

Hercules Technology Growth Capital Provides Business Update for the Third Quarter 2010

- ~ *\$61 million in new commitments to date in 3Q10; on pace for record year* ~
- ~ *Three biotech investments named among top 15 for 2010 by FierceBiotech* ~
- ~ *Company extends \$35 million share repurchase program* ~
- ~ *Five portfolio companies in IPO registration* ~

PALO ALTO, Calif., Sep 28, 2010 (BUSINESS WIRE) -- Hercules Technology Growth Capital, Inc. (NASDAQ:HTGC), the leading provider of customized, innovative debt and debt-with-equity financing to high growth technology, clean technology, and life science companies at all stages of development, today provided a business update for the third quarter 2010.

Through September 27, 2010:

New Originations or Restructurings:

Hercules has originated approximately \$61.0 million in commitments to new and existing portfolio companies in the third quarter, which excludes approximately \$7.0 million in restructurings.

Principal Repayments:

Hercules received approximately \$46.0 million in principal repayments, of which approximately \$35.0 million were unscheduled early repayments in the third quarter.

Unfunded Commitments - Future Portfolio Growth Potential:

Hercules has approximately \$118.0 in unfunded commitments. Portfolio companies typically draw down approximately 75% of their commitments over a three to six month timeframe, so new commitments do not equate to assets outstanding at the time of the commitment. Unfunded commitments may expire without being drawn and do not necessarily represent future cash requirements or future earning assets for Hercules.

Signed Term Sheets - Additional Future Portfolio Growth Potential:

Hercules has approximately \$87.0 million of signed non-binding term sheets subject to completion of definitive documentation with prospective portfolio companies, which generally convert to contractual commitments within approximately 45 to 60 days. Non-binding term sheets are subject to completion of Hercules' due diligence, investment committee approval, legal review, and negotiation of definitive documentation. It is important to note not all signed non-binding term sheets are expected to close and do not necessarily represent any future cash requirements.

Liquidity:

Hercules currently has approximately \$218.0 million of liquidity through credit facilities and cash, of which approximately \$83.0 million is in cash and cash equivalents. The credit liquidity is subject to compliance with the terms of Hercules credit facilities and regulations that apply to Hercules' Small Business Investment Company subsidiaries.

Recent Portfolio Company News or Update:

Three of Hercules' portfolio companies, **Accelaron Pharma**, **Dicerna Pharmaceuticals**, and **Gelesis**, were named winners of the 8th annual Fierce 15 for 2010 by FierceBiotech, one of the biotech industry's daily monitors. This award, compiled by their staff and their readers, recognizes the most promising up-and-coming private biotech companies in the industry. Also, Accelaron Pharma has announced a new \$498 million strategic joint development and commercialization agreement with Shire plc (LSE: SHP, NASDAQ: SHPGY), the global specialty biopharmaceutical company.

Additionally, five of Hercules' portfolio companies have filed their S-1 registration statements including **Horizon Pharma**, **Everyday Health**, **Nexx Systems**, **Reply!com**, and **Aegerion Pharmaceuticals**.

Renewal of Stock Repurchase Program:

The Company has also elected to extend its previously announced \$35.0 million stock repurchase plan through February 2011. To date, Hercules has repurchased 402,833 shares of its common stock under the repurchase plan at a total cost of approximately \$3.7 million.

About Hercules Technology Growth Capital, Inc.:

Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance firm providing customized loans to public and private companies in the technology, clean technology, and life science industries, at all stages of development. Since its founding in 2003, Hercules has committed over \$2.0 billion in flexible financing solutions to over 150 companies, enabling these companies to maximize their equity by leveraging these assets. Hercules' strength comes from its deep understanding of credit and the industries it serves, allowing it to partner with venture capital and private equity companies for a less dilutive source of growth capital helping companies to bridge through their critical stages of growth. Hercules offers a full suite of growth capital products at all levels of the capital structure, ranging from \$500,000 to \$30 million, lines of credit to term loans. The company is headquartered in Palo Alto, CA and has additional offices in Massachusetts and Colorado. 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, 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 based 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.

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