

**Fifth Street Finance Corp. Prices
Public Offering of Common Stock**

WHITE PLAINS, N.Y., December 4, 2012 — Fifth Street Finance Corp. (NASDAQ:FSC) (“Fifth Street”) today announced that it priced a public offering of 14,000,000 shares of its common stock at a public offering price of \$10.68 per share for total gross proceeds of \$149,520,000. All shares are being offered by Fifth Street. Morgan Stanley, Barclays, Goldman, Sachs & Co., UBS Investment Bank and Wells Fargo Securities are acting as lead book-running managers for the offering, Raymond James and RBC Capital Markets are acting as joint book-running managers for the offering and Janney Montgomery Scott LLC, SMBC Nikko, Gilford Securities Incorporated and Maxim Group LLC are acting as co-managers for the offering.

The closing of the offering is subject to customary closing conditions and the shares are expected to be delivered on or about December 7, 2012. Fifth Street has also granted the underwriters an option to purchase up to 2,100,000 additional shares of common stock.

Fifth Street intends to use the net proceeds from this offering to repay debt outstanding under its credit facilities. However, through re-borrowing under its credit facilities, it intends to make investments in small and mid-sized companies in accordance with its investment objective and strategies described in the prospectus supplement and accompanying prospectus and for general corporate purposes.

The offering is being made pursuant to Fifth Street’s existing effective shelf registration statement on Form N-2 previously filed with the Securities and Exchange Commission. **The offering will be made only by means of a prospectus supplement and accompanying prospectus, copies of which, when available, may be obtained from: Morgan Stanley & Co. LLC, 180 Varick Street, 2nd Floor, New York, New York, 10014 (Attn: Prospectus Department, tel: (866) 718-1649 or e-mail prospectus@morganstanley.com); Barclays Capital Inc. c/o Broadridge Financial Solutions, 1155 Long Island Ave., Edgewood, New York 11717 (Tel: (888) 603-5847 or barclaysprospectus@broadridge.com); Goldman, Sachs & Co., 200 West Street, New York, New York 10282 (Attn: Prospectus Department, tel: (866) 471-2526 or prospectus-ny@ny.email.gs.com); UBS Investment Bank, 299 Park Avenue, New York, New York 10171 (Attn: Prospectus Department or tel: (888) 827-7275); Wells Fargo Securities, 375 Park Avenue, New York, New York 10152 (Attn: Equity Syndicate Department, tel: (800) 326-5897 or cmclientsupport@wellsfargo.com); Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716; and RBC Capital Markets, LLC, 200 Vesey Street, 8th Floor, New York, New York 10281 (Attn: Prospectus Department or tel: (877) 822-4089). Investors are advised to carefully consider the investment objective, risks, charges and expenses of Fifth Street before investing. The prospectus supplement and accompanying prospectus contain a description of these matters and other important information about Fifth Street and should be read carefully before investing.**

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor will there be any sale of the shares referred to in this press release in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction.

About Fifth Street Finance Corp.

Fifth Street Finance Corp. is a specialty finance company that lends to and invests in small and mid-sized companies, primarily in connection with investments by private equity sponsors. Fifth Street Finance Corp.'s investment objective is to maximize its portfolio's total return by generating current income from its debt investments and capital appreciation from its equity investments.

Forward-Looking Statements

This press release contains certain forward-looking statements, including statements with regard to Fifth Street Finance Corp.'s securities offering and the anticipated use of the net proceeds of the offering. Words such as "believes," "intends," "expects," "projects," "anticipates," 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 and no assurance can be given that the securities offering discussed above will be consummated on the terms described or at all. Completion of the securities offering and the terms thereof are subject to numerous factors, many of which are beyond the control of Fifth Street Finance Corp., including, without limitation, market conditions, changes in interest rates, failure of customary closing conditions and other matters set forth in Fifth Street Finance Corp.'s prospectus supplement and accompanying prospectus. Fifth Street Finance 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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