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For More Information:

Ronald L. Thigpen
Executive Vice President and COO
Southeastern Bank Financial Corp.
706-481-1014

John Marsh
President
Marsh Communications LLC
770-458-7553

**Southeastern Bank Financial Corp. Raises
\$12 Million in Capital**
Company Withdraws TARP Application

AUGUSTA, Ga., May 14, 2009 – Southeastern Bank Financial Corp. (OTCBB:SBFC), the holding company for Georgia Bank & Trust Company of Augusta (GB&T) and Southern Bank & Trust (SB&T), today announced that it has raised \$12 million in capital through a private placement of 682,894 shares of its common stock at \$13.25 per share, for aggregate gross proceeds of \$9 million, and a \$3 million subordinated debenture. The company also announced that it has withdrawn its application from the U.S. Treasury Department for the TARP Capital Purchase Program.

“Although we are well-capitalized and have adequate loan loss reserves, we wanted to raise additional capital as a prudent hedge against a prolonged recession,” said R. Daniel Blanton, president and chief executive officer. “Initially, we applied to the Treasury for a TARP investment. However, our board determined that the best interest of the company and its shareholders would be served by withdrawing our TARP application and, instead, raising capital in a private placement that would provide more flexibility and predictability for the company than the terms of a government investment under the TARP Capital Purchase Program presently provide.”

The company sold approximately \$9 million in stock to directors, officers and other accredited investors, over the past 3 weeks. It raised approximately \$3 million in the form of an 8 percent subordinated debenture due 2014. The holding company will utilize these funds to provide additional capital for Georgia Bank & Trust Company.

At March 31, 2009, the company had a total risk-based capital ratio of 11.60 percent and a Tier 1 risk-based capital ratio of 10.34 percent. Including the addition of the new capital, on a pro forma basis, the company's total risk-based capital ratio is 12.30 percent and its Tier 1 risk-based capital ratio is 11.04 percent. The threshold for being classified as "well capitalized" by federal regulators is 10 percent and 6 percent, respectively.

About Southeastern Bank Financial Corp.

Southeastern Bank Financial Corp. is the \$1.5 billion-asset bank holding company of Georgia Bank & Trust Company of Augusta (GB&T) and Southern Bank & Trust (SB&T). GB&T is the largest locally owned and operated community bank in the Augusta metro market, with nine full-service Augusta-area offices and offices in Athens, Ga., and Greenville, S.C. SB&T is a federally chartered thrift serving the Aiken County, S.C., market, with three full-service offices. The company also has mortgage operations in Augusta and Savannah. The banks focus primarily on real estate, commercial and consumer loans to individuals, small to medium-sized businesses and professionals, and also provide wealth management and trust services. The company's common stock is publicly traded on the OTC Bulletin Board under the symbol SBFC. For more information, please visit the company's Web site, www.georgiabankandtrust.com.

Safe Harbor Statement – Forward-Looking Statements

Statements made in this release by Southeastern Bank Financial Corporation (The Company) other than those concerning historical information, should be considered forward-looking and subject to various risks and uncertainties. Such forward-looking statements are made based upon management's belief as well as assumptions made by, and information currently available to, management pursuant to "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The Company's actual results may differ materially from the results anticipated in forward-looking statements due to a variety of factors, including: unanticipated changes in the Bank's local economy and in the national economy; governmental monetary and fiscal policies; deposit levels, loan demand, loan collateral values and securities portfolio values; difficulties in interest rate risk management; difficulties in operating in a variety of geographic areas; the effects of competition in the banking business; changes in governmental regulation relating to the banking industry, including regulations relating to branching and acquisitions; failure of assumptions underlying the establishment of reserves for loan losses, including the value of collateral underlying delinquent loans; and other factors. The Company cautions that such factors are not exclusive. The Company does not undertake to update any forward-looking statement that may be made from time to time by, or on behalf of, the Company.

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