

December 16, 2008



Rand Capital Corporation

Rand Capital Announces Two New Investments

BUFFALO, N.Y., Dec. 16, 2008 (GLOBE NEWSWIRE) -- Rand Capital Corporation (Nasdaq:RAND) ("Rand"), a business development company (BDC) that provides capital and managerial expertise for small to medium-sized private companies, invested in two new companies in the past month through its subsidiary, Rand Capital SBIC;L.P.

Rand invested \$667,000 in GridApp Systems, Inc. (New York, NY) (www.gridapp.com) along with existing investors Advantage Capital Partners and Ascend Ventures Group, LLC as part of a large fund raise. GridApp Systems is a leading provider of database automation solutions that help businesses gain control of their heterogeneous database environment. GridApp's market leading products and services have helped the largest businesses in the world deploy and better manage their critical database assets. "In a challenging business environment, companies are trying to get more out of their databases using fewer resources," stated Dan Penberthy, Executive Vice President of Rand Capital. "The GridApp solution is a key asset that can help these businesses more effectively deploy and better manage databases." Rob Gardos, President of GridApp, stated, "Databases are one of the most expensive, vital and complex components of the datacenter. GridApp Systems empowers organizations to maintain and enforce standards while maximizing the productivity of database administrators."

In addition, Rand invested \$250,000 in SOMS Technologies, LLC (Valhalla, NY) (www.microgreenfilter.com). SOMS Technologies produces and markets the microGreen Extended Performance Oil Filter. These revolutionary filters employ a patented technology and allow vehicles to reduce engine oil consumption by 70% and oil maintenance costs by 65%. The microGreen filter is currently offered to fleets directly from the company as well as through distributors by calling (877) 757-SOMS. Consumers can purchase the filter through the company's website at (www.microgreenfilter.com). "We have worked with the company for the past few years and have been impressed by the rapid adoption by fleet operators. It is nice to have a product that saves money and provides environmental benefits," said Pete Grum, CEO of Rand Capital. "We are extremely pleased to include Rand Capital as an additional investor in the company. The funds will enable us to continue to grow, support our customers, and expand sales of the microGreen filter," said Miles Flamenbaum, CEO of SOMS Technologies.

Safe Harbor Statement

Information contained in this release, other than historical information, should be considered forward-looking and may be subject to inherent uncertainties in predicting future results and conditions. These statements reflect the Corporation's current beliefs and are subject to a number of risk-factors, including: general economic conditions which affect Rand and our portfolio companies' operations; valuation and illiquid nature of the portfolio investments; high degree of risk from investing in private companies; the regulated environment in which

we operate; the amount of debt resulting from borrowing funds from the SBA; dependency upon key management for investment decisions; and the competitive market for investment opportunities and fluctuations in quarterly results. Please see the Corporation's Form 10-Q, Item 1A, previously filed with the Securities and Exchange Commission for a detailed discussion of the risks and uncertainties associated with the Corporation's business. Except as otherwise required by Federal securities laws, Rand Capital Corporation and Rand Capital SBIC, L.P. undertakes no obligation to update or revise forward-looking statements for new events and uncertainties.

ABOUT RAND CAPITAL

Rand Capital is a publicly held Business Development Company (BDC), and its wholly owned subsidiary is licensed by the Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand and its subsidiaries provide capital and managerial expertise to small and medium sized private companies that lack sufficient channels to the capital markets. Rand is traded on the NASDAQ under the symbol "RAND". Rand is headquartered in Buffalo, NY. www.randcapital.com

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