

Special Opportunities Fund, Inc. Commences Rights Offering

NEW YORK, July 15, 2016 -- (BUSINESS WIRE) -- Special Opportunities Fund, Inc. (NYSE: SPE - News) (the "Fund") announced today that it will issue to its common stockholders of record as of July 21, 2016 one transferable right for every five shares of common stock held (rounded up for fractional rights) entitling the holders of such rights to purchase shares of a newly issued class of Convertible Preferred Stock.

The rights will expire on August 19, 2016 unless extended and will entitle the holder to purchase one share of a Convertible Preferred Stock at a price of \$25.00 per share for each right held. The Fund anticipates that the rights will be listed on NASDAQ and the new Convertible Preferred Stock will be listed on the New York Stock Exchange. All holders of rights who fully subscribe in the offering will have the option to oversubscribe for additional shares of Convertible Preferred Stock which may be available if fewer than all rights are exercised. Additionally, if there are not enough unsubscribed shares of Convertible Preferred Stock to honor all oversubscription requests, the Board of Directors may, in its sole discretion, issue additional shares up to 15% of the shares available in the offering to honor such oversubscription requests.

The Convertible Preferred Stock will pay a dividend on the last business day of each quarter at a rate of 3.5% per annum and may be converted into common stock quarterly at a conversion price of \$19.00 per share of common stock (or a ratio of 1.3158 shares of common stock for each share of Convertible Preferred Stock) adjusted for any distributions made to or on behalf of common stockholders. At any time following the second anniversary of the Expiration Date, the Board of Directors may, in its sole discretion and upon thirty days' notice, redeem all or any part of the then outstanding shares of Convertible Preferred Stock at \$25.00 per share plus accrued dividends. In addition, if the market price of the Fund's common stock is equal to or greater than \$22.00 per share, the Board may, in its sole discretion, require holders of the Convertible Preferred Stock to convert all or any part of their shares into shares of common stock at a conversion price of \$19.00 per share of common stock (or a ratio of 1.3158 shares of common stock for each share of Convertible Preferred Stock held) adjusted for any distributions made to or on behalf of common stockholders. All outstanding shares of Convertible Preferred Stock as of August 19, 2021 (five years from the Expiration Date) will be mandatorily redeemed at a price of \$25.00 per share of Convertible Preferred Stock held on such date plus accrued dividends.

The Board intends to use approximately one-third of the net proceeds raised in the offering to fund a self-tender offer for shares of the Fund's common stock. The remainder of the net proceeds will be invested in accordance with the Fund's investment objective and used for general working capital purposes.

A registration statement/prospectus covering the rights offering and the Convertible Preferred Shares to be issued has been filed with the Securities and Exchange Commission and is available at www.sec.gov. Additional information about the Fund is available on its website at <http://www.specialopportunitiesfundinc.com>.

Contact:

John Buckel, 414-765-4255
U.S. Bancorp Fund Services, LLC