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Hercules Provides \$20 Million to Panacos Pharmaceuticals, Inc., a Biopharmaceutical Company Developing Novel Antiviral and HIV Therapies

PALO ALTO, Calif.--(BUSINESS WIRE)--

Hercules Technology Growth Capital, Inc. (NASDAQ:HTGC), a leading specialty finance company providing growth capital in the form of venture debt and equity to venture capital and private equity backed technology and life science companies at all stages of development, today announced that on June 28, 2007, it provided a \$20 million term loan financing to Panacos Pharmaceuticals, Inc. (NASDAQ:PANC). Panacos, a biopharmaceutical company specializing in the development of antiviral therapeutic products, has joined Hercules' growing portfolio of life science companies receiving debt financing.

"The company's novel antiviral drug pipeline, strong intellectual property position, and its progress in developing multiple drug programs were key drivers in Hercules' decision to extend this financing opportunity to Panacos," said Parag Shah, senior managing director of life sciences at Hercules. "We are confident that this capital will allow Panacos to build upon the encouraging results of bevirimat's clinical trials."

Drug resistance is currently the leading cause of treatment failure for HIV patients, and bevirimat is the first of a groundbreaking new class of HIV drugs, known as Maturation Inhibitors. Clinical studies have shown that bevirimat is effective in inhibiting HIV strains that are resistant to existing therapies.

"The results to date from our Phase 2 and other clinical studies of bevirimat have confirmed the antiviral activity and strong product profile of bevirimat as a once-daily oral therapy for treating HIV," said Peyton Marshall, chief financial officer of Panacos. "The financing from Hercules provides us with financial flexibility as we continue to advance our pipeline of antiviral programs."

About Hercules Technology Growth Capital, Inc.:

Founded in December 2003, Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance company providing debt and equity growth capital to technology and life science companies at all stages of development. The Company primarily finances privately held companies backed by leading venture capital and private equity firms and also may finance certain publicly-traded companies. Hercules' strategy is to evaluate and invest in a broad range of ventures active in technology and life science industries and to offer a full suite of growth capital products up and down the capital structure to prospective clients

ranging from early-stage growth to expansion stage companies. The Company's investments are originated through its principal office located in Silicon Valley, as well as additional offices in the Boston, Boulder, Costa Mesa and Chicago areas. Providing capital to publicly-traded or privately-held companies backed by leading venture capital and private equity firms involves a high degree of credit risk and may result in potential losses of capital.

For more information, please visit www.HTGC.com. Companies interested in learning more about financing opportunities should contact info@HTGC.com, or call 650.289.3060.

About Panacos Pharmaceuticals, Inc.:

Panacos is developing the next generation of anti-infective products through discovery and development of small molecule oral drugs for the treatment of HIV and other major human viral diseases. HIV infects approximately 1.7 million people in North America and Western Europe and approximately 40 million people worldwide. Approximately 650,000 patients are treated annually for HIV in the United States and Western Europe. Resistance to currently available drugs is one of the most pressing problems in HIV therapy and the leading cause of treatment failure. Panacos' proprietary discovery technologies are designed to combat resistance by focusing on novel targets in the virus life cycle, including virus maturation and virus fusion. For more information, please visit www.panacos.com.

Forward-Looking Statements:

The statements contained in this release that are not purely historical are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to uncertainties and other factors that could cause actual results to differ materially from those expressed in the forward-looking statements including, without limitation, the risks, uncertainties and other factors we identify from time to time in our filings with the Securities and Exchange Commission. Although we believe that the assumptions on which these forward-looking statements are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions also could be incorrect. You should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this release are made as of the date hereof, and Hercules assumes no obligation to update the forward-looking statements for subsequent events.

Source: Hercules Technology Growth Capital, Inc.