

Gladstone Capital Corporation Invests \$10.3 Million in North American Aircraft Services Inc.

MCLEAN, Va., Aug. 23, 2011 /PRNewswire/ -- Gladstone Capital Corporation (Nasdaq: GLAD) ("Gladstone Capital" or the "Company") announced today that it invested \$10.3 million in North American Aircraft Services Inc. ("NAAS"). Gladstone Capital provided debt and equity financing together with NAAS President Scott Hagler to support the acquisition of NAAS by private equity sponsor, Mangrove Equity Partners of Tampa, Florida.

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

NAAS, headquartered in San Antonio, Texas, repairs and maintains aircraft fuel tanks and fuel systems through 20 locations in the United States, Europe and Panama. NAAS provides services to both military and commercial aircraft operators.

"Gladstone Capital is excited about supporting Mangrove and the experienced management team at NAAS in this investment. NAAS has established itself as a market leader in a highly technical and specialized area of aerospace services and we look forward to growing the business together," said Chip Stelljes, President of Gladstone Capital.

"We have known the Mangrove principals for many years and think highly of them. This is the second investment of theirs that we have financed and we are looking forward to providing additional capital to NAAS as the company grows," said John Freal, Managing Director of Gladstone Capital.

Gladstone Capital Corporation is a publicly traded business development 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. The Company pays monthly dividends to its stockholders. Additional information on this transaction 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 NAAS and its management team, and the ability of NAAS to grow and expand 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 effects of current economic instability, the Company's ability to access debt and equity capital and those factors listed under the caption "Risk Factors" of 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 July 13, 2011 (the "Form N-2") and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed with the SEC on August 3, 2011 (the "Form 10-Q"). The risk factors set forth in the Form N-2 and the Form 10-Q 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