

BRITISH EMPIRE TRUST PLC (the "Company")

Issue of £30m and €30m fixed rate notes

British Empire Trust plc announces that it has agreed to issue fixed rate 20 year unsecured private placement notes (the "Notes") to obtain fixed rate, long-dated Sterling and Euro denominated financing at a price that the Company's Directors and Investment Managers, AVI, consider attractive. This is expected to enhance long-term investment performance, reflecting the view of both parties that current market conditions offer significant opportunities for the Company's investment approach.

The Notes will be issued in two tranches:

- The first tranche will be £30 million.
- The second tranche will be €30 million (equivalent to approximately £21.8 million at today's exchange rate).

At the current exchange rate, the blended annualised cost of the new debt is 3.79%

The funding date is expected to be 15 January 2016 and the Notes are due to be repaid on 15 January 2036. The interest payment dates will be 15 January and 15 July.

The Notes will be unsecured. There has been no change in the Company's formal policy on gearing, as set out on page 34 of the 2015 Annual Report. Total fixed rate borrowing, including the Notes, will increase from £15 million to £66.8 million following completion of this transaction.

Enquiries: Asset Value Investors 020 7659 4800

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