

FOR IMMEDIATE RELEASE

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SIERRA BANCORP DECLARES QUARTERLY CASH DIVIDEND

Porterville, CA – October 17, 2008 – Sierra Bancorp (Nasdaq:BSRR), parent of Bank of the Sierra, today announced that its Board of Directors declared a regular quarterly cash dividend of \$0.17 per share subsequent to the Board’s review of the Company’s preliminary third quarter financial results. The per share dividend is the same as last quarter, but represents a 6% increase relative to the quarterly dividend paid a year ago. The dividend will be paid on November 12, 2008 to shareholders of record as of October 29, 2008.

Sierra Bancorp is the holding company for Bank of the Sierra (www.bankofthesierra.com), which is in its 31st year of operations and is the largest independent bank headquartered in the South San Joaquin Valley. The Company has \$1.3 billion in total assets and currently maintains 22 branch offices, an agricultural credit center, an SBA center, and an online “virtual” branch. In May 2008, Sierra Bancorp was recognized by U.S. Banker magazine as the best performing mid-tier bank in the nation based on 2007 return on equity, and the 6th bank overall based on 3-year average return on equity.

The statements contained in this release that are not historical facts are forward-looking statements based on management’s current expectations and beliefs concerning future developments and their potential effects on the Company. Readers are cautioned not to unduly rely on forward looking statements. Actual results may differ from those projected. These forward-looking statements involve risks and uncertainties including but not limited to the bank’s ability to maintain current dividend payments or increase dividend payouts to shareholder, its ability to continue to generate record financial results, changes in economic conditions, interest rates and loan portfolio performance, and other factors detailed in the Company’s SEC filings. Sierra Bancorp undertakes no responsibility to update or revise any forward-looking statements.

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