

CAPITAL MARKETS ANNOUNCEMENT

Northeast Bancorp (NASDAQ: NBN) Announces Completion of Public Offering of Common Stock

Sandler O'Neill + Partners, L.P. was the sole book-running manager in the common stock offering. This represents the 85th public common equity offering for a bank or thrift which Sandler O'Neill has completed since January 1, 2009, more than any other underwriter during that time period, raising over \$42 billion.

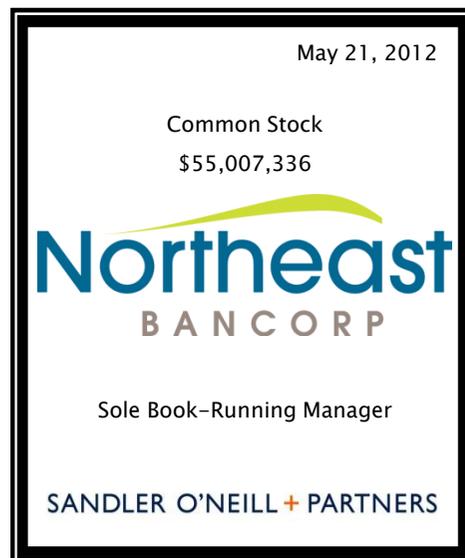
About the Offering:

Northeast Bancorp announced the closing of its public offering of 6,875,917 shares of its common stock, including 625,917 shares of common stock issued pursuant to the exercise in part by the underwriter of its over-allotment option, for aggregate gross proceeds of approximately \$55.0 million. The net proceeds to Northeast after deducting underwriting discounts and commissions, placement agent fees and estimated offering expenses are expected to be approximately \$52.8 million.

The Company intends to use the net proceeds of the offering to contribute to the capital of Northeast Bank for general corporate purposes, including leveraging Northeast Bank's balance sheet to allow for loan purchases, organic loan growth and investment in securities, the redemption of some or all of the 4,227 shares of Series A preferred stock issued to the U.S. Treasury in the TARP Capital Purchase Program and the pursuit of strategic opportunities.

About the Bank:

Northeast Bancorp is the holding company for Northeast Bank, a full service bank headquartered in Lewiston, Maine. Northeast Bank derives its income from traditional banking services as well as from its Loan Acquisition and Servicing Group, which purchases performing commercial loans for the Bank's portfolio. Northeast Bank operates ten full-service branches, four investment centers and three loan production offices that serve individuals and businesses located in western and south-central ME and southern NH.



Company Profile

Company:	Northeast Bancorp
Headquarters:	Lewiston, ME
Symbol (Exchange):	NBN (NASDAQ)

Pre-Offering Financial Summary

Total Assets:	\$595 Million
Total Deposits:	\$404 Million
Total Equity:	\$65 Million

Financial information as of March 31, 2012
Source: SNL Financial

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

Sandler O'Neill Contacts:

Robert Kleinert
Managing Principal
(212) 466-7806

Mary Anne Callahan
Principal
(212) 466-7951

Jennifer Docherty
Managing Director
(212) 466-7796

Firman Leung
Managing Director
(212) 466-7867

Demetrios Hadgis
Associate Director
(212) 466-8019

Jocelyn Kukulka
Associate
(212) 466-8032

Kristin DeFeo
Analyst
(212) 466-8055

SANDLER O'NEILL + PARTNERS, L.P.

New York – Atlanta – Boston – Chicago – San Francisco