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N2Power Expands Distribution Agreement with Nu Horizons Electronics To Global

SIMI VALLEY, Calif., July 17, 2007 — N2Power, a Qualstar Company (Qualstar® Corporation, NASDAQ: QBAK), today announced that it has expanded its agreement with Nu Horizons Electronics Corp. (NASDAQ: NUHC) to be a worldwide distributor for its entire product line of XL-Series AC-DC power supplies. Nu Horizons previously distributed N2Power's products throughout the UK and Ireland.

Nu Horizons Electronics is a leading global demand creation distributor that focuses on delivering state-of-the-art technology components to OEMs (original equipment manufacturers) and solution integrators, worldwide. N2Power's widely regarded XL125, XL160 and XL250 Series AC-DC power supplies produce more power in less space, freeing up valuable system real estate. Its XL-Series product families are expressly designed for applications such as industrial automation, telecommunications, gaming systems, security and surveillance systems, and network servers. Very low profile packaging yields unmatched power density, making the system designer's job much easier.

"We are very pleased that Nu Horizons Electronics has invited N2Power to join their select list of suppliers," said Randy Johnson, N2Power business unit manager. "Our expanded agreement gives N2Power enhanced exposure, and the ability to reach out to customers worldwide through Nu Horizons dedicated technical sales and engineering support teams. Our state-of-the-art power supplies compliment Nu Horizons' current component offerings. Together, we deliver enhanced value and flexibility to OEM power systems designers that pay real competitive dividends in their final products."

"N2Power is a high quality, service-driven leader within the power industry. We are pleased to add their ultra small, high efficiency power supplies to our global line card," comments Rita Megling, senior vice president of marketing at Nu Horizons. "We look forward to further collaborating with N2Power on a global basis to provide exceptional products, services and solutions expertise to our customers around the world."

The XL-Series high power density product families 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 high efficiency: over 90% in some models. All N2Power supplies meet a full range of international agency approvals, including UL, DEMKO, CE Mark and FCC Class B. All N2Power products are RoHS compliant.

N2Power's XL-Series power supplies are sold worldwide. Contact Nu Horizons Electronics at www.nuhorizons.com , call 805-583-7744 or visit www.n2power.com for further 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 selected Value Added Resellers, Systems Integrators, 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 or by phone at 805-583-7744.

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 tape libraries; 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 other Qualstar 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, 2006, 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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