

**FORT ORANGE
FINANCIAL CORP.**



For Immediate Release:

January 3, 2011

Tomson Named President of Capital Bank

Chemung Financial Corporation (CHMG.OB) and Fort Orange Financial Corp. (FOFC.OB) today announced that effective January 1, 2011, Anders M. Tomson has been named President of Capital Bank.

A lifelong resident of Albany, NY, Mr. Tomson has worked in the Capital District for more than 2 decades, most recently as Senior Vice President and Commercial Real Estate Division Executive for RBS Citizens Bank. Tomson has also served as Senior Vice President of the Community Preservation Corporation and Senior Vice President of Conley Realty Associates, Ltd.

“We are delighted to welcome Anders Tomson to our company,” said Ronald M. Bentley, President and CEO of Chemung Financial Corporation. “We are confident that Anders’ leadership skills and commitment to our relationship-based community banking business model will help us build and expand our business in the Capital Region,” Bentley added.

Eugene M. Sneeringer, Jr., Esq., Chairman of Fort Orange Financial Corporation, parent of Capital Bank added, “We are enthusiastic about the selection of Anders Tomson to lead Capital Bank’s banking operations in the Region and we look forward to working with him as he seeks to build and expand the Bank’s presence in the Albany market.”

On October 15, 2010, Fort Orange announced that it had entered into a definitive merger agreement with Chemung Financial Corporation, parent of Chemung Canal Trust Company, headquartered in New York’s southern tier. Under the terms of the agreement, Chemung will purchase all of the outstanding shares of Fort Orange Financial Corp. in a stock and cash transaction valued at approximately \$29 million.

Upon completion of the merger, Capital Bank, which operates through 5 offices in the Capital District, will retain its current identity and operate as a division of Chemung Canal Trust Company. Until the merger is completed, Mr. Tomson will serve as President of Capital Bank and Trust. Upon closing, Mr. Tomson will lead the local organization as President of Chemung’s Financial Corporation’s Capital Bank Division. The merger is expected to be completed by the end of the first quarter of 2011.

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“I am excited about the opportunity to lead the expansion of Capital Bank within the region,” Tomson said. “Once the merger is complete, our expanded menu of products and services including a full service wealth management operation, and our greater lending capacity, will enable our team of knowledgeable and experienced bankers to offer the finest in community banking to the residents and businesses in the Capital District.”

Mr. Tomson serves as Treasurer and Finance Committee Chair for The Capitalize Albany Corporation, Secretary and Annual Fund Chair for the Albany Medical Center Foundation, President of the Capital City Housing Corporation and President of the Visiting Nurses Association of Albany, Inc. A graduate of Cornell University, Mr. Tomson resides in Slingerlands with his wife, Mary Ellen and two children.

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The full text of this press release may be found at www.capitalbank.com and www.chemungcanal.com.

This press release may include forward-looking statements with respect to revenue sources, growth, market risk, corporate objectives and possible losses due to asset quality. These statements constitute “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Chemung Financial Corporation and Fort Orange Financial Corp. assume no duty, and specifically disclaim any obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, and cautions that these statements are subject to risks and uncertainties that could cause actual operating results to differ materially.