

PRESS RELEASE

Sphere 3D Completes development of their Ralii Server Software

Mississauga, ONTARIO, December 15, 2010 – Sphere 3D ("Sphere" or the "Company"), a cloud based solution provider dedicated to harmonizing the hardware to software incompatibility gap, is pleased to announce they have completed the development of their Ralii Server Software 1.0 and shall be placing it in a production environment in early 2011.

The Ralii Server Software, deployed on an IBM platform, has the ability to maintain multiple emulations of various chip sets simultaneously while continuing to provide 1000's of concurrent connections to those emulated chips.

"The completion of the development of our proprietary platform for emulation is a substantial milestone in the development of our technology" stated John Morelli CTO of Sphere 3D, adding "we can now move our many emulated chip sets into an environment that is both reliable and scalable"

The company plans to begin production testing of both our Intel x86 emulation capabilities as well as our ARM processor emulators in our new environment later this year.

For additional information:

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About Sphere 3D Inc.

Sphere 3D is a privately held company incorporated in 2009. We are a technology driven solution provider dedicated to harmonizing the hardware to software incompatibility gap while making the end user experience simple and seamless. Sphere is striving to bring about the next stage in Cloud Computing which will give users unlimited access to the applications or software they need, when they need it while maintaining the freedom to choose the cloud provider they want to store their data. No downloads, installations or special configurations are required -- No risk of computer crashes due to system incompatibilities nor special hardware requirements – simply point and run. For additional information visit www.sphere3d.com