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PINNACLE BANCSHARES ANNOUNCES RESULTS FOR FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2010

Jasper, Alabama (April 5, 2011) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB:PCLB), today announced Pinnacle's results of operations for the fourth quarter and year ended December 31, 2010.

For the three months ended December 31, 2010, Pinnacle reported a net loss of $3,000, compared with net income of $314,000 for the three months ended December 31, 2009.

Net interest income before the provision for loan losses for the three months ended December 31, 2010, was $1,932,000, compared with $1,931,000 in the same period last year.

For the year ended December 31, 2010, net income was $655,000, compared with net income of $201,000 in the prior year. Net interest income before the provision for loan losses for the year ended December 31, 2010, was $7,689,000, compared with $7,550,000 in the prior year.

Basic and diluted earnings were each $0.52 per share for the year ended December 31, 2010. For last year, basic and diluted earnings were each $0.16 per share. For the three months ended December 31, 2010, basic and diluted earnings (loss) were each ($0.02) per share. For the same period last year, basic and diluted earnings were each $0.25 per share.

The Company's net interest margin was 4.00% for the year ended December 31, 2010, compared to 3.84% for the year ended December 31, 2009.

At December 31, 2010, the Company's allowance for loan losses as a percent of total loans was 2.11%, compared to 2.80% at December 31, 2009. At December 31, 2010, the Company's allowance for loan losses as a percent of nonperforming loans was 161.00%, compared to 346.99% at December 31, 2009. Based on current real estate valuations, Pinnacle believes its allowance for loan losses is adequate. If economic conditions do not improve, additional charge-offs and further significant increases in the allowance may be necessary.

Charge-offs, net of recoveries, were $3,545,000 in 2010, compared to $1,100,000 in the prior year. Nonperforming assets were $2,105,000 at December 31, 2010, compared to $1,404,000 at December 31, 2009. The ratio of nonperforming assets to total assets was 1.82% at December 31, 2010, compared to 0.65% at December 31, 2009.

Mr. Nolen noted that the minimal loss in the fourth quarter was primarily due to the significant increases in Pinnacle's provision for loan losses from - $471,000 in 2009 to $800,000 in 2011. Mr. Nolen commented that this higher provision as well as conservative underwriting practices were part of Pinnacle's ongoing efforts to support both the financial condition of its subsidiary Bank and shareholder interest.

Mr. Nolen reminded investors that, although Pinnacle remains well capitalized and has been able to avoid liquidity issues, Pinnacle continues to operate in a challenging and uncertain economic and regulatory environment. Financial institutions in Alabama and throughout the U. S. have been, and continue to be, affected by significant declines in economic conditions and constrained financial markets. Pinnacle retains direct exposure to the residential and commercial real estate markets.

The Company believes declines in economic conditions and financial stresses as a result of the uncertain economic environment, including job losses, have had and could continue to have an adverse affect on Pinnacle’s borrowers or their customers, which could adversely affect Pinnacle’s financial condition and results of operations.

Deterioration in local economic conditions in Pinnacle’s markets could drive losses beyond those which are provided for in the allowance for loan losses and result in a number of adverse consequences, including increases in loan delinquencies; increases in nonperforming assets; decreases in demand for Pinnacle’s products and services, which could affect Pinnacle’s liquidity position; and decreases in the value of the collateral securing Pinnacle’s loans, which could reduce customers’ borrowing power.

Information contained in this press release, other than historical information, may be considered forward-looking in nature and is subject to various risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

Pinnacle Bancshares, Inc.’s wholly owned subsidiary Pinnacle Bank has seven offices located in central and northwest Alabama.

PINNACLE BANCSHARES, INC
Unaudited Financial Highlights

	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009
Net Income (loss)	$ (3,000)	$ 314,000
Weighted average basic shares outstanding	1,270,128	1,270,128
Weighted average diluted shares outstanding	1,270,128	1,270,128
Dividend per share	$ 0.11	$ 0.11
Provision for loan losses	$ 800,000	$ 471,000
Basic earnings (loss) per share	$ (0.002)	$ 0.25
Diluted earnings (loss) per share	$ (0.002)	$ 0.25
Performance Ratios: (annualized)		
Return on average assets	(0.01%)	0.58%
Return on average equity	(0.06%)	5.83%
Interest rate spread	4.15%	3.93%
Net interest margin	4.16%	3.95%
Operating cost to assets	3.15%	2.99%

	At December 31, 2010	At December 31, 2009
Net Income	$ 655,000	$ 201,000
Weighted average basic shares outstanding	1,270,128	1,270,128
Weighted average diluted shares outstanding	1,270,128	1,270,128
Dividend per share	$ 0.44	$ 0.44
Provision for loan losses	$ 2,415,000	$ 3,023,000
Basic earnings per share	$ 0.52	$ 0.16
Diluted earnings per share	$ 0.52	$ 0.16
Performance Ratios:		
Return on average assets	0.31%	0.09%
Return on average equity	3.07%	0.96%
Interest rate spread	3.98%	3.82%
Net interest margin	4.00%	3.84%
Operating cost to assets	3.00%	2.96%

	At December 31, 2010	At December 31, 2009
Total assets	$200,890,000	$ 216,668,000
Loans receivable, net	$113,165,000	$ 123,876,000
Deposits	$175,374,000	$ 190,892,000
Total stockholders' equity	$ 20,653,000	$ 20,643,000
Weighted average book value per share	$ 16.26	$ 16.25
Total stockholders' equity to asset ratio	10.28%	9.53%
Asset Quality Ratios:		
Nonperforming loans as a percent of total loans	1.31%	0.81%
Nonperforming assets as a percent of total assets	1.82%	0.65%
Allowance for loan losses as a percent of total loans	2.11%	2.80%
Allowance for loan losses as a percent of nonperforming loans	161.00%	346.99%