

The Depository Trust Company

IMPORTANT

B#: 0018-06

DATE: August 11, 2006

TO: All Participants

CATEGORY: Dividends

FROM: Ray Lew, Specialist, Stock Dividend Department

ATTENTION: Dividend Managers, Cashiers, and Reorganization Managers

SUBJECT: Rights: Waccamaw Bankshares, Inc.
Common CUSIP: 929741106 Contra-CUSIP: 929741999
R/D: 7/12/06 Expires: 8/31/06 5:00 North Carolina time
Rate: One Right for every seven common shares held

*****WARNING TIME CRITICAL*****

Waccamaw Bankshares, Inc. is issuing non-transferable rights ("Rights") to stockholders of its common shares as of the close of business on the record date of July 12, 2006 (the "Record Date"). Each shareholder is entitled one Right for every seven common shares held. Fractional Rights entitlements are being rounded down to the nearest whole number of Rights.

DTC credited Rights to participants' accounts on August 11, 2006.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) MENU OPTION OF THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA) SHOULD BE USED TO CONFIRM YOUR POSITION HISTORY AND PAYMENT INFORMATION.

IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS), FUNCTION CODE 59, WHICH WILL BE AVAILABLE SHORTLY FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE AND ANY EXTENSIONS TO THE EXPIRATION DATE.

B#:0018-06

If participants have any questions regarding this Important Notice, they may contact DTC's Customer Help Line at (888) 360-3822.

If participants have any questions regarding the Rights Offering, they may contact Waccamaw Bankshares, Inc., at (910) 914-4215.