

**For immediate release**

## **Special Opportunities Fund, Inc. Announces Dividends on Common and Convertible Preferred Stock and Adjusted Conversion Ratio**

**New York, December 20, 2013**—Special Opportunities Fund, Inc. (NYSE: SPE) (the “Fund”) today announced that the Fund’s Board of Directors (the “Board”) has declared a year-end stock dividend of \$2.21 per share of common stock consisting of \$0.67 of long term capital gains, \$0.44 of short term capital gains, and \$1.10 of net investment income.

The dividend is payable on January 24, 2014 to common stockholders of record as of December 30, 2013. The dividend will be paid in shares of common stock of the Fund; however, any stockholder may elect to receive the dividend in cash. The dividend is taxable to stockholders in 2013 whether or not they elect to receive cash. The expiration date to elect cash is January 14, 2014. A common stockholder not electing cash will receive additional shares of common stock with a value equal to \$2.21 times the number of shares held on the record date. For the purpose of determining the number of shares to be issued, the value of each such additional share will be 90% of the Fund’s net asset value per share on January 17, 2014. Cash will be paid in lieu of fractional shares.

In addition, the Board has declared a quarterly cash dividend of \$0.3863 on the Fund’s 3.00% Convertible Preferred Stock, Series A. The dividend is payable on December 31, 2013 to holders of record as of December 30, 2013.

As a result of the dividend payable on the common stock, on December 31, 2013 (the next business day after the record date), the conversion ratio for the convertible preferred stock will increase from 3.1918 shares to 3.7160 shares of common stock for each share of convertible preferred stock. The Fund’s Board of Directors may determine to redeem the convertible preferred stock at a price of \$50 per share at any time, subject to providing notice of at least 30 days.

The final determination of the sources of all distributions in 2013 will be made after year end and may vary from the amounts provided above.

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