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Hercules Technology Announces Final Full Repayment of Principal, Fees and Interest from a Previously Graded 4 Portfolio Company, Diomed Holdings, Inc.

Represents an IRR in excess of 60 percent

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 that in addition to the full repayment of \$6.0 million of principal received in April 2008, it has now received a payment of \$1.1 million for accrued interest and loan fees on the company's debt financing to Diomed Holdings, Inc. (AMEX: DIO), which is currently in Chapter 11 reorganization. The internal rate of return (IRR) on Diomed Holdings, Inc., is expected to exceed 60 percent with this payment.

"We are pleased that we were able to get full repayment of the loan principal plus accrued interest and fees," said Manuel A. Henriquez, co-founder, chairman and chief executive officer of Hercules. "Since inception, Hercules had adhered to a strict selection and monitoring process. We actively work with the management and the financial sponsors of each company throughout the life of the investment. As a result, even when our portfolio companies have been in distressed situations, we have succeeded at receiving principal payments."

Diomed entered into a settlement agreement with AngioDynamics in April 2008 for the purpose of resolving the patent infringement lawsuit between the companies originally filed in January 2004. As a result of the settlement over varicose vein laser treatment technology, AngioDynamics agreed to pay \$7.0 million to Diomed. Of the \$7.0 million settlement proceeds, \$6.0 million was used to repay the outstanding loan principal balance to Hercules. An additional \$1.1 million for accrued interest and other loan fees was received at the end of September 2008 per a settlement order approved by the United States Court of Bankruptcy for the District of Massachusetts.

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.

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.