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FOR IMMEDIATE RELEASE

The Mayor's Office of the City of New York has implemented Storage Engine Inc.'s Synchronism™ for Centralization and Disaster Recovery Needs

The Number One City in the world has implemented data centralization and Disaster Recovery with Storage Engines Synchronism™.

TINTON FALLS, NJ, June 15, 2004--Storage Engine, Inc., an innovative provider of fault tolerant enterprise storage solutions, today announced that the Mayor's Office of the City of New York has implemented Storage Engine's Synchronism™ fault tolerant data storage solution, powered by a customized version of FalconStor Software Inc.'s IPStor®, to manage its expanding storage infrastructure with high availability, performance, security, scalability and disaster recovery.

Synchronism™ is used today for the most critical of storage needs and the most critical applications to the functioning of Mayor Bloomberg's IT office on a minute-by-minute basis. Synchronism was selected after consideration of a number of other name brand vendor solutions. Storage Engine's Synchronism™ was selected to meet the current and anticipated needs of the Mayor's Office IT Department, its open design and architecture enabling growth in many directions.

The Mayor's Office of the City of New York needed a solution to be integrated into its Windows 2003 Active Directory environment, which is running Exchange 2003. Storage Engines Synchronism™ seamlessly integrated into the Mayor's Microsoft 2003 environment and provided the ability to perform true data replication & high availability utilizing Microsoft Exchange™ 2003 with an IP configuration which automatically configures a client with an alternate IP address.

A spokesman for the Mayor's Office for the City of New York said, "Disaster Recovery is something that we take very seriously in New York. Synchronism™ has been tested and met the challenge of what we wanted to see in a DR solution that we were able to rely upon. This was not an easy task with so many vendors all claiming the same or similar features. We chose Storage Engine and their products because of the open standards of the product along with the professionalism and excellent support Storage Engine provides."

"Storage Engine's team evaluated our environment and provided us with a cost

analysis on how we could save money while improving our IT operations. Today we have been able to consolidate, control and manage our growth. We will be automating several backup functions that previously ran a backup routine on the network. We are seeing improvements in our personnel resources, reduced network traffic, ease of managing data, improved user response and performance gains."

"We're happy that the Synchronism™ solution we chose as it plays a significant role in serving the Mayor's Office in New York, ranging from the storage of critical information, photographic images, personal communication devices (PDAs), and the storage requirements of their many departments applications," said Tim Berbrick, Storage Engine vice president, Operations. "The Mayor's Office now has a SAN storage networking environment that complements their needs for today and tomorrow."

"We are honored to supply the Mayor of one of the greatest cities in the world with a network storage infrastructure for protecting their critical data, and look forward to helping make their operations run smoothly in the years to come," said Gregg Azcuy, President of Storage Engine Inc.

Storage Engine's Synchronism leverages FalconStor's IPStor® Enterprise Edition software to deliver a comprehensive set of advanced storage services for enterprise applications that simplify management, ensure data availability and recoverability, and maximize performance – by creating an intelligent SAN/NAS infrastructure across heterogeneous environments.

The City of New York was founded in 1625, and incorporated as a city on February 2, 1653. The City of New York, comprised of the five boroughs, Manhattan, Brooklyn, Bronx, Queens and Staten Island, has grown to become one of the world's preeminent centers of finance, culture, science, medical research and education, as well as home to many millions.

About Storage Engine

Storage Engine, Inc. (OTCBB: SENG), is an innovative high technology supplier of fault-tolerant solutions that store, protect and manage data in complex networks with greater ease and superior cost savings. The company's Synchronism™ product line, as well as its Synchronix™ systems, are all modular units that can be configured and stacked to meet customers' specific and expanding data storage requirements. The Company also provides document imaging solutions and services. For more information, visit www.storageengine.com, or call 1-866-734-8899.

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