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 GLADSTONE CAPITAL

Gladstone Capital Corporation Invests in Lignetics, Inc.

MCLEAN, Va., March 12, 2014 /PRNewswire/ -- Gladstone Capital Corporation (NASDAQ: GLAD) ("Gladstone Capital") announces today that on March 11, 2014 it invested \$7.0 million through a combination of debt and equity investments to support Taglich Private Equity LLC's ("Taglich") acquisition of Lignetics, Inc. ("Lignetics").



Founded in 1983 and headquartered in Sandpoint, ID, Lignetics manufactures and distributes branded wood pellets from its three U.S. production facilities. The pellets are a renewable fuel for home and industrial heating, animal bedding under its "EZ Equine" brand, moisture absorption products used in fluid management in the energy production industry, and firelogs and fire starters through its "Pres-to-Logs" brand.

"Gladstone Capital appreciates the opportunity to invest in Lignetics, which is one of the largest pellet manufacturing companies in its industry segment. We look forward to working with Taglich and the Lignetics management team to support the continued growth of the business," said John Freal, a Managing Director of Gladstone Capital Corporation.

[Gladstone Capital Corporation](http://www.gladstonecompanies.com) is a publicly traded business development company that invests in debt and equity securities, consisting primarily of senior term loans, second lien term loans, and senior subordinated term loans in small and medium sized businesses in the United States. The Company has paid 125 consecutive monthly cash distributions on its common stock. Before the Company started paying monthly distributions, the Company paid eight consecutive quarterly cash distributions on its common stock. Information on the business activities of all the Gladstone funds can be found at www.gladstonecompanies.com.

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit www.gladstone.com.

Forward-looking Statements:

The statements in this press release regarding the longer-term prospects of Lignetics and its management team, and the ability of Lignetics to grow and expand are "forward-looking statements." These forward-looking statements inherently involve certain risks and uncertainties in predicting future results and conditions. Although these statements are based on the Company's current plans that are believed to be reasonable as of the date of this press release, a number of factors could cause actual results and conditions to differ materially from these forward-looking statements, including those factors described from time to time in Gladstone Capital's filings with the Securities and Exchange Commission. Gladstone Capital undertakes no obligation to publicly release the result of any revisions to these forward looking statements that may be made to reflect any future events or otherwise,

except as required by law.

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