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Saratoga Investment Advisors Names Joe Burkhart Managing Director of Business Development

Goal Is To Use SBIC Funding To Double Assets Under Management

NEW YORK, April 19, 2012 /PRNewswire/ -- Saratoga Investment Corp., (NYSE: SAR), a business development company, is pleased to announce that Joe Burkhart has joined Saratoga Investment Advisors, the management company overseeing its portfolio, as Managing Director of Business Development. He will work with management at Saratoga Investment Corp. to increase deal flow, strengthen the firm's investment-origination platform and increase assets under management.

"Joe will help us put our capital to work, particularly the capital available through the Small Business Investment Company license that Saratoga received two weeks ago from the U.S. Small Business Administration," said Christian L. Oberbeck, Chief Executive Officer and President of Saratoga Investment Corp. "He will be instrumental in employing SBIC financing and other resources to achieve our current objective of more than doubling assets under management."

An SBIC license allows Saratoga Investment Corp. to drawdown borrowings of up to \$150 million over a five-year period that have a term of 10 years at SBA fixed rates, currently below 4% per annum. Saratoga will invest this money in middle-market businesses that comply with SBIC regulations.

"Having worked closely with Joe, I have firsthand knowledge of his experience as a prodigious investment originator and his impressive track record of building highly successful business development platforms at institutions such as Tatum Partners and American Capital. His productivity and experience will be key to helping us build Saratoga into one of the country's leading BDCs," Mike Grisius, Saratoga's Chief Investment Officer, said.

Burkhart said, "I am excited to be joining Saratoga Investment Advisors, with its strong and growing foundation of exceptional people, a great investment culture and an important niche focused on the underserved smaller end of the middle market. It is ideally positioned with ample dry powder, particularly from the SBIC license."

Burkhart has a bachelor's degree in business administration from the University of Notre Dame and an MBA from the Darden Graduate School of Business Administration at the University of Virginia. His professional experience includes Tatum Private Equity, American Capital, EJP Capital and Allied Capital.

About Saratoga Investment Corp.

Saratoga Investment Corp. is a specialty finance company that invests primarily in leveraged loans and mezzanine debt issued by U.S. middle-market companies, both through direct lending and through participation in loan syndicates. It has elected to be treated as a business-development company under the Investment Company Act of 1940.

About Saratoga Investment Advisors, LLC

Saratoga Investment Advisors, LLC is a New York-based investment firm formed to focus on credit-driven strategies. It is the manager of Saratoga Investment Corp. and is affiliated with Saratoga Partners, a middle-market private equity investment firm, which primarily invests in businesses with strong management teams and valuations of between \$50 million and \$500 million, specializing in companies in manufacturing and business services. It also has a successful record in special situations and distressed investing.

Since Saratoga Partners was founded in 1984 as a division of the New York investment firm Dillon, Read & Co., Inc., it has invested in 35 companies with an aggregate value of more than \$3.7 billion. It has been an independent firm since its spinoff in 1998 after Dillon Read was acquired by Swiss Bank Corporation (a predecessor to UBS AG).

Forward Looking Statements

This press release contains certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties and other factors enumerated in this press release and the filings Saratoga Investment Corp. makes with the SEC. Saratoga Investment Corp. 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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