



FOR IMMEDIATE RELEASE

News Announcement

Patriot Capital Funding Closes a \$22.50 Million “One-Stop” Financing, Including an Equity Co-Investment, in Support of the Acquisition of Aylward Enterprises LLC by Charter Oak Equity and Mid Oaks Investments LLC

WESTPORT, CT – February 22, 2007 - Patriot Capital Funding, Inc. (NasdaqGS: PCAP), a specialty finance company providing flexible financing solutions to private equity sponsors focused on making investments in small- to mid-sized companies, announced today that it closed a \$22.50 million “one-stop” financing, which was comprised of senior and subordinated debt as well as an equity co-investment, in support of the acquisition of Aylward Enterprises LLC (“Aylward”) by Charter Oak Equity (“Charter Oak”) and Mid Oaks Investments LLC (“Mid Oaks”). Funded commitments at close totaled \$19.50 million. Aylward is a leading packaging equipment manufacturer for the pharmaceutical, over the counter products, and nutraceuticals industries.

“We are excited to continue building our relationship with Charter Oak and beginning a new relationship with Mid Oaks” said Richard Buckanavage, President and CEO of Patriot Capital Funding. “Both sponsors involved in this transaction are active participants in our target market and we look forward to working with them on the Aylward investment as well as other future mutual investments”.

About Aylward Enterprises LLC

Aylward Enterprises is a leading packaging equipment manufacturer for the pharmaceutical, over the counter products, and nutraceuticals industries. Aylward is widely recognized as the world-wide innovation leader in solid-dosage filling machinery for the bottle and blister formats. For example, Aylward produces a system that can fill bottles at higher speeds and with greater accuracy than any other product on the market. John Aylward founded the company in 1978 and has led the company since its inception. In conjunction with this financing, Dana Waterman has been recruited as the new CEO to enable John Aylward to focus on developing the innovative products for which the company has become known. For more information visit www.aylward-usa.com.

About Charter Oak Equity

Charter Oak Equity is a new private equity firm founded by the principals and advisors of Charter Oak Capital Partners. Charter Oak Capital Partners is a private equity firm focused on small to middle market industrial products, consumer products, medical device components and financial services companies. During the last ten years, Charter Oak Capital Partners has invested over \$220 Million in 15 portfolio companies comprising 30 acquisitions.

About Mid Oaks Investments LLC

Mid Oaks is a private investment firm with an 18-year history of investing its principals’ capital in private equity investment opportunities in operating businesses. Mid Oaks investments include manufacturers of industrial carbon products, plastic bottles and containers, building materials, and soil modification and erosion control products. Mid Oaks is also growing early stage companies who are involved in measuring and controlling plasma etch processes and the manufacture of micro powders. These businesses sell products into the steel, food, construction, lawn and garden, semiconductor, and many other markets.

About Patriot Capital Funding, Inc.

Patriot Capital Funding, Inc. (www.patcapfunding.com) is a specialty finance company providing customized financing solutions to private equity sponsors focused on making investments in small- and mid-sized companies. Patriot Capital Funding typically invests in companies with annual revenues generally 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, subordinated debt investments – which may contain 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 also makes equity co-investments of generally less than \$2.0 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 Form 10-K for the year ended December 31, 2005, 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.

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