

PINNACLE BANKSHARES CORPORATION DECLARES CASH DIVIDEND, APPROVES CONTINUATION OF SHARE REPURCHASE PROGRAM

FIRST NATIONAL BANK APPROVES CONTRACTOR FOR LYNCHBURG PROJECTS

Altavista, VA, August 12, 2015 - Pinnacle Bankshares Corporation (the "Company") (OTCQX: PPBN), the one-bank holding company for First National Bank (the "Bank"), announced today that its Board of Directors declared a cash dividend of \$0.085 per share on August 11, 2015, payable September 4, 2015 to shareholders of record as of August 21, 2015. The cash dividend is equal to the \$0.085 per share paid to shareholders last quarter and marks the twelfth consecutive quarter that a dividend has been declared. Pinnacle previously released its second quarter 2015 earnings on July 28, 2015.

The Company also announced that its Board of Directors has approved the continuation of its Share Repurchase Program (the "Program"), which authorizes the purchase of up to \$300,000 of the Company's outstanding stock through December 31, 2015. The Company intends to repurchase shares through open market purchases, block trades and privately-negotiated purchases. Actual repurchases will be subject to the availability of stock, general market conditions, the trading price of stock, alternative uses for capital and the Company's capital ratios. The Program may be suspended, modified or discontinued at any time, and the Company has no obligation to repurchase any amount of its common stock under the Program.

"We are pleased to declare another cash dividend and announce the continuation of the Share Repurchase Program," said Aubrey H. Hall, III, President and Chief Executive Officer for both the Company and the Bank. Mr. Hall further commented, "Pinnacle recently announced another excellent quarter of earnings and is in a strong financial position. Our Board and Management believe that the current stock price does not fully reflect the true value of our Company. We intend to evaluate opportunities provided through the program to potentially increase trading volume in our stock, which we believe is in the best interest of our shareholders."

In other news, the Board of Directors for First National Bank has approved bids received from Jamerson-Lewis Construction, based in Lynchburg, VA, for completion of site work and building construction associated with its Timberlake Road Branch renovation and expansion project and its Old Forest Road Branch relocation project. "We are glad to have the opportunity to work with a local construction firm that has the depth of expertise and long history of successful projects in the Lynchburg area as Jamerson-Lewis," stated Mr. Hall. The Timberlake Road project is expected to commence after Labor Day and be substantially completed by February 15, 2016. The Old Forest Road project is expected to commence in late August and be substantially completed by March 15, 2016. Both projects are important components of First National's Lynchburg Market Plan intended to facilitate the growth of assets across Central Virginia.

Pinnacle Bankshares Corporation is a locally managed community banking organization based in Central Virginia. The one-bank holding company of First National Bank serves an area consisting primarily of all or portions of the Counties of Campbell, Pittsylvania, Bedford, Amherst and the City of Lynchburg. The Company has a total of eight branches with two located in the Town of Altavista, where the Bank was founded. Other branch locations include Village Highway in Rustburg, Wards Road near the Lynchburg Regional Airport, Timberlake Road in Campbell County, South Main Street in the Town of Amherst, Old Forest Road in the City of Lynchburg and Forest Road in Bedford County. First National Bank is in its 108th year of operation.

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact and are based on assumptions and describe future plans, strategies, and expectations of management, and are subject to risks and uncertainties. These statements are generally identifiable by use of words such as "believe," "expect," "intend," "anticipate," "estimate," "project," "may," "will" or similar expressions. Forward-looking statements in this release may include, without limitation, statements regarding results of operations and future cash dividends. For a discussion of the Company's risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report. Although we believe our plans, intentions and expectations reflected in the forward-looking statements are reasonable, we can give no assurance that these plans, intentions, or expectations will be

achieved. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain, and actual results, performance or achievements could differ materially from those contemplated in such statements. We base our forward-looking statements on management's beliefs and assumptions based on information available as of the date of this release. You should not place undue reliance on such statements, and we undertake no obligation to update any forward-looking statement to reflect developments occurring after the statement is made.

CONTACT: Pinnacle Bankshares Corporation, Bryan M. Lemley, 434-477-5882 or bryanlemley@1stnatbk.com