



Hercules Technology Announces Repayment of Principal, Fees and Interest From Simpler Networks Totaling Approximately \$2.9 Million

Simpler was a previously Graded 5 portfolio company

PALO ALTO, Calif., Dec 29, 2008 (BUSINESS WIRE) --

Hercules Technology Growth Capital, Inc. (NASDAQ: HTGC), the leading specialty finance company providing venture debt and equity to venture capital and private equity backed technology and life science companies at all stages of development, today announced that the loan Hercules provided to Simpler Networks will be repaid as a result of the purchase of the portfolio company by an undisclosed buyer on December 23, 2008.

In January 2006, Hercules provided approximately \$5 million of senior secured debt to Simpler Networks, a technology provider driving the automation of copper distribution frames for local telecommunications service providers. In addition, Hercules also provided approximately \$1.0 million in Debtor in Possession type "DIP" financing to assist management and the investors through the orderly sale of this portfolio company and its Canadian subsidiary, Simpler Networks, Inc., which had been placed under Canadian Receivership. Hercules received initial principal repayments of approximately \$1.8 million in December 2008 and it expects to receive payments totaling approximately \$1.1 million of additional principal repayments in the first quarter of 2009. Hercules expects to recognize a realized loss of approximately \$1.6 million on the transaction in the fourth quarter of 2008.

"The successful sale and meaningful principal recovery of this grade 5 portfolio company completes an over eight month process of working with management, investors and the buyer through many challenging logistics, culminating in a recovery of significant principal repayment further enhancing our liquidity position while also improving and strengthening our overall portfolio credit. This is further proof of Hercules' ability to execute successful exit strategies in a challenging credit environment, thus increasing liquidity and strengthening our financial position," said Manuel A. Henriquez, co-founder, chairman and chief executive officer of Hercules. "This successful workout is evidence of our team's tenacious ability to effectively interface and work with our portfolio company's management and its financial sponsors throughout the life of the investment."

About Hercules Technology Growth Capital, Inc.:

Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance company providing debt and equity growth capital to technology and life science companies at all stages of development. Founded in December 2003, the company primarily finances privately held companies backed by leading venture capital and private equity firms. Hercules invests in a broad range of ventures active in technology and life science industries and offers a full suite of growth capital products at all levels of the capital structure. The company is headquartered in Palo Alto, Calif. and has additional offices in the Boston, Boulder, San Diego, and Chicago areas. 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 turbulence, 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 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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