



Hercules Participates in a \$27.8 Million Equity Financing to BARRX Medical, Inc., a Medical Device Company Focused on the Treatment for Barrett's Esophagus, a Precancerous Condition of the Esophagus

Palo Alto, Calif. -July 28, 2006 – Hercules Technology Growth Capital, Inc. (NASDAQ: HTGC), a leading specialty finance company providing debt and equity growth capital to venture capital and private equity backed technology and life science companies, announced that on June 30, 2006 it participated in a \$27.8 million equity financing by providing \$1.5 million to BARRX Medical, Inc., a medical device company focused on the treatment for Barrett's esophagus, a precancerous condition of the esophagus.

"Barrett's sufferers are at increased risk for developing a dangerous type of cancer called esophageal adenocarcinoma, currently one of the fastest growing cancers in the United States," said Kathy Conte, managing director of life sciences at Hercules. "BARRX Medical's new product, the HALO360 System™, offers physicians a fast, effective, minimally invasive tool to treat precancerous conditions of the esophagus, through the use of radiofrequency (RF) ablation therapy. We are delighted to be an equity investor in this life-saving technology."

The HALO360 System enables physicians to remove the thin layer of esophageal lining containing Barrett's esophagus cells before it has a chance to develop into cancer, just as they would with any other precancerous conditions found in the body. The ability to safely and effectively remove Barrett's esophagus may reduce the need for life-long endoscopic surveillance, ease patient anxiety about living with a precancerous condition, and possibly reduce the number of patients who eventually develop esophageal adenocarcinoma.

About Hercules Technology Growth Capital, Inc.:

Founded in December 2003, Hercules Technology Growth Capital, Inc. is a NASDAQ traded specialty finance company providing debt and equity growth capital to technology-related companies at all stages of development. The company primarily finances privately-held companies backed by leading venture capital and private equity firms and also may finance certain publicly-traded companies. Hercules focuses its investments in companies active in technology and technology-related industries such as computer software and hardware, networking systems, semiconductors, semiconductor capital equipment, information technology infrastructure, Internet consumer and business services, telecommunications, and life sciences. The company's investments are originated through its principal office located in Silicon Valley, as well as additional offices in the Boston, Boulder 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 <http://www.herculestech.com>. Companies interested in learning more about financing opportunities should contact info@herculestech.com or call 650.289.3060.

About BARRX Medical, Inc.:

BARRX Medical, Inc. develops treatment solutions for Barrett's esophagus, a precancerous condition of the lining of the esophagus (swallowing tube) caused by gastroesophageal reflux disease, or GERD. Its flagship product, the HALO360 System, provides uniform and controlled therapy at a consistent depth, which can remove Barrett's esophagus and allow the regrowth of normal cells. In the largest study conducted, 70 percent of patients were Barrett's-free (at twelve-month follow up). The system used in the clinical trials was cleared by the U.S. Food and Drug Administration in 2001 and has been commercially available since January 2005. Based in Sunnyvale, Calif., BARRX Medical, Inc. was founded in 2000 and is privately-held. Additional information about BARRX Medical, Inc. and the HALO360 system is available at www.barrx.com.

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 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.

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