

BLACKSTONE/GSO SENIOR FLOATING RATE TERM FUND
(NYSE: BSL)

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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**BLACKSTONE / GSO SENIOR FLOATING RATE TERM FUND
ISSUES SENIOR SECURED NOTES AND TERM PREFERRED SHARES**

New York, New York –Blackstone / GSO Senior Floating Rate Term Fund (the Fund) (NYSE: BSL) announced that it issued \$96 million aggregate principal amount of senior secured notes and 48,000 term preferred shares, with an aggregate liquidation preference of \$48 million, both rated AAA by Fitch Ratings and are secured by the assets of the Fund.

The senior secured notes and term preferred shares in combination represent total leverage of approximately 33.2% of the Fund's managed assets. As of August 13, 2010, after taking into account the proceeds of the offerings of the senior secured notes and term preferred shares, the Fund had managed assets of \$434 million and 15.13 million common shares outstanding.

The Fund will use the proceeds of the offering to purchase additional assets for the portfolio. The Fund currently generates an average current yield of approximately 6.78% over 3 month LIBOR. Commencing in November 2010, the Fund will pay quarterly an average floating interest rate of approximately 1.78% over 3 month LIBOR, which represents a floating interest rate of 1.55% over 3 month LIBOR on the senior secured notes and a floating dividend rate of 2.25% over 3 month LIBOR on the term preferred shares. The final maturity date of the senior secured notes and the final redemption date of the term preferred shares is May 31, 2020, which coincides with the termination date of the Fund.

The senior secured notes and term preferred shares are not registered under the Securities Act of 1933, as amended, and, unless so registered, may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws.

Blackstone / GSO Senior Floating Rate Term Fund

The Fund is a non-diversified, closed-end management investment company that is managed by GSO / Blackstone Debt Funds Management LLC, a subsidiary of The Blackstone Group and GSO Capital Partners LP. The Fund's primary objective is to seek high current income with a secondary objective to seek preservation of capital, consistent with its primary goal of high current income. There can be no assurance the Fund will achieve its investment objectives. Additional information is available at www.blackstone-gso.com.

About The Blackstone Group and GSO Capital Partners

Blackstone is one of the world's leading investment and advisory firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, the companies we advise and the broader global economy. We do this through the commitment of our extraordinary people and flexible capital. Our credit business, GSO Capital Partners LP, with over \$28 billion of assets under

management, is one of the largest credit-oriented alternative asset managers in the world and a major participant in leveraged finance. GSO specializes in collateralized loan obligation vehicles (CLOs) and credit-oriented funds, which include leveraged loans, special situations, mezzanine, distressed, secondary market and rescue financing credit strategies. Our other alternative asset management businesses include the management of private equity funds, real estate funds, funds of hedge funds, and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Further information is available at www.blackstone.com.

*Blackstone / GSO Senior Floating Rate Term Fund is a closed-end fund and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since its initial public offering, the Fund has traded on the New York Stock Exchange under the symbol **BSL**. Investors wishing to buy or sell shares need to place orders through an intermediary or broker.*