

FOR IMMEDIATE RELEASE  
FIRST SOUTH BANK  
PRESS RELEASE  
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### **First South Bank Opens New Retail Banking Office**

Washington, North Carolina - First South Bancorp, Inc. (NASDAQ: FSBK), parent holding company of First South Bank, reports the First South Bank loan production office located at 904 A West Broad Street, Dunn, North Carolina has converted to a retail banking office.

The office began operating as a retail banking office on April 14, 2008 and is First South Bank's first retail banking office in the Dunn and Harnett County market area. The initial focus of the new retail banking office will be on marketing the Bank's loan products and deposit services to local businesses and individuals, including: commercial and consumer loans, residential mortgage and construction loans, certificates of deposit and money market accounts.

Chad Massengill, who has eleven years banking experience in the Dunn market area, will serve as Assistant Vice President and manager of the new retail banking office, along with Caroline Ennis who has three years banking experience serving as loan officer assistant and retail sales associate.

The new office may be reached by phone at 910-892-2861.

"The new retail banking office will help us serve the needs of our growing customer base in the Dunn and Harnett County market area," First South Bank Senior Vice President and Area Executive Tim Brown said. "The new office will offer the same hometown atmosphere that our customers have come to expect from First South Bank, as well as a convenient location, an experienced staff, and a variety of loan and deposit products."

Brown said, "The Bank is excited about the new retail banking office and the additional level of services it will provide to the Dunn market area. This office is a statement of our total commitment to the people of eastern North Carolina and Harnett County. First South Bank is dedicated to providing the best possible service to both our current and future customers."

First South Bank has been serving the citizens of North Carolina since 1902 and offers a variety of financial products and services, including a Leasing Company and securities brokerage services through an affiliation with a broker/dealer. First South Bank operates through its main office headquartered in Washington, North Carolina, and has thirty full service branch offices and two loan production offices located throughout central, eastern, northeastern and southeastern North Carolina.

Statements contained in this release, which are not historical facts, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors which include, but are not limited to, factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time.

(NASDAQ: FSBK)