

PRESS RELEASE

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Katahdin Trust Company Announces Plan To Open Two Full-Service Facilities in Bangor and Hampden

HOULTON: Jon J. Prescott, President and CEO of Katahdin Trust Company, today announced that the Bank plans to open two branch locations in Bangor and Hampden in 2010, offering full-service community banking to individuals and small business owners.

Currently, Katahdin Trust Company operates a Loan Production Office (LPO) on Stillwater Avenue in Bangor, along with 14 branch locations in northern Maine and an additional LPO in Scarborough.

“We are eagerly anticipating the opening of these two new branches,” Prescott said. “Since we opened our Bangor LPO two years ago, the response to our commercial lending services has been very strong, and we believe our exceptional brand of full-service banking will be embraced equally well.”

Prescott stated that Katahdin Trust Company’s commitment to service reflects a long history of true traditional community banking. “Our brand of banking is relationship-driven and service-oriented,” he explained. “That’s very refreshing to a lot of individuals and to business owners who prefer to share a professional relationship with their banker.”

Katahdin Trust Company, established in 1918, with nearly \$500 million in assets today, spans a longstanding tradition of community banking: helping its neighbors, its customers and its communities. In 2009 the Bank contributed over \$150,000 in donations and in-kind support to communities throughout northern Maine. The Bank’s 168 employees volunteered nearly 11,000 hours in a wide range of activities from serving on economic development and local hospital boards to coaching little league teams.

Katahdin Trust Company has been recognized for the past three years in US Banker magazine for being among the top 200 publicly traded community banks in the United States with respect to Average Return on Equity over a three-year period.

Katahdin Trust Company is owned by a one-bank holding company, Katahdin Bankshares Corp. which is quoted on the NASDAQ Over-the-Counter Bulletin Board (OTCBB) under the symbol KTHN. Current stock information can be found on the OTCBB website at www.otcbb.com.

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