

FOR IMMEDIATE RELEASE

OSAGE BANCSHARES, INC.
ANNOUNCES RECORD EARNINGS AND
QUARTERLY DIVIDEND

August 6, 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 net income for the three months ended June 30, 2010 of \$320,000 (\$.14 per diluted share), compared to net income of \$229,000, (\$.09 per diluted share) in the same period of 2009. During the quarter ended June 30, 2010, the Company recorded a pre-tax charge of \$69,000 (\$.02 per diluted share) related to the other-than-temporary impairment (OTTI) on a held-to-maturity private label security. This charge has to do with estimated credit losses on this security.

The annualized return on assets for the quarter ended June 30, 2010 was 0.80%, with an annualized return on equity of 5.38%, compared to 0.58% and 3.57%, respectively, for the quarter ended June 30, 2009. Excluding the credit losses during the current period, net income would have been \$363,000 for the quarter ended June 30, 2010, with an annualized return on assets of 0.91% and annualized return on equity of 6.10%.

Net income for the year ended June 30, 2010 was a record \$1.1 million (\$.46 per diluted share), compared to a net loss of \$(1.6) million (\$.61 per diluted share), in the same period of 2009. During the year ended June 30, 2010, the Company recorded a pre-tax charge of \$181,000 (\$.05 per diluted share) related to the other-than-temporary impairment (OTTI) on two held-to-maturity private label securities. In 2009, the Company recorded a pre- and post-tax charge of \$2.6 million (\$(1.01) per diluted share) during the year on the OTTI of its investment in the AMF Ultra-Short Mortgage Fund (the Fund).

The annualized return on assets for the year ended June 30, 2010 was .71% (.78% excluding the OTTI charge), compared to (1.02)% (.67% excluding the OTTI charge) in the previous year. Return on equity for the current year was 4.47% (4.91% excluding the OTTI charge), compared to (5.80)% (3.83% excluding the OTTI charge) in the previous year.

Total assets increased \$1.5 million from June 30, 2009, and as of June 30, 2010 were \$159.8 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 \$2.0 million from June 30, 2009, and as of June 30, 2010 was \$22.8 million. The Company completed its fifth stock buyback in March 2010, and purchased 277,712 shares for a total of \$2,416,000 during the year ended June 30, 2010.

The Company's asset quality ratios remain strong. The Company had \$657,000 of non-performing loans at June 30, 2010. The allowance for loan losses at June 30, 2010 was \$592,000, and represented .61% of total loans. Net loan recoveries for the year ended June 30, 2010 were \$29,000, compared to net charge-offs of \$37,000 in 2009.

The Company also announced that its Board of Directors had declared a quarterly cash dividend of \$.085 per share, payable August 23, 2010 to stockholders of record as of August 9, 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			
	June 30, 2010	June 30, 2009		
Financial Condition Highlights:				
Total assets	\$ 159,752	\$ 158,289		
Loans	97,170	100,551		
Total investment securities	40,051	34,169		
Foreclosed assets	166	220		
Deposits	110,977	109,590		
Advances with Federal Home Loan Bank	22,904	20,700		
Stockholders' Equity	22,839	24,823		
Stockholders' Equity per outstanding common share	\$ 9.11	\$ 8.92		
Selected Asset Quality Ratios:				
Nonperforming loans to total loans	0.67 %	0.19 %		
Nonperforming assets to total assets	0.52	0.26		
Allowance for loan losses to non-performing assets	71.95	111.04		
	Three months ended			
	June 30,			
	2010	2009		
	Year ended			
	June 30,			
	2010	2009		
Operating Highlights:				
Net interest income	\$ 1,279	\$ 1,160	\$ 4,938	\$ 4,864
Provision for loan losses	100	20	100	70
Noninterest income	348	361	1,185	1,097
Noninterest expense	1,041	1,132	4,299	6,876
Noninterest expense excluding impairment charges on investment securities	972	1,132	4,118	4,231
Income taxes	166	140	600	608
Net income (loss)	\$ 320	\$ 229	\$ 1,124	\$ (1,593)
Net income (loss) per share (diluted)	\$ 0.14	\$ 0.09	\$ 0.46	\$ (0.61)