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Data Storage Corporation Announces Agreement to Acquire a Majority Interest in e-ternity Business Continuity Consultants Inc.

Adds Blue Chip Enterprise Customer Base and Greatly Expands North American Cloud Infrastructure-as-a-Service Platform

GARDEN CITY, NY -- (Marketwire) -- 05/30/12 -- [Data Storage Corporation](#) (OTCBB: DTST), a long-standing leader in [cloud storage](#) and cloud computing for over 10 years focusing on data protection and business continuity solutions, today announced that it has executed a term sheet to acquire 80% of the outstanding shares of privately held [e-ternity Business Continuity Consultants Inc.](#) ("e-ternity") of Toronto, Canada. Once the acquisition is completed, Data Storage Corporation intends to operate e-ternity as an independent subsidiary and add its "pay-as-you go" Cloud Computing solution to its full suite of hosted [Disaster Recovery and High Availability offerings](#) serving customers in the financial, educational, manufacturing, professional services and technology industries. The transaction, approved by e-ternity's shareholders, is comprised of cash and restricted common stock and is subject to customary closing conditions including due diligence. Additional details of the transaction were not disclosed.

"The acquisition of e-ternity and its core Cloud Computing offering is an ideal complement to Data Storage Corporation's hosted data protection services," said Chuck Piluso, chairman and CEO at Data Storage Corporation. "When finalized, this acquisition is expected to immediately contribute to the continued growth of our business by providing us with greater access to the IaaS market, one growing at an estimated CAGR of 52% while building upon our Safedata Asset acquisition which established our position in the IBM market. Looking ahead, we see a number of attractive acquisition opportunities in the high growth IaaS market, all part of our business plan to continue positioning Data Storage Corporation as a leader in cloud computing and data storage technology services."

Greg Onoprijenko, president of e-ternity, commented: "We are excited to join the team at Data Storage Corporation because we each share the same mission, to provide customers with the most effective and reliable data protection and business continuity services available. Working together, we will be able to greatly expand our collective offerings while maintaining the levels of service our customers have come to expect."

Founded in 2004 and named a 2012 "Top 100 Cloud Services Provider" in the annual [Talkin Cloud](#) Top 100 Rankings, e-ternity provides customers including Travelers Insurance, Crawford and Company Inc., Callaway Golf Canada Ltd. and Psion Inc, with an array of Infrastructure-as-a-Service and Infrastructure Technology (IT) services enabling reliable and cost effective business continuity. In addition to expanding Data Storage Corporation's

footprint in the US and Canada, the acquisition will also provide a number of other benefits including immediate economies of scale, the ability to leverage and cross sell the client bases and improved capacity utilization. It also provides additional expertise through the retention of e-ternity's senior management team.

About Data Storage Corporation

Data Storage Corporation provides cloud storage and cloud computing services focused on data protection, disaster recovery and business continuity solutions that assist organizations to protect their data, minimize downtime, ensure regulatory compliance and provide quick system recovery and restoration. Serving the rapidly emerging business continuity market which is expected to grow to over \$39 billion over the next few years, Data Storage Corporation's clients save time and money, gain more control and better access to data and enable the highest level of security for that data. The company's solutions include: data backup and storage, replication; high availability data replication services; email archive and compliance solutions for e-discovery; continuous data protection; data de-duplication; virtualized system recovery; and telecom recovery services. Headquartered in Garden City, N.Y., Data Storage Corporation offers its solutions and services to healthcare, banking and finance, distribution services, manufacturing, construction, education, and government industries. For more information, visit www.datastoragecorp.com.

About e-ternity

e-ternity provides internet-based services to companies in Canada that guarantee business continuance despite any disaster or threat. With its innovative monthly managed services model, e-ternity utilizes cloud computing technologies combined with a comprehensive service program that will allow organizations to optimize their business processes and maximize efficiency and productivity. More information about e-ternity can be found at www.e-ternity.ca

Cautionary Statement on Risks Associated with Data Storage Corporation - Forward-Looking Statements: This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 by Data Storage Corporation that are subject to risks and uncertainties. The words "believe," "expect," "anticipate," "intend," "plan," "estimate," "may," "should," "could," and similar expressions are intended to identify such statements. Forward-looking statements are not guarantees of future performance and are to be interpreted only as of the date on which they are made. Data Storage Corporation undertakes no obligation to update or revise any forward-looking statement except as required by law. Data Storage Corporation advises investors that it discusses risk factors and uncertainties that could cause Data Storage Corporation's actual results to differ from forward-looking statements in its periodic reports filed with the Securities and Exchange Commission ("SEC"). Data Storage Corporation's SEC filings can be accessed through the SEC's EDGAR Database at www.sec.gov (Data Storage Corporation has EDGAR CIK No. 0001419951).

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