

MVC Capital Announces Completed Sale of U.S. Gas & Electric, Inc.**MVC Capital Announces Completed Sale of U.S. Gas & Electric, Inc.**

PURCHASE, N.Y., July 05, 2017 (GLOBE NEWSWIRE) -- MVC Capital, Inc. (NYSE:[MVC](#)) ("MVC" or the "Fund"), today announced the closing of the sale of its largest portfolio company, U.S. Gas & Electric, Inc. ("USG&E"), a commercial and residential energy services company, to a subsidiary of Crius Energy Trust (TSX:KWH.UN) ("Crius").

MVC received gross consideration for its investment in USG&E valued at \$128.1 million, including \$11.0 million for the repayment of its two outstanding loans from MVC. The fair value of the consideration received by MVC for its equity investment in USG&E is \$116.4 million (excluding any illiquidity discount for the securities received) in comparison to the last publicly reported fair value of \$89.4 million, as of April 30, 2017. As a result of the gross consideration received, MVC anticipates a realized gain of \$115.9 million, excluding all fees and distributions received since its initial investment in 2007. The \$116.4 million is comprised of: (i) cash of approximately \$50.0 million; (ii) 9.5% second-lien callable notes due in July 2025 with a face amount of \$40.5 million (before certain post-closing and indemnification adjustments, if any); and (iii) 3,282,982 Crius trust units (currently yielding 7.5%) valued at approximately \$25.9 million.¹

"We are pleased to have benefited from USG&E's enormous growth since 2007," said Michael Tokarz, Chairman and Portfolio Manager of MVC. "With the sale completed, MVC will have significantly greater flexibility in considering potential measures to seek to enhance shareholder value, including possible share repurchases, a self-tender offer, an increase in shareholder distributions, and/or redeployment of our capital into yielding investments."

¹ Based upon the closing price for Crius trust units on July 5, 2017 and the prevailing currency exchange rate on such date.

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About MVC Capital, Inc.

MVC is a business development company traded on the New York Stock Exchange that provides long-term debt and equity investment capital to fund growth, acquisitions and recapitalizations of companies in a variety of industries. For additional information about MVC, please visit the MVC's

website at www.mvccapital.com.

Additional Transaction Details

JMP Securities LLC served as financial advisor to USG&E. Davis Right Tremaine LLP, Locke Lord LLP and Fasken Martineau DuMoulin LLP served as legal counsel to USG&E.

Forward-Looking Statements

The information contained in this press release contains forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements, including: MVC Capital's ability to deliver value to all shareholders and execute its yield investment strategy; the ability of MVC to repurchase shares or execute any tender offer; the ability to pay and grow MVC distributions; the performance of Crius, USG&E and MVC Capital's investments; the future performance of Crius and its impact on MVC's interest in Crius; MVC's financial results generally; the risk that benefits from the transaction with Crius may not be fully realized or may take longer to realize than expected; and changes in economic or financial market conditions and other factors that are enumerated in the company's periodic filings with the Securities and Exchange Commission. MVC Capital disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release.

The press release contains unaudited financial results. For ease of review, we have excluded the word "approximately" when rounding the results.

There can be no assurance that future dividend payments will match or exceed historic ones, or that they will be made at all. This press release is for informational purposes only and is not an offer to purchase or a solicitation of an offer to sell shares of MVC's common stock. There is no assurance that the market price of MVC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that the program will enhance shareholder value over the long-term. There can be no assurance that MVC will achieve its investment objective. Past performance does not guarantee future results.

There can be no assurance whether, when and to what extent MVC will repurchase shares, as the share repurchase program does not obligate MVC to acquire any specific number of shares and may be discontinued at any time. Share repurchases may also be subject to appropriate trading windows and the current share repurchase program is subject to the ongoing discretion of our Portfolio Manager. Effectuation of any of these activities (including any potential tender offer), as well as the size, if implemented, would be subject to Board consideration and approval, and would be dictated by various factors, such as the extent of other portfolio company activity

and our distribution requirements as a "pass through tax entity".

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