

June 18, 2007

 GLADSTONE CAPITAL

Gladstone Capital Corporation Acquires Loan Portfolio

MCLEAN, Va.--(BUSINESS WIRE)--

Gladstone Capital Corporation (Nasdaq:GLAD) (the "Company") announced today that on June 15, 2007 the Company invested approximately \$63.7 million through the purchase of a portfolio of senior debt from Wells Fargo Foothill, Inc. The purchased portfolio consists of loans to 16 different print and broadcast media companies. Gladstone Capital Corporation financed the investment using proceeds from borrowings under its revolving credit facility.

Gladstone Capital is a specialty finance company that invests in debt securities consisting primarily of senior term loans, second lien loans, and senior subordinate loans in small and medium sized businesses. For more information please visit our website at www.GladstoneCapital.com.

For further information contact our Investor Relations department at 703.287.5835.

This press release may include statements that may constitute "forward-looking statements," including statements with regard to the future performance of the Company. Words such as "believes," "expects," "estimated," "projects," "seeks," and "future" or similar expressions are intended to identify 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, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements include, among others, those factors listed under the caption "Risk Factors" in the Company's Form 10-K dated September 30, 2006, as filed with the Securities and Exchange Commission on December 6, 2006, and in the Company's Form 10-Q dated March 31, 2007, as filed with the Securities and Exchange Commission on May 2, 2007. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. 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