Please read a book/the documentation about the linux memory management.
please also try to look into the output of the command "free". It looks like

```
         total      used      free    buffers    cached
Mem:    2057604   2037524    20080     23640    1045648
-/+ buffers/cache:    968236   1089368
Swap:    2996112     2684    2993428
```

As you can see I have 2 GB of memory and only 26MB free BUT - and that is important - I also have 23 MB of buffer space and about 1GB of cache space. So in reality I have about 1 GB of free memory because the cache and buffer space is allocated dynamically.
I only have 1 GB of free memory because that is my workstation and I just use a large java application.
You can change that behaviour if you know what your are doing with sysctl.

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