

May 2, 2007

 GLADSTONE CAPITAL

# Gladstone Capital Closes Shelf Offering

MCLEAN, Va.--(BUSINESS WIRE)--

Gladstone Capital Corporation (NASDAQ:GLAD) (the "Company") today announced the closing of its previously announced public offering of 2,000,000 shares of common stock at \$24.25 per share. Net proceeds received by the Company from the offering were approximately \$45.6 million after underwriting discounts and estimated offering expenses.

The underwriters of the offering were Robert W. Baird & Co. Incorporated, Ferris, Baker Watts, Incorporated, Oppenheimer & Co. Inc., BB&T Capital Markets, a division of Scott & Stringfellow, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., Davenport & Company LLC, and Morgan Keegan & Company, Inc. A copy of the final prospectus and prospectus supplement may be obtained from the Company's website at [www.GladstoneCapital.com](http://www.GladstoneCapital.com).

Gladstone Capital is a specialty finance company that invests in debt securities consisting primarily of senior term loans, second lien loans, and senior subordinated loans in small and medium sized businesses. For more information please visit our website at [www.GladstoneCapital.com](http://www.GladstoneCapital.com).

For further information contact our Investor Relations department at 703-287-5835.

This press release may include statements that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements with regard to the completion of the offering and the application of the net proceeds thereof. Words such as "believes," "expects," "projects" and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements inherently involve certain risks and uncertainties, although they are based on the Company's current plans that are believed to be reasonable as of the date of this press release. Factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements include, among others, risks associated with the satisfaction or waiver of closing conditions related to the offering, and, those factors listed under the caption "Risk factors" of the Company's Prospectus dated April 27, 2007, as filed with the Securities and Exchange Commission on April 27, 2007. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Source: Gladstone Capital Corporation