

Special Opportunities Fund, Inc. Announces Proposed Rights Offering

NEW YORK, November 1, 2010 -- (BUSINESS WIRE) -- Special Opportunities Fund, Inc. (NYSE: SPE - News) (the "Fund") announced today that it intends to issue a new class of convertible preferred stock. The Fund will issue transferable rights to its common stockholders that will permit the purchase of the convertible preferred stock.

The Fund intends to issue one right for every 5.5 shares of common stock held on a record date to be determined by the Board of Directors and to be announced in a separate release. Each right will entitle the holder to purchase one new convertible preferred share of the Fund at a price of \$25 per share. The Fund will seek to list both the rights (for at least 20 business days) and the new convertible preferred stock on the New York Stock Exchange. All holders of rights who fully subscribe in the primary offering will have the option to oversubscribe for additional shares of convertible preferred stock which may be available.

The convertible preferred stock will pay a dividend quarterly at a rate of 3-1/4% per annum and will be retired in 5 years at \$25 per share. In addition, it will be convertible into common stock at the ratio of 1.5 shares of common stock for each share of preferred stock (adjusted for any distributions made to common stockholders). At any future date that the net asset value of the Fund's common stock reaches \$20 per share (adjusted for any distributions made to common stockholders) the convertible preferred stock will become callable by the Fund at \$27.50 per share.

The proposed rights offering is subject to the filing of a registration statement covering the rights and the convertible preferred shares to be issued and to other customary regulatory filings and approvals. Any rights offering conducted by the Fund will be made only by means of a prospectus. Additional information about the Fund is available on its website at <http://www.specialopportunitiesfundinc.com>.

Contact:

for Special Opportunities Fund, Inc.
U.S. Bancorp Fund Services, LLC
Karen Mueller, 1-877-607-0414

for Brooklyn Capital Management, LLC
Steve Samuels, 1-203-222-0609