

British Smaller Companies VCT2 plc

Dividends Paid and Allotment of Shares

British Smaller Companies VCT2 plc (the “Company”) announces that on 26 October 2012 it paid gross dividends totalling 2.5 pence per ordinary share to Shareholders on the register of members of the Company as of the record date of 28 September 2012. This total comprises an interim and special dividend of 2.0 pence and 0.5 pence per ordinary share respectively.

The Company further announces that on 26 October 2012 it allotted 151,836 new ordinary shares pursuant to its dividend reinvestment scheme (“Dividend Reinvestment Scheme”) at a price of 62.225 pence per ordinary share to Shareholders of the Company who elected to receive shares instead of the interim cash dividend of 2.0 pence per ordinary share paid by the Company for the six months ended 30 June 2012 and the special dividend of 0.5 pence per ordinary share approved by the directors on 25 July 2012.

Application is now being made for the 151,836 new ordinary shares to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities, and dealings are expected to commence on or around 2 November 2012.

Following such allotment the Company’s issued share capital consists of 38,395,554 ordinary shares with voting rights (“Voting Capital”) and 1,178,356 shares held in Treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FSA’s Disclosure and Transparency Rules.

For further information, please contact:

David Hall

YFM Private Equity Limited

Tel: 0113 294 5039

Matt Thomas

Singer Capital Markets

Tel: 0203 205 7500