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Hercules Technology Announces Full Repayment from Portfolio Company, NetEffect, Inc.

Repayment results from Intel Corporation's acquisition of NetEffect

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 it has received full repayment of \$2.5 million from NetEffect, Inc., which is currently in Chapter 11 reorganization. Intel Corporation announced on October 15, 2008 its acquisition of the assets of NetEffect Inc., a network connectivity solutions company, for approximately \$8 million.

Hercules committed \$4.5 million of venture debt to NetEffect in May 2007, of which the company drew down \$2.5 million in debt financing. The internal rate of return (IRR) on NetEffect is expected to exceed 15 percent with this final payment.

"Hercules is committed to partnering with our portfolio companies and working diligently with them, even amid distressed situations, while we continue to demonstrate our ability to receive full repayments of our loans," said Manuel A. Henriquez, co-founder, chairman and chief executive officer of Hercules. "NetEffect is the third such repayment that Hercules has received in recent months."

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.