

Rackwise Secures Additional Investment from Black Diamond Financial Group LLC

- Investor expands commitment to Rackwise growth and industry leadership -

FOLSOM, CA November 15, 2012 -Rackwise, Inc. (RACK.OB) (the "Company"), a leading developer of data center infrastructure management ("DCIM") software and service solutions, today announced the Company has executed a term sheet providing, among other things, for net proceeds of \$5,005,000 from 3 year, Series A, Convertible Secured Notes ("Notes") from Black Diamond Financial Group LLC ("Black Diamond"), already a majority investor in Rackwise, Inc. The Notes, subject to the execution of a definitive agreement, will be sold to Black Diamond in 6 installments commencing December 1, 2012, with the last installment on April 15, 2013. Upon funding of the last note, Black Diamond will have a six month option to invest an additional \$4,550,000 on the same terms and conditions, resulting in potential total net proceeds of \$9,555,000.

Black Diamond's commitment to an additional investment in the Company further demonstrates the value of the evolving DCIM industry opportunity and their confidence that Rackwise is well positioned with both product and customer base to grow its leadership and market share in the near and long term.

Mr. Guy A. Archbold, Rackwise, Inc. Chief Executive Officer commented, "We are very fortunate to have a collective group of stakeholders who are committed to help Rackwise secure its technology leadership position in the DCIM industry now and in the future. This investment will provide additional working capital for continued product development and expansion to meet the evolving needs of this rapid growth industry, including new advancements in our product and product architecture resulting in more flexible deployment models and even more rapid ROI for customers. We believe these advancements will accelerate our leadership position in the industry. This funding commitment, together with an anticipated simultaneous equity funding, ensures that Rackwise is well financed to meet the needs of our most valued customers, potential customers, and stakeholders going forward."

About Rackwise, Inc.

Rackwise, Inc. (RACK.OB) 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**[™] and **DCiM X**[™] are trademarks of Rackwise, Inc. Other designated trademarks and brands mentioned herein are the property of their respective owners.

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.

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