



PRESS RELEASE

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FOR IMMEDIATE RELEASE

Crossroads Systems Announces 1-for-4 Reverse Stock Split

Austin, Texas – August 11, 2011 – Crossroads Systems, Inc. (the “Company”)(OTC.PK: CRDS) will implement a one-for-four reverse stock split of its common stock, effective as of the close of business on August 12, 2011 in connection with its application to list its common stock on the Nasdaq Capital Market.

Pursuant to the reverse stock split, each four (4) shares of issued common stock immediately prior to the effective time of the reverse stock split will be combined and reclassified into one (1) share of post-split common stock. As a result, the number of outstanding shares of the Company’s common stock as of the effective time will be reduced from approximately 43.3 million shares to approximately 10.8 million shares. The reverse stock split will not alter any stockholder’s percentage interest or voting rights.

No fractional shares of the Company’s common stock will be issued as a result of the reverse stock split. Fractional shares which would otherwise be required to be issued as a result of the reverse stock split will be rounded up to the nearest whole share. The CUSIP number for the post-split shares will be 22765D209.

About Crossroads Systems

Crossroads Systems, Inc. (OTC.PK: CRDS) is a global provider of solutions and services that ensure stored data is proactively protected and reliably recovered. Crossroads offers organizations powerful data protection, proactive data security, intelligent storage connectivity, unmatched performance, and significant cost savings. Founded in 1996 and headquartered in Austin, Texas, Crossroads holds more

than 100 patents granted and pending and has been honored with numerous industry awards for innovation in data protection and storage. Visit www.crossroads.com.

Important Cautions Regarding Forward-Looking Statements

This press release includes forward-looking statements that relate to the business and future events or future performance of Crossroads Systems, Inc. and involve known and unknown risks, uncertainties and other factors that may cause its actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about Crossroads Systems' ability to meet the eligibility criteria for the Nasdaq Capital Market or to otherwise have its listing application approved, its ability to implement its business strategy, including the transition from a hardware storage company to a software solutions and services provider, its ability to expand its distribution channels, its ability to maintain or broaden relationships with existing distribution channels and strategic alliances and develop new industry relationships, the performance of third parties in its distribution channels and of its strategic alliances, uncertainties relating to product development and commercialization, the ability to obtain, maintain or protect patent and other proprietary intellectual property rights, technological change in its industry, market acceptance of its products and services, future capital requirements, regulatory actions or delays, competition in general and other factors that may cause actual results to be materially different from those described herein. Forward-looking statements in this press release are based on management's beliefs and opinions at the time the statements are made. Crossroads Systems does not intend, and undertakes no duty, to update this information to reflect future events or circumstances.

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