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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2009**

Jasper, Alabama (March 08, 2010) – 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, 2009.

Mr. Nolen stated: "We are pleased with the results for the fourth quarter which, in a difficult economic environment, showed a slight increase in net income. For the three months ended December 31, 2009, net income was \$314,000, compared with net income of \$309,000 for the three months ended December 31, 2008. We achieved this increase despite a significant increase in our provision for loan losses, from \$173,000 in 2008 to \$471,000 in 2009."

Net interest income before the provision for loan losses for the three months ended December 31, 2009, was \$1,931,000, compared with \$1,741,000 in the same period last year.

For the year ended December 31, 2009, net income was \$201,000, compared with net income of \$1,225,000 in the prior year. Net interest income before the provision for loan losses for the year ended December 31, 2009, was \$7,550,000, compared with \$6,871,000 in the prior year.

Basic and diluted earnings were each \$0.16 per share for the year ended December 31, 2009. In 2008, basic and diluted earnings were each \$0.91 per share. For the three months ended December 31, 2009, basic and diluted earnings were each \$0.25 per share. For the same period last year, basic and diluted earnings were each \$0.24 per share.

The Company's net interest margin was 3.83% for the year ended December 31, 2009, compared to 3.33% for the year ended December 31, 2008.

Mr. Nolen also stated: "While we are pleased with our results for the fourth quarter and are optimistic about the prospects for future improvements, we continue to have significant concerns, which we identified last year, for weakening commercial real estate markets and the overall economy. The provision for loan losses increased from \$900,000 in 2008, to \$3,023,000 in 2009. The increase in the provision primarily resulted from three credits totaling approximately \$6,000,000, which related to participations in commercial real estate loans. Although each of these loans is currently performing, in the third quarter of 2009 our management determined that weaknesses in these credits, due principally to significant declines in real estate values, supported a decision to establish these additional reserves."

At December 31, 2009, the Company's allowance for loan losses as a percent of total loans was 2.80%, compared to 1.19% at December 31, 2008. At December 31, 2009, the Company's allowance for loan losses as a percent of nonperforming loans was 346.99%, compared to 971.18% at December 31, 2008. 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 \$1,100,000 in 2009, compared to \$859,000 in the prior year. Nonperforming assets were \$1,404,000 at December 31, 2009, compared to \$2,712,000 at December 31, 2008. The ratio of nonperforming assets to total assets was 0.65% at December 31, 2009, compared to 1.20% at December 31, 2008.

Mr. Nolen reminded investors that, although Pinnacle remains well capitalized and has been able to avoid liquidity issues, Pinnacle is operating in a challenging and uncertain economic environment. Financial institutions 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 on borrowers as a result of the uncertain economic environment, including job losses, could have an adverse affect on Pinnacle's borrowers or their customers, which could adversely affect Pinnacle's financial condition and results of operations. In addition, 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.

Mr. Nolen noted that in 2009, the FDIC required Pinnacle and other insured depository institutions to repay their quarterly risk-based assessments for the fourth quarter of 2009 and full years 2010 through 2012. This action was taken to meet immediate liquidity needs and return the Deposit Insurance Fund to its federally mandated level, without imposing additional special assessments. Further, the prepayment of assessments did not prevent the FDIC from changing assessment rates or revising the risk-based assessment system in future periods. Pinnacle's total FDIC expense was \$386,000 in 2009, compared to \$29,000 in 2008.

Pinnacle is generally unable to control the amount of premiums that it is required to pay for FDIC insurance. If there are additional bank or financial institution failures, Pinnacle may be required to pay even higher FDIC premiums than the recently increased levels. Additionally, the FDIC may make material changes to the calculation of the prepaid assessment from the current proposal. Any future changes in the calculation or assessment of FDIC insurance premiums may have a material adverse effect on Pinnacle's results of operations, financial condition and ability to continue to pay dividends on its common shares.

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
(In Thousands, except share and per share data)

	Three Months Ended December 31,	
	2009	2008
Net Income	\$ 314,000	\$ 309,000
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	\$ 471,000	\$ 172,500
Basic earnings per share	\$ 0.25	\$ 0.24
Diluted earnings per share	\$ 0.25	\$ 0.24
Performance Ratios: (annualized)		
Return on average assets	0.58%	0.54%
Return on average equity	5.83%	6.27%
Interest rate spread	3.93%	3.40%
Net interest margin	3.95%	3.40%
Operating cost to assets	2.99%	2.79%
	Year Ended December 31,	
	2009	2008
Net Income	\$ 201,000	\$ 1,225,000
Weighted average basic shares outstanding	1,270,128	1,340,162
Weighted average diluted shares outstanding	1,270,128	1,340,162
Dividend per share	\$ 0.44	\$ 0.44
Provision for loan losses	\$ 3,023,000	\$ 899,800
Basic earnings per share	\$ 0.16	\$ 0.91
Diluted earnings per share	\$ 0.16	\$ 0.91
Performance Ratios:		
Return on average assets	0.09%	0.53%
Return on average equity	0.96%	6.14%
Interest rate spread	3.82%	3.34%
Net interest margin	3.84%	3.33%
Operating cost to assets	2.96%	2.68%
	2009	2008
Total assets	\$216,668,000	\$ 225,783,000
Loans receivable, net	\$123,876,000	\$ 137,001,000
Deposits	\$190,892,000	\$ 197,479,000
Total stockholders' equity	\$ 22,481,000	\$ 20,572,000
Weighted average book value per share	\$ 17.70	\$ 15.35
Total stockholders' equity to asset ratio	10.38%	9.11%
Asset Quality Ratios:		
Nonperforming loans as a percent of total loans	0.81%	0.12%
Nonperforming assets as a percent of total assets	0.65%	1.20%
Allowance for loan losses as a percent of total loans	2.80%	1.19%
Allowance for loan losses as a percent of nonperforming loans	346.99%	971.18%