

The Gabelli Equity Trust Inc.

September 12, 2005

THE GABELLI EQUITY TRUST INC. ANNOUNCES RIGHTS OFFERING

THE RIGHTS OFFERING IS IMPORTANT

The Board of Directors of The Gabelli Equity Trust Inc. (the "Fund") has announced a transferable rights offering. The rights offering will be made only to shareholders by means of a prospectus, and this letter does not constitute an offer of any of the Fund's securities for sale. In this regard, we will describe the terms of the offer directly to you prior to the mailing of the prospectus.

TERMS OF THE OFFER

- PRIMARY SUBSCRIPTION RIGHTS: The Fund proposes to offer shareholders one transferable right for each common share held on the record date. Seven rights will be required to purchase one additional common share at the subscription price and for registered shareholders, free of commission.

Example: A shareholder owns 700 common shares on the record date. The owner will receive 700 rights that, in turn, permit the shareholder to purchase an additional 100 common shares.

- OVER-SUBSCRIPTION PRIVILEGE: The over-subscription privilege permits all record date shareholders who have fully exercised their primary subscription rights to subscribe for any additional amount of unsubscribed shares, if available, which they may receive based on a pro-rata allocation formula. In addition, under certain circumstances, the Fund may issue additional common shares to satisfy over-subscription requests by shareholders of record in excess of the common shares available for the over-subscription privilege. Rights acquired in the secondary market may not participate in the oversubscription privilege.

TIMETABLE

The record date for the rights offering will be September 21, 2005. The subscription period will be 35 calendar days beginning on the record date, unless extended up to ten business days thereafter. It is expected that certificates evidencing the right to subscribe together with a prospectus will be mailed to shareholders of record within three days following the record date. The prospectus will include instructions regarding the exercise or sale of rights.

SUBSCRIPTION PRICE

The subscription price will be \$7.00 per share, which is below the current Market Value and Net Asset Value.

NOTE: For questions and further information contact Carter Austin at **800-GABELLI (800-422-3554)** or (914) 921-5070.