

**FOR IMMEDIATE RELEASE**

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**SIERRA BANCORP DECLARES QUARTERLY CASH DIVIDEND**

**Porterville, CA – January 23, 2009** – Sierra Bancorp (Nasdaq:BSRR), parent of Bank of the Sierra, today announced that its Board of Directors declared a regular quarterly cash dividend of \$0.10 per share subsequent to the Board’s review of the Company’s preliminary 2008 financial results. The per share dividend represents a reduction relative to quarterly dividends paid in recent years, due to a lower level of profitability and continued economic uncertainties. The dividend will be paid on February 19, 2009 to shareholders of record as of February 5, 2009.

Sierra Bancorp is the holding company for Bank of the Sierra (www.bankofthesierra.com), which is in its 32<sup>nd</sup> 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 23 branch offices, an agricultural credit center, an SBA center, and an online “virtual” branch.

*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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