

****FOR IMMEDIATE RELEASE****

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**HAMPSHIRE FIRST BANK RECEIVES FORMAL APPROVAL
TO OPERATE AS A FULLY CHARTERED STATE BANK**

Manchester, NH – November 28, 2006. Hampshire First Bank (the “Bank”), (NASDAQ:HFBN), announced today that it has received approval from the New Hampshire Board of Bank Incorporation and the Federal Deposit Insurance Corporation to operate as a state chartered commercial bank. Among the final steps required of the Bank was to raise sufficient equity capital to support its planned operations. That was accomplished when the Bank’s recent initial public offering was oversubscribed.

James M. Dunphy, President and CEO, stated “This is an exciting time for all of us involved in bringing this financial institution to Southern New Hampshire. We have been working diligently to lay the foundation for a strong community bank that will focus on the success of our customers. Today, along with this final approval, we have the team in place ready to serve our clients. Hampshire First Bank will be a true community resource for New Hampshire. We welcome all residents to contact us.”

Hampshire First Bank is a New Hampshire-chartered commercial bank that will serve clients throughout Southern New Hampshire. The Bank will open its first branch office at 221 Main Street in Nashua, New Hampshire November 28. In addition, a second branch office is under construction at the Bank’s headquarters, 80 Canal Street, Manchester, New Hampshire. It is anticipated that the Manchester office will open in early 2007. The Bank’s common stock is traded on NASDAQ, under the symbol “HFBN,” and commenced trading on November 22, 2006.

Among the organizers of Hampshire First Bank are Meridian Interstate Bancorp, Inc., the holding company for East Boston Savings Bank, a Massachusetts-based mutual savings bank, and ten local individuals who are the proposed directors of the Bank. Meridian Interstate Bancorp, Inc. will own a 40 percent interest in the Bank.

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