



****PRESS RELEASE****

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**FIRST BANCORP OF INDIANA, INC.
ANNOUNCES QUARTERLY CASH DIVIDEND**

Evansville, Indiana: November 20, 2008. The Board of Directors of First Bancorp of Indiana, Inc. (OTCBB:FBPI) declared this day a quarterly cash dividend of \$0.155 per share, payable to stockholders of record as of December 1, 2008. The dividend will be paid on or about December 15, 2008. The annual dividend rate on this quarterly declaration is unchanged from the preceding quarter and results in an annualized dividend yield of 6.7% based on the \$9.25 price for the last reported trade on November 20, 2008.

First Bancorp of Indiana, Inc. is the holding company for First Federal Savings Bank, Evansville, Indiana, a federally chartered savings bank which converted from mutual to stock form on April 7, 1999, and currently operates seven offices in the Evansville, Indiana area, one office in Washington, Indiana and one office in Petersburg, Indiana.

Certain information in this press release may constitute forward-looking information that involves risks and uncertainties that could cause actual results to differ materially from those estimated. Persons are cautioned that such forward-looking statements are not guarantees of future performance and are subject to various factors that could cause actual results to differ materially from those estimated. Undue reliance should not be placed on such forward-looking statements.