStor Networks, Inc.

iStor Networks, Inc., is an innovative technology leader providing network storage solutions to OEM’s, Value Added Resellers and System Integrators. The company’s comprehensive line of products addresses business-critical needs for flexibility, affordability and high performance. iStor’s flagship GigaStorATX™ product is a highly integrated storage controller solution that conforms to ATX form factor specifications, enabling the creation of block based, cost effective RAID solutions utilizing leading storage technologies.

In addition, iStor offers OEM’s and the channel the iS325 Solution which integrates the GigaStorATX™, iStor’s flagship controller into a chassis where all they need to do is add drives and memory. This greatly reduces their configuration time so they can use valuable resources to meet the specific installation guidelines of each customer’s unique needs. Headquartered in Irvine, California, iStor has established a global presence with offices in the United States, UK, Germany and operational facilities in Asia. For more information, visit www.istor.com.

Contact Jennifer Sparks Bocchino, Chief Marketing Officer, iStor Networks, Inc at 949-753-8999 x131 or jsparks@istor.com.

###