



Pyramid Oil Company

FOR IMMEDIATE RELEASE:

Pyramid Oil Company Reports First Quarter Financial Results

BAKERSFIELD, Calif. – May 14, 2009 – Pyramid Oil Company (Amex: PDO) today announced financial results for its first fiscal quarter ended March 31, 2009.

Revenue was \$594,000 versus \$1,590,000 in last year's first quarter. The decrease was largely due to lower average crude oil prices, which declined during the first quarter by 51%, or \$52.76 per equivalent barrel (BOE), to \$38.82 per BOE. This compares with an average price of \$91.58 per BOE during last year's first quarter.

Pyramid reduced its operating expenses by 17% to \$351,000 from \$423,000 in the first quarter a year ago. The Company reported a loss from operations of \$219,000 versus operating income of \$740,000 in the first quarter a year ago. First quarter net loss was \$189,000, or \$0.04 per diluted share, versus net income of \$834,000, or \$0.18 per diluted share, in the comparable year-ago quarter.

John Alexander, president and CEO, said, "The dramatic decline in crude oil prices appears to have bottomed, and we are now seeing average prices that are well above those witnessed during the first quarter. While we cannot predict the future pricing environment, we have significant influence over the fundamental strength our Company. We believe we have effectively positioned Pyramid to weather the downturns and thrive when demand is strong. Our balance sheet includes more than \$4.2 million in cash and cash equivalents, \$4.4 million in working capital, and is free of long-term debt. Given our sound financial condition, we are actively evaluating opportunities to expand our asset portfolio, particularly in light of the more favorable valuations we are on seeing on oil and gas properties."

Mr. Alexander said additional progress has been made on the Company's Texas natural gas joint venture, and it is expected that a recently re-entered well will be on production before the end of the second quarter. He added that operations on Pyramid's core California fields are proceeding on plan.

About Pyramid Oil Company

Pyramid Oil Company has been in the oil and gas business continuously since incorporating in 1909. Pyramid acquires interests in land and producing properties through acquisition and lease, and then drills and/or operates crude or natural gas wells in an effort to discover or produce oil and/or natural gas. More information about the Company can be found at: <http://www.pyramidoil.com>.

Safe Harbor Statement

Certain statements and information included in this press release constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995, including statements regarding the completion and testing of wells. Forward-looking

statements involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to differ materially from forecasted results. Factors that could cause or contribute to such differences include, but are not limited to the value of crude oil or the performance of wells.

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(Financial tables follow)

**PYRAMID OIL COMPANY
STATEMENTS OF OPERATIONS
(UNAUDITED)**

	Three months ended March 31,	
	2009	2008
REVENUES:	\$594,045	\$1,589,896
COSTS AND EXPENSES:		
Operating expenses	351,350	422,806
Exploration costs	0	-28,812
General and administrative	225,304	232,511
Taxes, other than income and payroll taxes	48,298	35,510
Provision for depletion, depreciation and amortization	158,314	162,820
Accretion expense	5,866	5,810
Other costs and expenses	24,171	19,552
	813,303	850,198
OPERATING INCOME (LOSS)	-219,258	739,698
OTHER INCOME (EXPENSE):		
Interest income	26,475	22,077
Other income	3,600	9,662
Interest expense	-415	-641
	29,660	31,098
INCOME (LOSS) BEFORE INCOME TAX PROVISION (BENEFIT)	-189,598	770,796
Income taxes		
Current	-103,383	91,625
Deferred	103,000	-155,100
	-383	-63,475
NET INCOME (LOSS)	-\$189,215	\$834,271
BASIC INCOME (LOSS) PER COMMON SHARE	-\$0.04	\$0.18
DILUTED INCOME (LOSS) PER COMMON SHARE	-\$0.04	\$0.18
Weighted average number of common shares outstanding	4,677,728	4,677,728
Diluted average number of common shares outstanding	4,677,728	4,677,728

**PYRAMID OIL COMPANY
BALANCE SHEETS**

ASSETS

	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
CURRENT ASSETS:		
Cash and cash equivalents	\$959,369	\$1,793,563
Short-term investments	3,309,269	2,789,099
Trade accounts receivable	299,417	213,588
Income taxes receivable	25,555	0
Crude oil inventory	69,831	82,025
Deferred income taxes	112,000	108,000
Prepaid expenses and other assets	158,164	186,353
	4,933,605	5,172,628
 PROPERTY AND EQUIPMENT, at cost		
Oil and gas properties and equipment (successful efforts method)	15,845,056	15,755,472
Capitalized asset retirement costs	382,550	382,550
Drilling and operating equipment	2,109,993	2,109,993
Land, buildings and improvements	1,065,371	1,065,371
Automotive, office and other property and equipment	1,162,324	1,162,324
	20,565,294	20,475,710
Less: accumulated depletion, depreciation, amortization and valuation allowance	-16,305,471	-16,147,157
	4,259,823	4,328,553
 OTHER ASSETS		
Deposits	250,000	250,000
Deferred income taxes	402,245	509,245
Other Assets	17,013	17,013
	\$9,862,686	\$10,277,439

**PYRAMID OIL COMPANY
BALANCE SHEETS**

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>March 31, 2009 (Unaudited)</u>	<u>December 31, 2008 (Audited)</u>
CURRENT LIABILITIES:		
Accounts payable	\$67,282	\$40,820
Accrued professional fees	101,519	130,261
Accrued taxes, other than income taxes	81,067	76,222
Accrued payroll and related costs	69,185	50,451
Accrued royalties payable	144,088	132,472
Accrued insurance	40,480	59,096
Accrued income taxes	0	239,815
Current maturities of long-term debt	24,135	23,901
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TOTAL CURRENT LIABILITIES	527,756	753,038
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LONG-TERM DEBT, net of current maturities	14,518	20,640
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LIABILITY FOR ASSET RETIREMENT OBLIGATION	1,157,572	1,151,706
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COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Preferred stock-no par value; 10,000,000 authorized shares; no shares issued or outstanding	0	0
Common stock-no par value; 50,000,000 authorized shares; 4,677,728 shares issued and outstanding	1,306,010	1,306,010
Retained earnings	6,856,830	7,046,045
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	8,162,840	8,352,055
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	\$9,862,686	\$10,277,439
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