

British Smaller Technology Companies VCT 2 plc ("the Company")

Announcement in respect of holding in DxS Ltd

The Company held 13,500 shares in DxS Ltd representing approximately 3.75% of that company's fully diluted issued share capital. Yesterday an undisclosed acquirer purchased the shareholding in DxS for an initial cash payment of approximately £1.8m including the redemption and repayment of outstanding loanstock and loans.

This transaction and resulting cash receipt for the Company compares to a carrying value of £817k which was incorporated within the net asset value of British Smaller Technology Companies VCT 2 plc at 30 June 2009. Consequently the effect of this transaction had it been incorporated into the accounts at 30 June 2009 would have been to have increased the Company's net asset value per share from 75.7 pence per share to 81.7 pence per share, an increase of 7.9%.

The impact on the total return, calculated by reference to the net asset value per share and cumulative dividends paid, would have been to have increased the total return at 30 June 2009 2008 from 93.7 pence per share to 99.7 pence per share.

The Company may become entitled to receive up to a further £1.25m over the period to 2012 subject to the achievement by DxS of specific performance milestones. This has not been taken into account in the calculation of total return.

In conformity with the Transparency Directive's transitional provision 6, the Company notifies the market of the following:

The Company's issued share capital consists of 16,641,257 Ordinary Shares with voting rights. Therefore, the total number of voting rights is 16,641,257.

The above figure 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.

22 September 2009

End

For further details, please contact:

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