

May 2, 2011

 GLADSTONE CAPITAL

## Gladstone Capital Corporation Commits \$9.8 Million to Westland Technologies, Inc.

MCLEAN, Va., May 2, 2011 /PRNewswire/ -- Gladstone Capital Corporation (Nasdaq: GLAD) ("Gladstone Capital") announced today that on Tuesday, April 19, 2011, it funded \$6.4 million out of a \$9.8 million commitment to Westland Technologies, Inc. ("Westland Technologies"). Gladstone Capital's investment consists of senior and junior debt and equity. Westland Technologies' primary products are radar and acoustic absorption tiles that are applied to the hulls and interiors of U.S. Navy submarines and surface ships. These tiles modify the emission and reflection properties of the ships (radar, infra-red, and acoustical) in an effort to reduce or obscure the vessels' radar and acoustic signatures. Mangrove Equity Partners of Tampa, Florida is the transaction's sponsor.

(Logo: <https://photos.prnewswire.com/prnh/20101005/GLADSTONECAPITAL> )

"Gladstone Capital is pleased to support Mangrove and Westland Technologies' CEO, Tom Halyburton in this investment. Westland Technologies is uniquely well-positioned to support its key customers, and the company has performed well during the economic downturn. We are excited about the growth prospects of this business," said John Freal, Managing Director. Chip Stelljes, President of Gladstone Capital commented, "We are excited to add another quality investment to our portfolio as we build our assets and earnings."

Gladstone Capital Corporation is a specialty finance company that invests in debt securities consisting primarily of senior term loans, second term lien loans, and senior subordinated term loans in small and medium-sized businesses. Additional information on this transaction can be found at [www.gladstonecompanies.com](http://www.gladstonecompanies.com).

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit [www.gladstone.com](http://www.gladstone.com).

*The statements in this press release regarding Westland Technology and Gladstone Capital's efforts to build the assets and earnings of the Company are "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 to differ from these forward-looking statements include, among others, the duration and potential future effects of the current economic downturn on its portfolio companies and on the senior loan market, and those factors listed under the caption "Risk Factors" sections of the Company's Form 10-K for the fiscal year ended September 30, 2010, as filed with the SEC on November 22, 2010 and the post-effective amendment of the Company's registration statement on Form N-2 (File No. 333-162592), filed by the Company with the SEC on April 7, 2011 (but as of the date hereof, not declared effective by the SEC). The risk factors set forth in the Form 10-K and Form N-2 under the caption "Risk Factors" are specifically incorporated by reference into this press release. 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