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Hercules Technology Growth Capital Announces Three Portfolio Companies who have Secured Additional Equity Rounds of Capital

Kamada, Elixir Pharmaceuticals, and one undisclosed portfolio company raised additional equity capital during an extremely challenging economic environment

PALO ALTO, Calif.--(BUSINESS WIRE)-- Hercules Technology Growth Capital, Inc. (NASDAQ:HTGC), the leading 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 three portfolio companies who have raised additional equity capital in spite of continued challenges as a result of the current market conditions. Kamada (TASE: KMDA) and Elixir Pharmaceuticals, two of Hercules Life Science companies, and an undisclosed technology company each raised additional rounds of equity capital in May, 2009.

"As we have discussed during our various earnings calls, gaining access to follow-on equity growth capital from the venture industry remains a challenging situation. Financings have become increasingly difficult to secure for growing companies in the Life Sciences and Technology industries especially given the distressed broader economy; however, the fact that three of Hercules' portfolio companies have successfully raised additional equity capital in the past month despite the economic challenges is a testament to the strength of these companies and of our continued focus in working with high quality companies which are supported by committed venture capital firms," said Manuel A. Henriquez, co-founder, chairman and chief executive officer of Hercules. "Additionally, beyond secured additional new equity capital many of our portfolio companies continue to demonstrate and achieve development milestones and identify exit opportunities against a difficult economic environment."

Summary of Companies Securing Additional Equity:

Kamada, an Israel-based biopharmaceutical company, announced on May 21, 2009, that it completed an equity financing round via a PIPE (Private Investment in Public Equity), which began in February, to a group of new investors in Israel and the U.S. The financing raised approximately \$20 million for the company, which was above the initial \$15 million target raise.

Elixir Pharmaceuticals, a pharmaceutical company focused on treatments of metabolic diseases such as diabetes and obesity, announced that it completed a \$12 million equity

financing round, on May 19, 2009. In addition, Elixir entered into a strategic agreement with Novartis that would grant Novartis an exclusive option to acquire Elixir following the successful completion of the Phase 2a clinical study of Elixir's Type 2 diabetes treatment. Elixir anticipates the deal could exceed \$500 million, including the initial acquisition payment and additional regulatory and sales milestone payments.

Also in May, 2009, an undisclosed portfolio company in the technology space, completed a first close of more than \$10 million as part of a potential round totaling approximately \$20 million.

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 at all levels of the capital structure. The company is headquartered in Palo Alto, Calif. and has additional offices in the Boston, Boulder 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.

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, including the uncertainties surrounding the current market turbulence, 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.