PRESS RELEASE
For Immediate Publication

ICEWEB ANNOUNCES STORAGE APPLIANCE CONTRACT AWARD FROM MAJOR U.S. ELECTRIC AND NATURAL GAS COMPANY

STERLING, Va. – (PR NEWSWIRE) – December 28, 2010 – IceWEB, Inc.™ (OTCBB: IWEB), www.IceWEB.com, a leading provider of Unified Data Storage and building blocks for cloud storage networks, announced today that a leading energy provider in the Midwest will be implementing an IceWEB Storage System for a Geospatial platform.

The IceWEB storage appliance will be used to support the energy providers Geographic Information System (GIS) that will advance the input, processing and distribution of GIS information throughout the company to support various requirements from logistics, tracking assets and pipeline and electrical utilities.

Stephen Gill, IceWEB South East Channel Sales manager, stated, "Focused penetration in the energy vertical market has become a critical component to growing our partner base. In this situation, our key partner had specific expertise in the Midwest energy space and knowledge of storage efficiency, especially when it comes to compressing large imagery."

IceWEB published a Whitepaper outlining the benefits of storage efficiency. Please click on the following link to learn more. http://www.iceweb.com/product_pdf/iceweb_wp_storage_efficiency_12_07_21010.pdf.

As most storage administrators are already familiar with the concept of compression to some degree, while only a few storage players are beginning to deliver this, it is a standard feature in the IceWEB system. It's used extensively with your photos (every time you post a photo to Facebook, it is compressed), other images and videos. Every time you "zip" a file you are compressing it. The basic concept is that repeating patterns of "1s" and "0s" are reduced by using a counter. Five hundred "0s" in a row would be represented by 500(0) rather than writing all 500 "0s." IceWEB's Inline compression uses this technology to reduce the size of all the objects that are written to the array. The degree to which the data is "compressible" depends on how many repeating patterns the data has. Compression works on files of any size and composition, as contrasted with deduplication where a whole block (e.g. 8KB) must be identical to be a match. Obviously the compression algorithms used with an array must be "lossless;" in other words, we are not throwing away any of your data to make the data set smaller. This technology alone makes the IceWEB system a perfect fit for organizations looking to efficiently store and manage large scale imagery.

About IceWEB, Inc.
Headquartered just outside of Washington, D.C., IceWEB 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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