

**FOR IMMEDIATE RELEASE**

**OSAGE BANCSHARES, INC.**  
**ANNOUNCES RECORD EARNINGS AND**  
**QUARTERLY DIVIDEND**

May 3, 2010

Pawhuska, OK

Mark S. White, President and Chief Executive Officer of Osage Bancshares, Inc. (OTC Bulletin Board: OSBK.OB) (the "Company") and its subsidiary Osage Federal Bank, today announced that the Company recorded record net income for the three months ended March 31, 2010 of \$326,000 (\$.13 per diluted share), compared to a net loss of \$(89,000), (\$.04) per diluted share) in the same period of 2009. During the quarter ended March 31, 2010, the Company recorded a pre-tax charge of \$12,000 related to estimated credit losses on a held-to-maturity private label security. During the quarter ended March 31, 2009, the Company recorded a pre- and post-tax charge of \$399,000 (\$.16) per diluted share) on the other-than-temporary impairment (OTTI) of its investment in the AMF Ultra-Short Mortgage Fund.

The annualized return on assets for the quarter was 0.84%, with an annualized return on equity of 5.33%, compared to (0.23)% and (1.38)%, respectively, for the quarter ended March 31, 2009. Excluding the OTTI charges for each period, net income would have been \$334,000 and \$310,000 for the quarters ended March 31, 2010 and 2009, respectively, with an annualized return on assets of 0.86% and 0.80%, respectively, and annualized return on equity of 5.45% and 4.79%, respectively.

Net income for the nine months ended March 31, 2010 was \$804,000 (\$.32 per diluted share), compared to a net loss of \$(1.8) million (\$.68) per diluted share), in the same period of 2009. During the period ended March 31, 2010, the Company recorded a pre-tax charge of \$112,000 (\$.03) per diluted share) on the OTTI related to estimated credit losses on two held-to-maturity private label securities. In 2009, the Company recorded a pre- and post-tax charge of \$2.6 million (\$.99) per diluted share) during the period on the other-than-temporary impairment (OTTI) of its investment in the AMF Ultra-Short Mortgage Fund (the Fund).

The annualized return on assets for the nine months ended March 31, 2010 was .67% (.73% excluding the OTTI charge), compared to (1.56)% (.71% excluding the OTTI charge) in the previous period. Return on equity for the current period was 4.18% (4.54% excluding the OTTI charge), compared to (8.66)% (3.92% excluding the OTTI charge) in the previous period.

Total assets increased \$695,000 from June 30, 2009, and as of March 31, 2010 were \$159.0 million, reflecting an increase in held-to-maturity securities, partially offset by a decrease in cash and cash equivalents and loans receivable. Total stockholders' equity decreased \$2.3 million from June

30, 2009, and as of March 31, 2010 was \$22.5 million. The Company completed its fifth buyback in March 2010, and purchased 257,412 shares for a total of \$2,258,000 during the quarter.

The Company's asset quality ratios remain strong. The Company had no non-performing loans at March 31, 2010. The allowance for loan losses at March 31, 2010 was \$487,000, and represented .48% of total loans. Net loan recoveries for the nine months ended March 31, 2010 were \$24,000 compared to net charge-offs of \$27,000 in 2009.

The Company also announced that its Board of Directors had declared its fourteenth quarterly cash dividend of \$.085 per share, payable May 25, 2010 to stockholders of record as of May 11, 2010. It is the Board of Directors' current intention to pay dividends quarterly. The payment of future dividends, however, will be subject to the financial condition, earnings and capital requirements of the Company and the Bank. Osage Bancshares, Inc., through its subsidiary Osage Federal Bank, operates three offices and three automated teller machines in Osage and Washington Counties, Oklahoma. The Company's stock is traded on the Over the Counter Bulletin Board under the symbol OSBK.OB.

Statements contained in this news release which are not historical facts are forward-looking statements as the term is 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, changes in economic conditions in our market area, regulatory changes, interest rate changes, and competition.

A consolidated financial summary follows.

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**OSAGE BANCSHARES, INC.**  
**FINANCIAL HIGHLIGHTS**  
(Dollars in thousands, except per share data)

	As of							
	March 31, 2010		June 30, 2009					
<b>Financial Condition Highlights:</b>								
Total assets	\$	158,984	\$	158,289				
Loans		100,159		100,551				
Total investment securities		38,284		34,169				
Foreclosed assets		331		220				
Deposits		110,919		109,590				
Advances with Federal Home Loan Bank		22,742		20,700				
Stockholders' Equity		22,532		24,823				
Stockholders' Equity per outstanding common share	\$	8.99	\$	8.92				
<b>Selected Asset Quality Ratios:</b>								
Nonperforming loans to total loans		0.00 %		0.20 %				
Nonperforming assets to total assets		0.21		0.26				
Allowance for loan losses to non-performing assets		147.30		111.04				
		<b>Three months ended</b>		<b>Nine months ended</b>				
		<b>March 31,</b>		<b>March 31,</b>				
		<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>			
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<b>Operating Highlights:</b>								
Net interest income	\$	1,271	\$	1,217	\$	3,659	\$	3,704
Provision for loan losses		---		25		---		50
Noninterest income		274		316		837		736
Noninterest expense		1,041		1,386		3,258		5,744
Noninterest expense excluding impairment charges on investment securities		1,029		987		3,146		3,098
Net income (loss)		326		(89)		804		(1,822)
Net income (loss) per share (diluted)	\$	0.13	\$	(0.04)	\$	0.32	\$	(0.68)