

Verdasys Announces Agreement with GuardianEdge Technologies to Integrate Data Security Solutions

Integration will combat enterprise data leaks and thefts

Waltham, MA — May 16, 2006 — Verdasys, Inc., developers of Digital Guardian, the world's most comprehensive global data security platform, and GuardianEdge Technologies Inc., a market leader in encryption-based data protection, today announced that they will integrate their solutions in order to provide enterprise customers with the capability to seamlessly prevent sensitive data from leaking out of an organization via unprotected PCs and laptops.

Under this integration, Verdasys' Digital Guardian will now be enhanced to automatically detect and make data security decisions based on the presence of GuardianEdge's Encryption Anywhere Hard Disk. Digital Guardian controls, monitors and logs all attempts to transfer data between applications, over network connections, and to both encrypted and unencrypted devices, providing a complete audit trail of this activity. Encryption Anywhere Hard Disk protects 100% of a computer's hard drive using government-validated cryptographic algorithms.

With this new integrated solution, Digital Guardian's context-based rules can now determine whether Encryption Anywhere Hard Disk is installed on a particular device and can then control and selectively deny data transfers when encryption is not enabled. This eliminates the possibility that an unencrypted computer could mistakenly be allowed to contain sensitive information that should otherwise be protected by encryption.

"The integration of our two solutions will make it easier for customers to take a holistic approach to protecting their data," said Seth Birnbaum, CEO of Verdasys. "Customers demand best of breed integrated security solutions in the marketplace, and we are totally committed to providing this to them with our platform. Digital Guardian's abilities to seamlessly and automatically control and audit data security at the point of use will be dramatically enhanced when we can sense that encryption is present on the device."

"By integrating our encryption solutions with the point-of-use control technology available from Verdasys, enterprise customers will have more comprehensive control of their data and their PCs. The integration will provide organizations with a powerful new capability to flexibly control and protect sensitive or proprietary data," said Alan Fudge, President and CEO of GuardianEdge.

About GuardianEdge Technologies, Inc.

GuardianEdge is a market leader in reducing the cost and complexity of enterprise data security. Customers around the world depend on GuardianEdge solutions to protect sensitive and proprietary information, ensure compliance with rules for safeguarding privacy, and to enable secure enterprise mobility. GuardianEdge serves an installed base of over a million active users

with clients at leading global corporate and governmental organizations, including Lockheed Martin Corp., Deutsche Bank AG and Humana Inc. www.guardianedge.com

About Verdasys, Inc.

Verdasys is leading the industry in providing global data security solutions based on innovative “point of use” technologies. Our Digital Guardian platform is in use by government agencies, and by leaders in financial, pharmaceutical, insurance, healthcare, manufacturing, entertainment, and other industries around the world. Verdasys customers use Digital Guardian to complement their existing security technologies in order to comprehensively protect data wherever it’s used. Verdasys is headquartered in Waltham, MA. For more information, please visit <http://www.verdasys.com>

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