



**PRESS RELEASE
For Immediate Publication**

**ICEWEB'S PREMIER FEDERAL PARTNER, VIDEOBANK, RECEIVES CONTRACT
AWARD FROM A DEPARTMENT OF DEFENSE AGENCY**

***VideoBank to Deploy IceWEB Unified Storage Solution Platform for Advanced Digital Asset
Management (DAM) System***

STERLING, Va. – (MARKET WIRE) – May 3, 2011 – IceWEB, Inc.TM (OTCBB: IWEB), www.IceWEB.com, a leading provider of Unified Data Storage and building blocks for cloud storage networks, announced today that VideoBank has sold another IceWEB Unified Data Storage system to a new Department of Defense customer. The 49TB IceWEB Model 3000 HC (High Capacity) will be integrated into VideoBank's advanced Digital Asset Management (DAM) system. In addition, the system includes an IceWEB HC Storage Expansion Shelf (up to seven can be added to accommodate another 200TB).

VideoBank's DAM line provides customers with a robust, fully integrated hardware and software solution capable of handling massive amounts of content and data—particularly when that content includes video or audio files. DAM products can ingest, log, index, archive, display and distribute any type of digital file; making them ideal for large government and corporate archives with complex workflow requirements.

“By using IceWEB's Unified Storage products, VideoBank is able to unify its video processing and analysis onto a single, shared storage resource,” said Tim McNamee, IceWEB's Director of Federal Channels. “VideoBank's knowledge of the digital asset management industry has turned them into a market leader in helping organizations switch to digital archives. They have proven to be a terrific channel partner and are playing a critical role in our company's plans to dramatically increase our market share in the federal government space.”

The Model 3000 HC with Expansion Shelf will be delivered in May 2011.

About VideoBank

For more than a decade, VideoBank has revolutionized the ways in which educational institutions, medical facilities, government organizations, entertainment companies and the US military have archived, managed, and distributed their products and services worldwide. More importantly, its systems have transformed the way the men and women of the armed forces gather and utilize intelligence both at home and abroad. VideoBank consider it their responsibility to stay on the cutting edge of technology, which helps allow business leaders, doctors, teachers, government officials and soldiers to concentrate their energies where they truly belong -- on serving their local and global communities. www.videobankdigital.com.

About IceWEB, Inc.

IceWEB, Inc., headquartered just outside of Washington, D.C. manufactures and markets data storage products. For more information, please visit www.iceweb.com.

This press release may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In some cases you can identify those so-called "forward looking statements" by words such as "may," "will," "should," "expects," "plans," "targets," "believes," "anticipates," "estimates," "predicts," "potential," or "continue" or the negative of those words and other comparable words. These forward looking statements are subject to risks and uncertainties, product tests, commercialization risks, availability of financing and results of financing efforts that could cause actual results to differ materially from historical results or those anticipated. Further information regarding these and other risks is described from time to time in the Company's filings with the SEC, which are available on its website at: <http://www.sec.gov>. We assume no obligation to update or alter our forward-looking statements made in this release or in any periodic report filed by us under the Securities Exchange Act of 1934, as amended, or any other document, whether as a result of new information, future events or otherwise, except as otherwise required by applicable federal securities laws.

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