



Patriot Capital Funding Closes a \$21.0 Million One-Stop Financing, Including an Equity Co-Investment, in Support of the Recapitalization of Boxercraft Incorporated by River Associates Investments, LLC and Management

WESTPORT, CT - October 2, 2008 - Patriot Capital Funding, Inc. (NasdaqGS: PCAP), a specialty finance company providing flexible financing solutions to small- to mid-sized companies primarily in transactions initiated by private equity sponsors, today announced that it closed a \$21.0 million "one-stop" financing, comprised of senior and subordinated debt, and a \$1.0 million equity co-investment; total funded capital at close totaled \$18.7 million. Patriot Capital Funding's investment supported the recapitalization of Boxercraft Incorporated ("Boxercraft") by River Associates Investments, LLC and Boxercraft's management. Boxercraft is a leading supplier of specialty apparel including spiritwear and licensed collegiate apparel.

"Given the unprecedented turmoil in the current financial markets, we were very pleased with Patriot's unwavering commitment to support us in this acquisition. We look forward to a long relationship with Patriot," said River Associates Partner Patten Pettway, Jr. "We are excited to partner with River Associates and Boxercraft's management team on this transaction," said Richard Buckanavage, President and CEO of Patriot Capital Funding. "With a focus on investing in companies with EBITDA between \$2-\$10 million, River is a clear Tier 1 sponsor for us. Given their strong track record of investing in the lower middle market, we hope this is the first in a long line of successful transactions together," concluded Mr. Buckanavage.

About Boxercraft Incorporated

Founded in 1985, Boxercraft is a leading supplier of quality specialty apparel including spiritwear and licensed collegiate apparel. The Company's product line includes sweatshirts, tee-shirts, bottoms and accessories. The Company's products are sold to thousands of decorators, distributors and retail customers throughout the U.S. For more information, please visit www.boxercraft.com.

About River Associates Investments, LLC

River Associates was founded in 1990 as a private equity partner for management teams in buyouts, divestitures and recapitalizations of lower middle market companies. River Associates has invested in companies operating in a wide variety of industries including manufacturing, high-margin distribution, industrial services and select retail businesses. The firm will invest throughout the United States and Canada and focuses primarily on companies with EBITDA ranging from \$2-10 million. For more information, please visit www.riverassociatesllc.com.

About Patriot Capital Funding, Inc.

Patriot Capital Funding, Inc. (www.patcapfunding.com) is a specialty finance company providing customized financing solutions primarily to private equity sponsors focused on making investments in small- to mid-sized companies. Patriot Capital Funding typically invests in companies with annual revenues ranging from \$10 million to \$100 million that operate in diverse industry sectors. Investments usually take the form of senior secured loans, junior secured loans, and subordinated debt investments in addition to equity or equity-related instruments. Patriot Capital Funding also offers "one-stop" financing, which typically includes a revolving credit line, one or more senior term loans and a subordinated debt investment. Patriot Capital Funding makes equity co-investments of generally up to \$3.0 million.

Forward-Looking Statements

This press release may contain certain forward-looking statements, including statements with regard to the future performance of Patriot Capital Funding. Words such as "believes," "expects," "projects," and "future" or similar expressions are intended to identify 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 to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in Patriot Capital Funding's annual report on Form 10-K for the year ended December 31, 2007, and other filings with the Securities and Exchange Commission. Patriot Capital Funding undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACTS:

Richard Buckanavage
President and Chief Executive Officer
203/429-2700

Robert Rinderman or Norberto Aja

Jaffoni & Collins Incorporated
212/835-8500 or PCAP@jcir.com