

**HARVEST CAPITAL CREDIT CORPORATION ANNOUNCES JUNE 30, 2013 FINANCIAL RESULTS
AND DECLARES DIVIDENDS FOR JULY, AUGUST AND SEPTEMBER.**

NEW YORK, August 13, 2013 — Harvest Capital Credit Corporation (“Harvest Capital” or the “Company”) (NASDAQ: HCAP), announced that its Board of Directors has declared dividends of \$0.1125 per share for the months of July, August and September. The July dividend is payable on August 30, 2013 to shareholders of record on August 23, 2013. The August dividend is payable on September 26, 2013 to shareholders of record on September 19, 2013. The September dividend is payable on October 24, 2013 to shareholders of record on October 17, 2013. These dividends equate to an annualized dividend yield of 9% based upon its \$15.00 per share IPO price.

June 30, 2013 Financial Results

Harvest Capital also announced financial results for the three and six months ended June 30, 2013.

FINANCIAL HIGHLIGHTS

	Three Months Ended		Three Months Ended		Six Months Ended		Six Months Ended	
	June 30, 2013		June 30, 2012		June 30, 2013		June 30, 2012	
	Amount	Per share (1, 2)	Amount	Per share (1, 2)	Amount	Per share (1, 2)	Amount	Per share (1, 2)
Core net investment income (3)	\$1,110,797	\$0.26	\$446,753	\$0.59	\$1,978,801	\$0.73	\$664,527	\$1.08
Net investment income ("NI")	\$1,110,797	\$0.26	\$439,603	\$0.58	\$1,875,739	\$0.69	\$645,974	\$1.05
Net realized gains	\$152,059	\$0.04	-	-	\$152,059	\$0.06	-	-
Net unrealized appreciation (depreciation)	\$(56,184)	\$(0.01)	\$35,751	\$0.05	\$459,128	\$0.17	\$92,765	\$0.15
Net income (basic)	\$1,206,672	\$0.28	\$475,354	\$0.63	\$2,486,926	\$0.92	\$738,739	\$1.20
Net income (diluted)	\$1,206,672	\$0.28	\$475,354	\$0.63	\$2,486,926	\$0.91	\$738,739	\$1.20
Weighted average shares outstanding (basic)	4,245,594		757,667		2,717,632		616,592	
Weighted average shares outstanding (diluted)	4,247,627		757,667		2,719,665		616,592	

(1) All per share amounts are basic and diluted unless indicated otherwise.

(2) The Company acquired all of the interests of Harvest Capital Credit LLC (“HCC LLC”) on May 2, 2013 and did not have any operations prior to the acquisition. As such, we are presenting the historical financial results of HCC LLC as our financial results. When we acquired HCC LLC, we issued shares of our common stock in exchange for all of HCC LLC's outstanding membership interests at a rate of .9913 shares for each membership interest. As a result of this transaction, we have retroactively applied the aforementioned exchange/conversion rate to all unit measurements relating to HCC LLC's membership interests for both periods

presented and have replaced all references to membership interests of HCC LLC herein with shares of common stock of the Company.

- (3) Core Net Investment Income and Core Net Investment Income per share are non-GAAP financial measures that are calculated by excluding accrued capital gains incentive fees that are included in Net Investment Income for GAAP purposes. Such accrued fees are related to unrealized appreciation and realized gains as of June 30, 2013. The capital gains incentive fee is determined and paid annually with respect to realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized capital losses for such year. As a result, the capital gains incentive fee that will be paid by the Company for its 2013 fiscal year cannot be determined prior to the end of the year and will only be paid with respect to excess, if any, of the Company's realized capital gains through December 31, 2013, over all realized and unrealized capital losses through December 31, 2013. Reconciliations of Core Net Investment Income and Core Net Investment Income per share to the most directly comparable GAAP financial measure are set forth in Schedule 1 hereto.

PORTFOLIO ACTIVITY

	<u>June 30, 2013</u>	<u>December 31, 2012</u>		
Portfolio investments at fair value	\$44,921,200	\$41,511,318		
Total assets	\$91,661,513	\$49,745,038		
Net assets	\$90,393,830	\$19,806,327		
Shares outstanding	6,088,098	1,172,688		
Net assets per share	\$14.85	\$16.89		
	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Portfolio Activity during the period:				
New commitments	\$5,500,000	\$9,000,000	\$5,500,000	\$15,375,000
New fundings on existing commitments	\$500,000	-	\$1,600,000	-
Exits of commitments	\$4,236,117	-	\$4,236,117	-
	<u>December 31, 2012</u>			
	<u>June 30, 2013</u>	<u>2012</u>		
Weighted average yield of debt investments:				
at fair value (1)	17.5%	17.6%		
at cost (2)	17.6%	17.7%		

- (1) Computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and other deferred fees earned on accruing debt investments, divided by (b) total debt investments at fair value.

- (2) Computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and other deferred fees earned on accruing debt investments, divided by (b) total debt investments at amortized cost.

OPERATING RESULTS

For the quarter ended June 30, 2013 the Company reported a 254% increase in net income, a 249% increase in Core Net Investment Income and a 253% increase in Net Investment Income compared to the quarter ended June 30, 2012. Net income for the quarter ended June 30, 2013 was \$1,206,672 or \$0.28 per share compared to \$475,354 or \$0.63 per share for the quarter ended June 30, 2012. Core Net Investment Income was \$1,110,797 or \$0.26 per share for the quarter ended June 30, 2013 compared to \$446,753 or \$0.59 per share for the quarter ended June 30, 2012. Net Investment Income was \$1,110,797 or \$0.26 per share for the quarter ended June 30, 2013 compared to \$439,603 or \$0.58 per share for the quarter ended June 30, 2012.

For the six months ended June 30, 2013, the Company reported a 337% increase in net income, a 298% increase in Core Net Investment Income and a 290% increase in Net Investment Income compared to the quarter ended June 30, 2012. Net income for the six months ended June 30, 2013 was \$2,486,926 or \$0.92 per share compared to \$738,739 or \$1.20 per share for the six months ended June 30, 2012. Core Net Investment Income was \$1,978,801 or \$0.73 per share for the six months ended June 30, 2013 compared to \$664,527 or \$1.08 per share for the six months ended June 30, 2012. Net Investment Income was \$1,875,739 or \$0.69 per share for the six months ended June 30, 2013 compared to \$645,974 or \$1.05 per share for the six months ended June 30, 2012. As of June 30, 2013, total assets were \$91.7 million, net assets were \$90.4 million and the net asset value per share was \$14.85.

During the second quarter of 2013, the Company closed on a \$5.5 million senior secured debt investment in Choice Pet, an operator of pet food and supply retail stores. The investment carries an interest rate of 14.75% of which 12% is cash interest and 2.75% is PIK interest. The Company funded \$5.0 million at closing and has a \$0.5 million delayed draw commitment available to the borrower until May 30, 2014. The Company also advanced \$0.5 million to an existing portfolio company under a senior secured delayed draw commitment. Also during the quarter, the Company received a \$4.2 million payoff at par and a \$0.1 million exit fee for its investment in JD Norman Industries, Inc., an automotive parts manufacturing company. The exit of this transaction produced a realized gain on investment of \$152 thousand and an internal rate of return of over 26%.

“We are very pleased with what we have accomplished this quarter. We successfully completed the initial public offering of our shares in May, augmented our investment staff, and have capitalized on our momentum from 2012 to build a pipeline of investment opportunities that stands at its highest level since the fourth quarter of 2012. Equally as important is the solid performance of the portfolio which saw its weighted average risk rating improve from 1.79 at March 31, 2013 to 1.61 at June 30, 2013,” said Richard P. Buckanavage, President and CEO.

Our historical expense structure changed as a result of our completion of the IPO as follows:

- The base management fee payable to our investment adviser prior to the IPO was calculated at an annual rate of 2.0% of our gross assets, including assets acquired with the use of borrowings. However, our investment adviser had agreed to waive the base management fee payable to it prior to the IPO with respect to any assets acquired by us through the use of borrowings under our secured revolving credit facility until such time

that the facility has been repaid in full and terminated. Moreover, our investment adviser received a base management fee prior to the IPO with respect to cash and cash equivalents held by us. Subsequent to the IPO, the base management fee is calculated based on our gross assets (which includes assets acquired with the use of leverage, but excludes cash and cash equivalents) at an annual rate of 2.0% on gross assets up to and including \$350 million, 1.75% on gross assets above \$350 million and up to and including \$1 billion, and 1.5% on gross assets above \$1 billion. Moreover, the waiver agreement described above with respect to assets acquired by us through the use of borrowings under the secured revolving credit facility was terminated in connection with our IPO. As a result, a base management fee is now payable to our investment adviser on all assets acquired by us through the use of borrowings, including under the facility.

- Our investment adviser has agreed to permanently waive all or such portion of the incentive fee that it would otherwise collect from us to the extent necessary to support a minimum dividend yield of 9% for the period of time commencing with our IPO through March 31, 2014. The 9% dividend hurdle will be based upon our IPO price of \$15 times the number of shares of our common stock currently outstanding plus the number of shares of common stock issued pursuant to our dividend reinvestment plan during the waiver period. Incentive fee expense for the quarter ended June 30, 2013 totaled \$66 thousand. All of this, however, related to our performance prior to our May 2, 2013 IPO and, as a result, was not subject to the waiver. If we had not entered into the waiver arrangement, we would have accrued an additional \$19 thousand of incentive fee expense in the three and six month periods ended June 30, 2013. If we meet the 9% dividend hurdle at March 31, 2014, then our investment adviser will be entitled to such incentive fee and we will expense such additional amount at that time.
- Only a portion of the 2013 periods (i.e., from May 2, 2013, the date of our IPO, to June 30, 2013) reflect the change in our historical expense structure for the items noted above as well as our operations as a public company. As a result, the full impact of such changes will be more evident in future periods.

CREDIT QUALITY

The Company employs an investment rating system to categorize its investments. In addition to various risk management and monitoring tools, the Company grades the credit risk of all investments on a scale of 1 to 5 no less frequently than quarterly. Under this system, an investment with a grade of 1 involves the least amount of risk and indicates performance from the portfolio company that exceeds underwritten expectations. Investments graded 2 involve a level of risk that is similar to the risk at the time of origination or acquisition. The portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup our investment are neutral to favorable. All investments in new portfolio companies are initially assessed a grade of 2. Investments graded 3 indicate that the portfolio company is performing below expectations and requires closer monitoring. Investments graded 4 indicate performance below expectations where a high risk of principal loss exists; however, payments are generally not more than 90 days past due. An investment grade of 5 indicates that the risk to our ability to recoup our investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 5, most or all of the debt covenants are out of compliance and payments are substantially delinquent.

As of June 30, 2013, the weighted average grade of the investments in our portfolio was 1.61. Also, as of June 30, 2013, all loans were either rated 1 or 2 and no loans were on non-accrual status.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2013, we had \$46.0 million of unrestricted cash and had \$50.0 million in availability under our secured revolving credit facility. We completed our IPO in May 2013 and paid down the balance of our secured revolving credit facility with a portion of the net proceeds. The credit facility provides, subject to certain conditions and limitations, up to an aggregate of \$50 million of revolving borrowings until April 1, 2014.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2013

On August 1, 2013, the Company closed on a \$4.0 million senior secured, last-out debt investment in an operator of urgent care facilities. The investment carries an interest rate of LIBOR plus 15%. As part of the investment, the Company was granted warrants representing a 3% stake in the common equity of the portfolio company.

CONFERENCE CALL

The Company will host a conference call on Tuesday, August 13, 2013 at 1:00 p.m. Eastern Time to discuss its second quarter results. All interested parties are invited to participate in the conference call by dialing (877) 566-6060. Participants should enter the Conference ID 25667294 when prompted.

ABOUT HARVESTCAPITAL CREDIT CORPORATION

Harvest Capital Credit Corporation (NASDAQ: HCAP) provides customized financing solutions to privately held small and mid-sized companies in the U.S., generally targeting companies with annual revenues between \$10 million and \$100 million and annual EBITDA between \$2 million and \$15 million. The Company's investment objective is to generate both current income and capital appreciation primarily by making direct investments in the form of subordinated debt and, to a lesser extent, senior debt as well as minority equity investments. Harvest Capital Credit Corporation is externally managed and has elected to be treated as a business development company under the Investment Company Act of 1940.

Forward Looking Statements

Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of assumptions, risks and uncertainties, which change over time. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including those described from time to time in filings by the Company with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.

Harvest Capital Credit Corporation
Statements of Assets and Liabilities

	June 30, 2013 (unaudited)	December 31, 2012
ASSETS:		
Investments, at fair value:		
Affiliate investments (cost of \$1,561,560 and \$1,514,642, respectively)	\$ 1,561,560	\$ 1,514,642
Non-control/non-affiliate investments (cost of \$39,896,619 and \$37,092,784, respectively)	40,544,515	37,419,638
Equity/warrants in affiliate investments (cost of \$401,514 and \$401,514, respectively)	183,000	401,514
Equity/warrants in non-control/non-affiliate investments (cost of \$644,774 and \$544,774, respectively)	2,632,125	2,175,524
Total investments at fair value (cost of \$42,504,467 and \$39,553,714, respectively)	44,921,200	41,511,318
Cash	45,976,245	7,639,801
Interest receivable	256,960	166,592
Accounts receivable - other	47,577	-
Deferred financing costs	121,614	180,786
Other assets	337,917	246,541
Total assets	\$ 91,661,513	\$ 49,745,038
LIABILITIES:		
Revolving line of credit - related party	\$ -	\$ 28,226,666
Accrued interest payable - related party	207,139	304,293
Accounts payable and accrued expenses	1,035,944	1,231,006
Other liabilities	24,600	15,971
Total liabilities	1,267,683	29,777,936
Commitments and contingencies		
Mezzanine equity	-	160,775
NET ASSETS:		
Common stock; 10,000,000 shares authorized, and 6,088,098 and 1,172,688 issued and outstanding, respectively	6,088	17,266,955
Capital in excess of common stock	87,491,859	254,677
Net realized gains on investments	479,150	327,091
Net unrealized appreciation on investments	2,416,733	1,957,604
Total net assets	90,393,830	19,806,327
Total liabilities and net assets	\$ 91,661,513	\$ 49,745,038
Common stock issued and outstanding	6,088,098	1,172,688
Nets asset value per common share	\$ 14.85	\$ 16.89

Harvest Capital Credit Corporation

Statements of Operations (unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Investment Income:				
Interest:				
Cash - affiliate investments	\$ 55,194	\$ -	\$ 109,344	\$ -
Cash - non-control/non-affiliate investments	1,437,429	738,130	2,775,058	1,156,863
PIK - affiliate investments	14,203	-	28,215	-
PIK - non-control/non-affiliate investments	284,417	144,500	552,836	209,261
Fee amortization, net	114,630	28,741	226,505	45,285
Total interest income	1,905,873	911,371	3,691,958	1,411,409
Other income	-	13,500	-	40,000
Total investment income	1,905,873	924,871	3,691,958	1,451,409
Expenses:				
Interest expense - revolving line of credit	169,591	243,897	627,568	384,761
Interest expense - unused line of credit	42,595	19,197	51,472	41,914
Interest expense - deferred financing costs	15,253	9,046	24,904	17,899
Total interest expense	227,439	272,140	703,944	444,574
General and administrative	245,702	18,150	342,925	60,226
Base management fees	169,721	53,640	247,072	78,451
Incentive management fees	66,381	118,838	386,444	184,684
Administrative services expense	85,833	22,500	135,834	37,500
Total expenses	795,076	485,268	1,816,219	805,435
Net investment income	1,110,797	439,603	1,875,739	645,974
Net realized gains on investments	152,059	-	152,059	-
Net change in unrealized appreciation (depreciation) on investments	(56,184)	35,751	459,128	92,765
Total net realized and unrealized gains on investments	95,875	35,751	611,187	92,765
Net increase in net assets resulting from operations	\$ 1,206,672	\$ 475,354	\$ 2,486,926	\$ 738,739
Net investment income per share (basic and diluted)	\$ 0.26	\$ 0.58	\$ 0.69	\$ 1.05
Net increase in net assets resulting from operations per share (basic)	\$ 0.28	\$ 0.63	\$ 0.92	\$ 1.20
Net increase in net assets resulting from operations per share (diluted)	\$ 0.28	\$ 0.63	\$ 0.91	\$ 1.20
Weighted average shares outstanding (basic)	4,245,594	757,667	2,717,632	616,592
Weighted average shares outstanding (diluted)	4,247,627	757,667	2,719,665	616,592

SCHEDULE 1

Reconciliations of Net Investment Income to Core Net Investment Income

	Q2 '13		Q2 '12		YTD '13		YTD '12	
	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)	Amount	Per share (1)
Net investment income	\$1,110,797	\$0.26	\$439,603	\$0.58	\$1,875,739	\$0.69	\$645,974	\$1.05
Plus: incentive fees attributed to the capital gains incentive fee	\$0	\$0.00	\$7,150	\$0.01	\$103,062	\$0.04	\$18,553	\$0.03
Core net investment income	\$1,110,797	\$0.26	\$446,753	\$0.59	\$1,978,801	\$0.73	\$664,527	\$1.08

(1) Per share data has been adjusted for the conversion rate of 0.9913 shares for each unit.

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Source: Harvest Capital Credit Corporation