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Hercules Technology Growth Capital Gains Additional Liquidity for New Investments With Approval of Second SBA License

New SBA Funding Source Further Strengthens Access to Long-Term Capital

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 it received final agency committee approval by the U.S. Small Business Administration (SBA) for a second Small Business Investment Company (SBIC) license. Hercules expects that the SBIC license will be issued following final action by the SBA Administrator. This additional license has a 10-year term and will provide up to \$75 million of fixed-rate capital for investment.

The SBIC program represents a valuable partnership between the SBA, Hercules, and the private sector economy. The new access to capital will fund needed liquidity to technology, life sciences, and lower middle market growth companies that qualify under the SBIC program. Under the program structure, Hercules will gain access to \$75 million of capital through the SBA debenture program, in addition to its regulatory capital contribution of \$37.5 million to the SBIC subsidiary which will be used for investment purposes as well, subject to the issuance of a capital commitment by the SBA and customary procedures. Similar to its first SBIC license, Hercules' borrowings under its second SBIC license will be exempt from its 200 percent asset coverage requirement as required by U.S. Securities and Exchange Commission (SEC) because of its existing exemptive order granted by the SEC.

"This new source of capital further strengthens our liquidity position, which now will include two SBIC licenses representing a 10-year fixed cost of capital, and our lines of credit with Wells Fargo and Union Bank," said Manuel A. Henriquez, co-founder, chairman and chief executive officer of Hercules. "Our current backlog of signed term sheets is currently over \$240 million in-house today, and the pipeline of potential new investment opportunities is the strongest we have seen since 2007. We anticipate we will be investing this additional capital in the second half of 2010 as we continue to build out our investment portfolio. As I've stated before, it is important to note that commitments generally do not become outstanding loans in the quarter in which they are originated and generally have been funded at an approximate 75% level over a period of three to six months after the transaction has closed."

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 and Boulder 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.