

PINNACLE BANKSHARES CORPORATION DECLARES CASH DIVIDEND

Altavista, VA, May 12, 2016 - 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 \$0.09 per share on May 10, 2016, payable June 3, 2016 to shareholders of record as of May 20, 2016.

The cash dividend is equal to the \$0.09 per share paid to shareholders last quarter and marks the fifteenth consecutive quarter that a dividend has been declared. Pinnacle previously released its first quarter 2016 earnings on April 25, 2016.

"We are pleased to provide a cash dividend to our shareholders for the fifteenth consecutive quarter," said Aubrey H. Hall, III, President and Chief Executive Officer for both the Company and the Bank. Mr. Hall further commented, "The Board remains committed to providing a return on investment in the form of a cash dividend, while also building capital to support growth plans intended to increase assets, net income and total returns."

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