

Rackwise, Inc. Secures Funding

- Continued Investment by Initial Investor Black Diamond Financial Group LLC -

Folsom, CA., May 27 2014 – Rackwise, Inc. (OTC: RACK) (the “Company”), a leading developer of data center infrastructure management (DCIM) software and service solutions, today announced it has closed a \$3 million funding from the sale of a 12%, three-year convertible note in the approximate face or principal amount of \$3.3 million (the “Funding”) to an entity owned by Black Diamond Financial Group LLC (“Black Diamond” or the “Purchaser”), an initial investor in the Company.

The Funding represents the initial closing of an offering made by the Company to the Purchaser (or affiliated persons) of up to approximately \$9.3 million in face or principal amount of notes at an aggregate purchase price of approximately \$8.5 million (the “Note Offering”). For a more complete description of terms and conditions of the Funding and the Note Offering, refer to Form 8-K filed with the United States Securities and Exchange Commission effective May 13, 2014.

Patrick Imeson, Managing Director of Black Diamond Financial Group LLC, stated, “Integral to the recapitalization and restructuring of operations of Rackwise, Inc. we remain committed to participating in the funding process which has provided in excess of \$15 million to the Company to date. This process, among other things, enables the Company to execute on a plan to transition its sales and delivery approach, aligning with recognized channel partners as its sales and professional services go-to-market strategy. As an investor in Rackwise, Inc. since its inception, we maintain our faith and belief in the Company’s leading DCIM products, services, and direction. Rackwise’s market leading technology, its newly adopted operating plan, its ongoing funding of its revised financial plan and its recently announced strategically expanded exclusive alliance with Unisys Corporation for the federal marketplace provides a high level of confidence in our past, current, and ongoing investment in the Company.”

Guy A. Archbold, Rackwise Chief Executive Officer, added, “We are extremely appreciative for the continued trust, confidence and support of our majority shareholder, Black Diamond Financial Group LLC and its affiliates. The entirety of the funding available to the Company under this most recent Note Offering fully meets our needs well into the future for repayment of certain debts, ongoing operating costs and trade payables, as well as providing working capital for product expansion to address the rapidly evolving demands in the increasingly dynamic data center infrastructure management marketplace. That said, it should also be noted that the Company is not obligated to take the entire amount of the available funding, should market conditions allow. This initial closing, along with the additional funding available under the Note Offering, enables Rackwise, Inc. to both build upon our recent capitalization restructure, which included significant long term debt reduction, and accelerate continued product innovation and leadership within the DCIM industry.”

About Rackwise, Inc.

Rackwise, Inc. (OTC: RACK) is a leader in software development and marketing within the growing data center infrastructure management (“DCIM”) market for IT infrastructure tracking, monitoring, modeling, and management. The Company’s flagship product, Rackwise DCiM X, incorporates open architecture designs into a vendor agnostic platform affording IT professionals maximum flexibility for efficient integration in any computing environment. The Rackwise DCiM X offering provides features and functionalities to assure reliability, identify hidden capacity, and improve efficiencies resulting in accelerated returns on investments through significantly optimized data center facilities and IT infrastructures. Rackwise DCiM X integrates device level, real-time monitoring with advanced modeling, reporting, analytics and other critical capabilities, enabling clients to more effectively manage today’s high density computing configurations and virtualized data centers, mitigate risks associated with cascading faults and other potential inefficiencies within the infrastructure, and facilitate progress to more sustainable “green” data centers. Rackwise[®] products and services are used by over 150 companies worldwide. For more information, visit www.rackwise.com.

Rackwise[®], DCiM X[™] and DCiM X OnDemand[™] are trademarks of Rackwise, Inc. Any other brand or product referenced herein is acknowledged to be a trademark or registered trademark of its respective holder.

About Black Diamond Financial Group LLC.

Black Diamond is a Colorado based private equity management group with an estimated \$300M+ of assets under management as the Manager of Black Diamond Holdings LLC, a diversified holding company. In addition to its investment in Rackwise Inc., Black Diamond is owns majority stakes in mining, coal technology, life sciences companies.

Safe Harbor Statement

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties. The factors that could cause actual future results to differ materially from current expectations include, but are not limited to, risks and uncertainties relating to the availability of additional funding; and the Company's business, product development, marketing and distribution plans and strategies. These and other factors are identified and described in more detail in the Company's filings with the SEC, including, the Company's current reports on Form 8-K. The Company does not undertake to update these forward-looking statements.

Contacts:

Rackwise:

Guy A. Archbold, CEO, 916.984.6000
corpinfo@rackwise.com