



PATRIOT CAPITAL FUNDING

NASDAQ GS: PCAP
www.patcapfunding.com

JMP Securities Research Conference

May 19, 2008

Risk Factors and Forward-Looking Statements

Investment in the shares of common stock of Patriot Capital Funding, Inc. (“Patriot Capital Funding” or the “Company”) involves risks. These risks can significantly impact the market value of the shares of the Company’s common stock. Please see the “Risk Factors” in the Company’s Form 10-K for the fiscal year ended December 31, 2007.

Certain of the statements made by representatives of Patriot Capital Funding during the course of this presentation that are not historical facts are forward-looking statements. Although Patriot Capital Funding believes that the assumptions underlying these statements are reasonable, investors are cautioned that such forward-looking statements are inherently uncertain and involve necessary risks that may affect Patriot Capital Funding’s business prospects and performance, causing actual results to differ from those discussed during the presentation. When considering forward-looking statements, you should keep in mind risk factors and other cautionary statements included in the Form 10-K and the other reports the Company files with the SEC.

Any forward-looking statements made are subject to all of the risks and uncertainties, many of which are beyond management’s control, as described in the Company’s SEC filings. Should one or more of these risks and uncertainties occur, or should underlying assumptions prove incorrect, Patriot Capital Funding’s actual results and plans could differ materially from those expressed in any forward-looking statements.

Patriot Capital Funding undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.



Profile of Patriot Capital Funding

- **Specialty finance company focused on the underserved lower end of the middle market**
 - Patriot established in February 2003
 - Initial public offering in July 2005
 - Follow-on offerings in June 2006, January 2007, and October 2007
- **Legally structured as a business development company (“BDC”)**
 - BDC benefits
 - BDC requirements
- **Strong liquidity position**
 - April 2008, increased our credit facility from \$175 million to \$225 million extended maturity to April 2011
 - Competitively priced at CP/LIBOR + 1.75%
- **Experienced management team**
 - Four senior executives have over 75 years of combined experience
 - Lending backgrounds
 - Identical market (small cap) and asset class (sr. debt/sub. debt/equity)



Patriot Capital Funding's Value Equation

- **Focused on underserved market lending to small- and mid-sized companies (target company has \$2 million - \$10 million of EBITDA)**
 - Large market opportunity
 - Less competition
 - More attractive credit characteristics and returns
- **Broad product offering allows Patriot Capital Funding to deliver creative and customized financing solutions, including one-stop financings**
 - Revolver, senior and junior secured term debt, subordinated debt and equity co-investment
- **Timely feedback and execution certainty**
 - Front loaded pre-screen and investment approval process
 - Eliminates term sheet migration
 - Prevent drawn-out “no” response
- **Successfully executed business strategy**
 - Since inception, Patriot has closed 46 transactions alongside 50 private equity sponsors representing approximately \$550 million in investment commitments



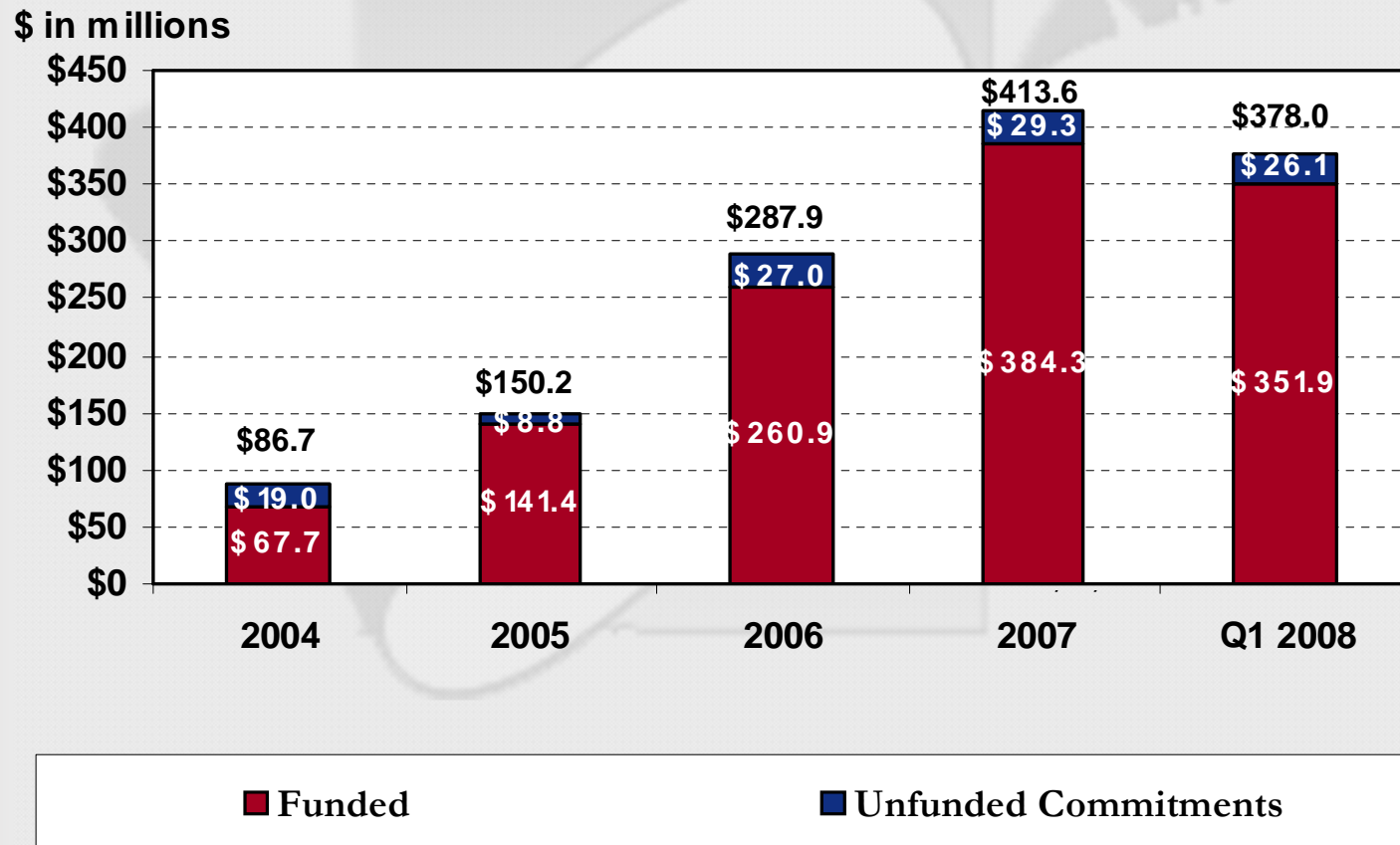
Deal Flow Generated Through Private Equity Sponsor Channel

- **Patriot Capital Funding leverages private equity relationships**
 - Relationships create multiple transaction opportunities annually
 - Patriot is able to provide efficient market coverage with reasonable staff levels
- **Private equity sponsors are value-added partners**
 - Additional layer of due diligence and industry expertise
 - Additional monitoring capabilities
 - Additional source of capital if the portfolio company needs further funding
- **Primary focus on sponsors with \$250 million or less of capital that invest in companies with enterprise values of \$10 million to \$75 million**
 - Patriot segments private equity universe into four tiers
 - ~250 private equity groups in our target market (Tier 1 & 2 sponsors)
- **Patriot Capital Funding origination platform continues to gain momentum**
 - Patriot has partnered with 50 private equity groups since inception
 - Patriot viewed as the leader in lower middle market



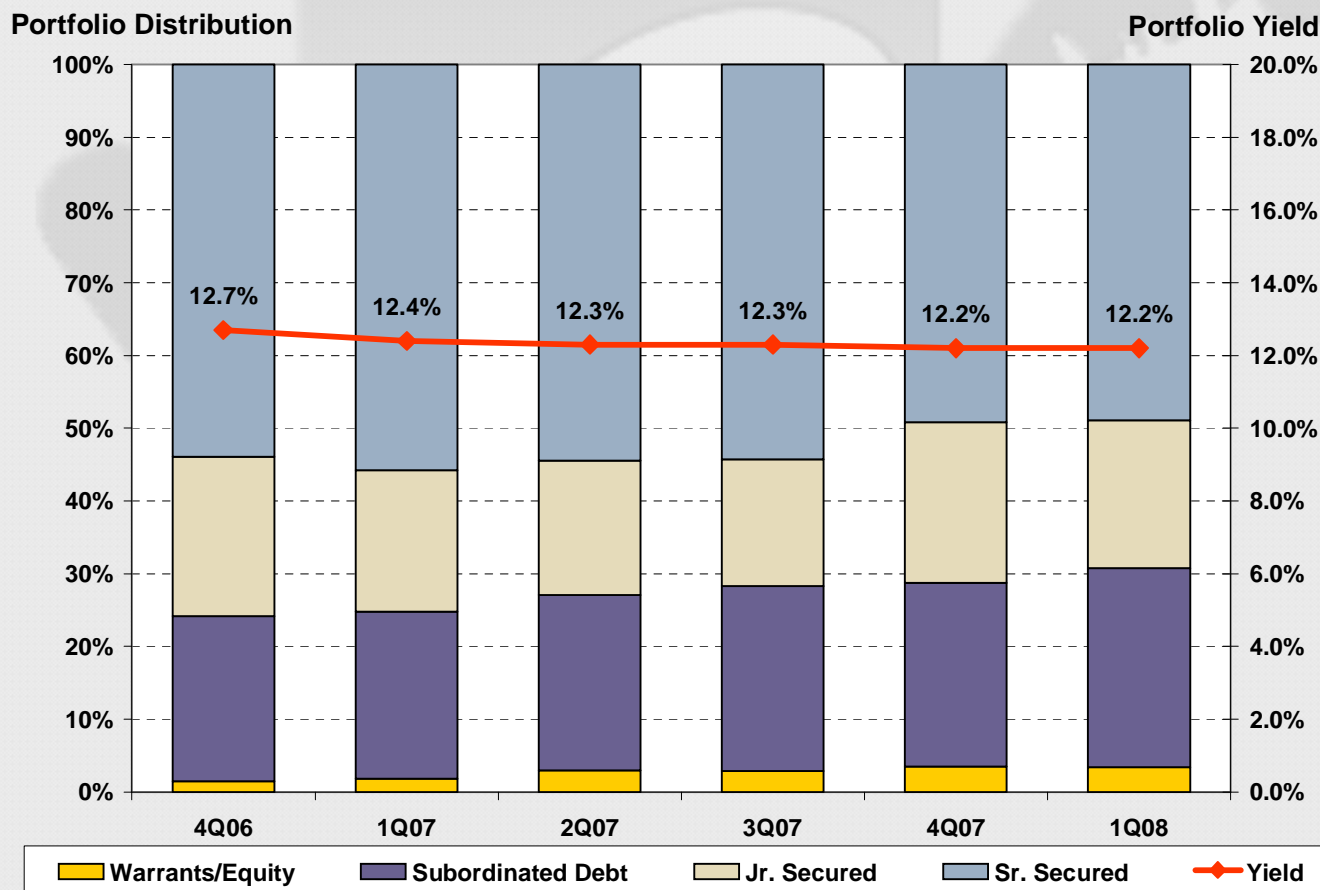
Attractive Long Term Portfolio Growth

Patriot Capital Funding currently has 34 portfolio companies totaling \$378.0 million of investment commitments, including \$26.1 million of unfunded commitments



Prudent Investment Mix- Stable Portfolio Yield

Patriot Capital Funding has shifted its investment mix toward senior and junior secured debt while maintaining healthy risk adjusted yields.



* Yield net of acceleration of deferred financing fees associated with early prepayments



Investment Rationale

- **Differentiated investment strategy – less competition in lower-end of middle market**
- **Managed by seasoned professionals with significant experience in this segment**
- **Disciplined underwriting process resulting in solid credit metrics (over 80% of portfolio in highest 2 categories; no past due or non-accrual investments; portfolio fair value equals 96.3% of cost)**
- **Well positioned portfolio – favorable investment mix towards senior secured debt, no exposure to real estate and avoided most cyclical end markets**
- **Attractive dividend yield - ~12.8% (Q1 net investment income of \$0.33 per share equaled dividend)**

