



December 30, 2010

/CORRECTION -- Saratoga Investment Corp./

In the news release, Saratoga Investment Corp. Announces Form of Previously Declared Dividend and Results of Dividend Elections, issued Dec. 30, 2010 by Saratoga Investment Corp. over PR Newswire, we are advised by a representative of the company that the third paragraph, first sentence, should read, "Shareholders who elected to receive the dividend solely in shares of common stock and shareholders who did not make an election will receive approximately .25 shares of common stock for each share of common stock they owned on the record date of November 19, 2010," rather than "...approximately 4.05 shares of common stock..." as originally issued inadvertently. The complete, corrected release follows:

Saratoga Investment Corp. Announces Form of Previously Declared Dividend and Results of Dividend Elections

NEW YORK, Dec. 30, 2010 /PRNewswire-FirstCall/ -- Saratoga Investment Corp. (NYSE: SAR) (the "Company"), a business development company, announced today the form in which the dividend declared by the Company's board of directors on November 12, 2010 will be paid and the results of its shareholders' elections relating to the dividend. The dividend of \$4.40 per share was payable on December 29, 2010 to shareholders of record as of November 19, 2010. Shareholders had until December 20, 2010 to elect whether to receive the dividend in cash (up to an aggregate maximum cash amount of approximately \$1.18 million, or approximately 10% of the total dividend paid) or in shares of common stock. Due to the original terms of the dividend, shareholders who elected to receive cash will receive a combination of cash and common stock.

The dividend will consist of approximately \$1.18 million in cash and 596,235 shares of common stock, or approximately 22% of the Company's outstanding shares prior to the dividend. The amount of cash elected to be received was greater than the cash limit of 10% of the aggregate dividend amount, therefore resulting in the payment of a combination of cash and stock to shareholders who elected to receive cash. The number of shares of common stock comprising the stock portion was calculated based on a price of approximately \$17.80 per share, which equaled the average of the volume weighted average trading price per share of the Company's common stock on December 20, 21 and 22, 2010.

Shareholders who elected to receive the dividend solely in shares of common stock and shareholders who did not make an election will receive approximately .25 shares of common stock for each share of common stock they owned on the record date of November 19, 2010. Holders of approximately 47% of the Company's common stock elected to receive only stock or did not make an election.

Shareholders electing to receive the dividend in all cash will receive cash in the amount of approximately \$0.82 per share, or approximately 18.7% of the \$4.40 dividend, and 0.20 shares of common stock, or approximately 81.3% of the total dividend for each share of common stock they owned on the record date of November 19, 2010. Cash in lieu of fractional shares will be issued, if applicable.

Shareholders who hold their shares through a bank, broker or nominee and have questions regarding the dividend should contact their bank, broker or nominee directly.

Registered shareholders with questions regarding the dividend may call the Company's transfer agent, American Stock Transfer & Trust Company, LLC, at 1-(800)-937-5449.

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. Saratoga Investment Corp. is traded on the New York Stock Exchange under the symbol SAR.

Forward Looking Statements

This press release may contain certain forward-looking statements. Words such as "intends," "believes," "expects," "projects," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties and other factors enumerated in 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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