

March 17, 2008



Hercules Technology Provides Combination of \$10.5 Million in Debt and \$250,000 in Equity Capital to Finance Buyout Transaction of NeoNova Network Services, Inc.

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

Hercules Technology Growth Capital, Inc. (NASDAQ: HTGC), the premier specialty finance company providing venture debt and equity to venture capital and private equity backed technology and life science companies at all stages of development, today announced that it provided \$10.5 million in debt financing and \$250,000 in equity capital to finance a spinout transaction involving NeoNova Network Services, Inc., a leading provider of IP and Internet Services, in Feb., 2008.

Hercules provided the capital to allow California-based private equity firms, Azure and Bridgescale, to finance the buyout of NeoNova from its parent company, Digitel Corporation. NeoNova is a national turnkey IP solutions provider and integrator, offering high-quality Internet services predominantly to rural telecommunications carriers across the U.S.

"The aspects of this buyout deal are somewhat different from Hercules' typical deals, and financing spinout transactions is a theme that we will continue to pursue," said Mark Denomme, managing director at Hercules. "The attraction of this deal primarily stemmed from the fact that Warren Lee, a visionary in this industry, will be the driving force behind NeoNova's spinout business."

Denomme continued that Azure and Bridgescale viewed the fragmentation in NeoNova's market as a particularly intriguing opportunity, as these sponsors seek to consolidate the market and continue to aggressively grow NeoNova and its service offerings.

NeoNova helps rural telephone and cable companies to provide a range of Internet services, including Internet accessibility, hosting, managing firewall and network security for subscribers, professional consulting services and VoIP, as well as a new range of IPTV and other IP integration and management services.

"NeoNova strives to allow rural markets to enjoy the same enhanced services found in major urban settings," said Lee. "Hercules' involvement in this buyout deal will allow NeoNova to continue to grow and develop in this highly fragmented market."

About Hercules Technology Growth Capital, Inc.:

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. Founded in December 2003, the company primarily finances privately held companies backed by leading venture capital and private equity firms. Hercules invests in a broad range of ventures active in technology and life science industries and offers a full suite of growth capital products up and down the capital structure. The company is headquartered in Palo Alto, Calif. and has additional offices in the Boston, Boulder, San Diego 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 NeoNova Network Services, Inc.:

NeoNova is a nationwide provider of ISP, ISP back office services, as well as a leading provider of VoIP, IP Engineering, and IPTV integration and managed services. Through innovation and integration, NeoNova strives to provide the tools and services that will enable rural ILECS to conveniently and profitably transform their operations for the IP world of tomorrow. More information is available at www.neonova.net.

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.