

**For immediate release**

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

**New York, December 10, 2012**—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 \$0.95 per share of common stock consisting of \$0.52 of long term capital gains, \$0.20 of short term capital gains and 0.23 of net investment income.

The dividend is payable on January 25, 2013 to common stockholders of record as of December 21, 2012. The dividend will be paid in shares of common stock of the Fund; however, any stockholder may elect to receive the dividend in cash in lieu of shares of common stock. The dividend is taxable to stockholders in 2012 whether or not they elect to receive cash. The expiration date to elect cash is January 11, 2013. A common stockholder not electing cash will receive additional shares of common stock with a value equal to \$0.95 times the number of shares held on the record date. For the purpose of determining the number of shares to be issued, the per share value of each such additional share will be the greater of (1) 88.5% of the Fund’s net asset value per share on January 18, 2013 or (2) the trade weighted average trading price of the Fund’s common stock on the New York Stock Exchange during the three-business day period ending January 18, 2013. Cash will be paid in lieu of any fractional shares.

In addition, the Board has declared a quarterly cash dividend of \$0.375 on the Fund’s 3.00% Convertible Preferred Stock, Series A. The dividend is payable on December 31, 2012 to holders of record as of December 28, 2012.

As a result of the dividend payable on the common stock, on December 24, 2012 (the next business day after the record date) (1) the conversion ratio for the convertible preferred stock will increase from 3 shares to 3.1813 shares of common stock for each share of convertible preferred stock, and (2) the minimum net asset value that the Fund’s common stock must reach before the Board can determine to redeem the convertible preferred stock will be reduced from \$20 to \$19.05 per share.

For information, please contact: Michael Belland, U.S. Bancorp Fund Services, LLC (1-877-607-0414)