



NEWS RELEASE

2200 Rand Building
Buffalo, New York 14203

Investor Contact:
Daniel Penberthy
Executive Vice-President
716.853.0802
dpenberthy@randcapital.com

FOR IMMEDIATE RELEASE

Rand Capital Announces \$250,000 Investment in Rheonix, Inc.

BUFFALO, NY, November 5, 2009 -- Rand Capital Corporation (NASDAQ: RAND) ("Rand"), a business development company (BDC) that provides capital and managerial expertise for small to medium-sized private companies, announced that it has invested \$250,000 in **Rheonix, Inc.** (www.rheonix.com), based in Ithaca, New York.

Rheonix began operations and was later spun out of the microfluidic division of **Kionix, Inc.** (www.kionix.com), also headquartered in Ithaca, New York. **Kionix** is a global leader in the design and fabrication of high-performance, silicon-micromachined, MEMS inertial sensors.

Rheonix's novel CARD™ (Chemistry And Reagent Device) microfluidic technology, based on technology developed at Cornell University, provides a fully automated "point-of-care" (POC) or "point-of-use" (POU) diagnostic platform with applications in a broad spectrum of markets including human and veterinary *in vitro* diagnostics, biopharmaceutical manufacturing, food and beverage manufacturing, food/water safety testing, and homeland security/defense applications. The fully-integrated system permits the completely-automated analysis of "raw" samples, with all preparative, analytical, and readout functions performed on the CARD™, with virtually no intervention required by the analyst. Coupled with a simple computer interface that controls all functions on the CARD™, this powerful diagnostic platform finally provides a revolutionary means for individuals of varying technical expertise, including unskilled analysts, to easily perform rapid POC and POU testing. **Rheonix** also maintains a separate Corporate Development and Scientific Affairs facility in Grand Island, New York, following their 2008 acquisition of Innovative Biotechnologies International, Inc. ("IBI").

Also participating with Rand in the financing round were Cayuga Venture Fund III, L.P. (Ithaca, NY), Onondaga Venture Capital Fund, LLC (Syracuse, NY) and angel investors.

Daniel Penberthy, Executive Vice-President of Rand Capital, stated "We have watched both **Rheonix** and IBI develop their technologies over the last several years, and now believe the Company is positioned with a device that will be accepted into the marketplace. The development of the Company to this stage is a credit to both the strength of its management team, and the quality of its intellectual property. We welcome the chance to work with the Company and make further investment as it continues to achieve key business milestones."

Anthony Eisenhut, President and CEO of **Rheonix, Inc.** stated that “**Rheonix** is bringing to market a robust, affordable molecular diagnostic platform that allows for multi-step central laboratory assays to be completed entirely on a disposable plastic card. Our investors have recognized the world class science that has produced such practical, yet powerful innovations. We value their support as we ramp up efforts to commercialize a series of molecular diagnostic assays aimed at the infectious disease market.”

Safe Harbor Statement

Information contained in this release, other than historical information, should be considered forward-looking, and may be subject to inherent uncertainties in predicting future results and conditions. These statements reflect the Corporation's current beliefs and are subject to a number of risk-factors, including: general economic conditions which affect Rand and our portfolio companies' operations; valuation and illiquid nature of the portfolio investments; high degree of risk from investing in private companies; the regulated environment in which we operate; the amount of debt resulting from borrowing funds from the SBA; dependency upon key management for investment decisions; and the competitive market for investment opportunities and fluctuations in quarterly results. Please see the Corporation's Form 10-Q, Item 1A, previously filed with the Securities and Exchange Commission for a detailed discussion of the risks and uncertainties associated with the Corporation's business. Except as otherwise required by Federal securities laws, Rand Capital Corporation and Rand Capital SBIC, Inc. undertakes no obligation to update or revise forward-looking statements for new events and uncertainties.

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