

British Smaller Companies VCT2 plc

Offers for Subscription: Allotment of Shares

British Smaller Companies VCT2 plc (the "Company") and British Smaller Companies VCT plc are seeking to raise up to a maximum of £15 million by way of joint offers for subscription of up to 7,374,101 ordinary shares of 10 pence each in the Company and 10,485,934 ordinary shares of 10 pence each in British Smaller Companies VCT plc ("Offers for Subscription"). Full details of the Offers for Subscription are contained in a prospectus issued by the Company and British Smaller Companies VCT plc on 16 November 2012 (the "Prospectus").

The Company announces that on 31 December 2012 it allotted 3,136,695 ordinary shares of 10 pence each at the offer price of 69.50 pence per ordinary share in respect of valid subscriptions received on or before 28 December 2012 for the tax year 2012/2013 pursuant to the Offers for Subscription.

Robert Pettigrew, a non-executive Director of the Company, has been allotted 5,059 ordinary shares of 10 pence each in the Company. This takes his total shareholding to 54,292 ordinary shares in the Company.

Application is now being made by the Company for the ordinary shares which were allotted on 31 December 2012 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 8 January 2013.

Following the allotment the Company's issued share capital consists of 41,457,844 ordinary shares with voting rights ("Voting Capital") and 1,252,761 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.

The 2012/2013 Offers for Subscription will remain open until 11:00 am on 5 April 2013 and the 2013/14 Offers for Subscription will remain open until 11:00 am on 30 April 2013, unless maximum subscription is reached before either of the closing dates.

A copy of the Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>. It can also be viewed on the Company's website <http://www.yfmep.com>.

31 December 2012

For further information, please contact:

David Hall

YFM Private Equity Limited

Tel: 0113 294 5055

Matthew Thomas

Nplus1 Singer Advisory LLP

Tel: 0203 7496 3000