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N2Power and Craftec Sign Distribution Agreement

N2 joins with Europe's leading power supply distributor

SIMI VALLEY, Calif., October 4th, 2010 — N2Power, a Qualstar Company (Qualstar® Corporation, NASDAQ: QBAK), today announced that it has signed an agreement with Craftec to distribute N2Power's entire product line of XL-Series AC-DC and DC-DC power supplies throughout Europe. Craftec focuses exclusively on delivering state-of-the-art power technology solutions to OEMs (original equipment manufacturers) and integrators.

Craftec, a division of the Swedish-based Powerbox Group, is Europe's leading distributor of power conversion equipment, with sales offices covering ten European countries and Israel. Craftec's is ISO approved, ensuring that its extensive product portfolio, covering a power range of 1 watt to 50 kilowatts, meets consistent global safety and EMC standards.

N2Power's widely regarded XL-Series AC-DC and DC-DC power supplies produce more power in less space, freeing up valuable system real estate. Nine XL-Series product families span a range of outputs from 125 watts to 375 watts. They are expressly designed for applications such as industrial automation, gaming systems, telecommunications, security and surveillance systems, and network servers. Very compact, low profile packaging yields unmatched power density, making the system designer's job much easier.

"We are very pleased that Craftec has invited N2Power to join their select list of suppliers," said Randy Johnson, Vice President and General Manager of N2Power. "Our agreement enhances N2Power's ability to serve European customers. Leveraging Craftec's state-of-the-art design centers and logistics systems delivers more value and greater flexibility paying real competitive dividends to OEM power system designers."

N2Power's XL-Series high power density product lines incorporate industry leading features including active power factor correction, built in Or'ing diodes for current sharing, active inrush current limiter, remote on-off, I²C interface for digital power management and over 90% efficiency in some models. All N2Power supplies meet the full range of international agency approvals.

Steve Moore, Craftec Chief Operating Officer, said "I was initially impressed by the focused product portfolio N2Power had created. I asked some of my country managers for feedback on the possibilities of Craftec signing up with N2Power, and was pleasantly surprised by the enthusiastic replies I received. We believe there is a good niche for N2Power's products in Europe, so we are pleased to be onboard with them, and look forward to expanding the business in Europe further in the coming months"

N2Power's XL-Series power supplies are sold worldwide. Contact Craftec at www.craftec.info
Contact N2Power at 805-583-7744, or visit www.n2power.com for further information.

About Qualstar Corporation

Qualstar manufactures automated tape libraries and power supplies. Its products are known throughout the world for energy efficiency and rugged, *Simply Reliable* designs yielding years of trouble-free operation. Qualstar tape libraries are sold, installed and supported worldwide to backup, archive and protect data from incidental and catastrophic loss. Its N2Power brand high efficiency, ultra small switching power supplies are sold to OEM manufacturers worldwide, where very low power consumption is required. Qualstar Corporation is publicly traded on the NASDAQ National Market under the symbol QBAK. More information is available at www.qualstar.com or by phone at 805-583-7744.

About Craftec

Craftec, a division of the Swedish based Powerbox Group, is Europe's leading distributor of power conversion equipment, with sales offices covering 11 European countries. With over 35 years of experience, as Europe's premier source for power conversion technology, Craftec is known for excellence in a wide variety of markets, where it represents some of the world's leading power supply manufacturers.

Forward-Looking Statements

Statements 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 products; rescheduling or cancellation of customer orders; unexpected shortages of critical components; unexpected product design or quality problems; and, adverse changes in market demand for its 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" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2010.

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Craftec is a registered trademark & company of the Powerbox Group.