

October 24, 2007



Gladstone Capital Invests in the Acquisition of Reliable Biopharmaceutical Corporation by Med Opportunity Partners LLC

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

Gladstone Capital Corporation (NASDAQ:GLAD) (the "Company") announced today that on October 22, 2007, the Company invested approximately \$27 million in debt financing to support Med Opportunity Partners LLC (MEDOP) in their acquisition of Reliable Biopharmaceutical Corporation ("Reliable"). Reliable, based in St. Louis, MO, develops and manufactures active pharmaceutical ingredients and high purity processing chemicals used in the manufacture of pharmaceuticals and biological products. Reliable's products are the active ingredients for leading generic injectable drugs that treat cancer, heart disease, hypertension, anxiety and other serious illnesses. The Company financed this investment using proceeds from borrowings under its revolving credit facility.

About Gladstone Capital Corporation

Gladstone Capital is a specialty finance company that invests in debt securities consisting primarily of senior term loans, second lien loans, and senior subordinate loans in small and medium sized businesses. For more information please visit our website at www.GladstoneCapital.com. For further information contact our Investor Relations department at 703-287-5835.

About Med Opportunity Partners

Med Opportunity Partners LLC (www.MedOpportunity.com) is a Greenwich, CT-based operating oriented private equity firm that invests in leading niche healthcare companies at their growth stage. MEDOP is dedicated to investing in firms that represent healthcare innovation, growth and the opportunity for consolidation. Founded in 2006 by seasoned healthcare operators and investors, MEDOP partners with companies that can benefit from its extensive industry knowledge, relationships and proven operating and transaction experience.

This press release may include statements that may constitute "forward-looking statements," including statements with regard to the future performance of the Company. Words such as "should," "believes," "feel," "expects," "projects," "strive," "goals," 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, those factors listed under the caption "Risk factors" of the Company's prospectus dated July 5, 2007, as filed with the Securities and Exchange Commission on July 5, 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