

TeraCloud Acquires Estorian, Inc., and Adopts the Estorian Name; Estorian's 3rd Generation LookingGlass Solution Provides Interactive Intelligence for E-mail Archiving and E-discovery

BELLEVUE—February 12, 2008 -- TeraCloud Corporation today announced the January 9, 2008, acquisition of Bellevue, Wash.-based Estorian, Inc., and the adoption of Estorian, Inc., as the company name. Estorian's flagship product, LookingGlass, is the first and only solution to offer interactive intelligence that brings the worlds of e-mail archival, retrieval and e-discovery together in a single interface.

"LookingGlass is the new benchmark for companies interested in proactively managing their e-mail archival, retrieval and e-discovery challenges," said Estorian President and CEO Gary Tidd. "LookingGlass finds the right data in the fastest and most cost-effective way to 'preserve and produce obligations' consistent with the latest Federal e-discovery rules."

"LookingGlass is to litigation discovery what Google is to the Internet," said client Mark Walters, Walters Employment Law & Technology.

"The merger of TeraCloud and Estorian is the merger of storage resources and business intelligence management," said IDC Research Manager Noemi Greyzdorf. "The newly formed company has the building blocks necessary to deliver solutions that can efficiently discover, plan, and manage information assets."

Ron Higgins, founder and chief strategy officer of Estorian, began his work on the LookingGlass market-defining technology five years ago while working on a project for the U.S. Department of Justice. Today, LookingGlass provides interactive intelligence for e-mail archival and retrieval, and e-discovery, eliminating hundreds and in some cases thousands of hours of IT and legal resources working to recover and secure sensitive government and corporate information.

- In 2005, Estorian Founder Ron Higgins hatched the idea for LookingGlass after completing a search for the defendant in a Federal investigation. The search took 24 hours a day, 7 days a week for three months and spent \$1.86 million to retrieve and search 3.5 years of e-mail data to confirm the violation. Today, the same search with LookingGlass would cost a few dollars and take less than 5 minutes.
- The September 11, 2001, terrorist communications were difficult to track because they all used the same e-mail account and communicated in draft e-mail form. There was no record of sent or received communication between the parties. LookingGlass interactive intelligence can search draft emails.

"Estorian is poised to bring data capture relief to Microsoft Exchange environments where message journaling is taking its toll on 32-bit systems," said DCIG Vice President Joshua L. Konkle. "Once the data is captured, Estorian's discovery interface provides e-discovery review cost relief by way of intelligent collection. Intelligent collection reduces the number of emails that go to e-discovery review, where document-review is a

minimum of \$2.50 per document-page reviewed.”

LookingGlass, which serves companies utilizing Microsoft Exchange, was developed to flag all e-mail history and social networking in real-time, whether it is part of sent, received or draft e-mail. LookingGlass offers several other benefits:

- Dynamic categorization function enables electronic messages and files to be classified and stored for easy access to reduce time and cost to retrieve, search and review.
- Interceptor technology provides active e-mail archiving without the overhead associated with journaling, logging, mirroring or clustering.
- Interactive intelligence engine provides forensic and real-time search.
- Exchange files, including backup, are read directly into the index/archive.
- Complex searches are retrieved by a simple point and click in a matter of seconds.
- Instant access to corporate communication inside and outside the company, including attachments.

“Eighty percent of electronic discovery events involve e-mail, requiring organizations to invest in solutions like LookingGlass that are capable of e-mail archiving and then also quickly and easily retrieving information,” said Enterprise Strategy Group Analyst Bob Laliberte. “LookingGlass delivers impressive functionality integrated with an easy to use interface.”

Estorian Availability

Estorian (formerly TeraCloud Corporation) products are available online through the company’s Web site at www.Estorian.com, by calling 1-866-Estorian (378-6742), and through the company’s strategic technology, distribution and development partnerships. The company continues to build indirect sales through local and regional VARS interested in getting closer to their customers.

About Estorian, Inc.

Estorian, Inc. (formerly TeraCloud Corporation) continues to define the storage analytics and e-mail management market serving Fortune 2000, mid-market and government customers. In January 2008, TeraCloud acquired Estorian and its Flagship LookingGlass solution, and adopted the Estorian name. LookingGlass is the first and only solution to offer interactive intelligence that brings the worlds of e-mail archival, retrieval and e-discovery, together in a single interface. LookingGlass is the natural compliment to the Company’s groundbreaking Storage Analytics, which provides storage utilization analytics to pin-point conditions and predictive events where storage utilization is sub-optimized. Founded in 1991, Estorian is a privately held company based in Bellevue, Wash. For more information, visit www.Estorian.com.

###

Client and analyst sources available.

Media contact: Leigh Barer

Ph: 206-527-4700, Email: leigh@barercom.com