

SHERIDAN, WYOMING (April 15, 2009) – Pinnacle Gas Resources, Inc. has sold undeveloped acreage and certain gas gathering assets, providing net proceeds of approximately \$3.2 million to the company.

Pinnacle sold its high-pressure gas gathering assets in the Cabin Creek area of Wyoming to Big Horn Gas Gathering, L.L.C., the field operator of such assets.

In addition, Pinnacle sold approximately 800 net undeveloped acres in its Arvada gas project in Wyoming to an unrelated third party. The acreage held no production and was not operated by Pinnacle.

The company used a portion of the proceeds to reduce the amount borrowed under its existing credit facility to \$9 million, which is in compliance with the current borrowing base as of April 14, 2009.

“As discussed on our third quarter conference call, Pinnacle is considering a number of opportunities to raise cash and improve liquidity through the sale of non-strategic assets,” said Pinnacle President and Chief Executive Officer Peter G. Schoonmaker. “The sale of the Cabin Creek gathering system to the operator was in the best economic and strategic interests of Pinnacle. Moreover, the sale of a small piece of our non-operated, undeveloped acreage provided immediate cash to Pinnacle with little opportunity cost.”

“Our ability to remain in compliance with our credit facility borrowing base limitations in light of the current natural gas market provides Pinnacle with an opportunity to prepare itself for the next natural gas cycle and the opportunities that higher prices may eventually present the company.”

In addition, Pinnacle also announced that Steven A Webster, Chairman of the Pinnacle Board, recently announced his resignation from the board. Mr. Webster has served as Chairman of the Board since the company's inception in 2003.

Replacing Mr. Webster as Chairman will be current board member Thomas G. McGonagle. Mr. McGonagle became a director in August 2007 and was formerly a Managing Director and Co-Head of the US Merchant Banking Group at Babcock & Brown LP, and a Managing Director of the Financial Sponsors Group of Donaldson, Lufkin & Jenrette.

“While Steve Webster's contributions will be missed, we understand his numerous other commitments require additional time and efforts and wish him the best in his future endeavors,” added Schoonmaker. “Most importantly, we thank Steve for his vision in helping to create Pinnacle and for his service to the company, the Board of Directors and its stockholders. At the same time, we welcome Tom McGonagle to the helm and believe he is the right person to guide Pinnacle into the future during a period of unprecedented volatility in the natural gas markets. He has the universal support of his fellow directors and Pinnacle's management team.”

Pinnacle also filed its Form 10-K for the period ending December 31, 2008 with the Securities and Exchange Commission April 15, 2009. It is accessible at www.pinnaclegas.com or on the SEC's EDGAR website.

About Pinnacle

Pinnacle Gas Resources, Inc. is an independent energy company engaged in the acquisition, exploration and development of domestic onshore natural gas reserves. It focuses on the development of coalbed methane (CBM) properties located in the Rocky Mountain region. Pinnacle holds CBM acreage in the Powder River Basin in northeastern Wyoming and southern Montana as well as in the Green River Basin in southern Wyoming. Pinnacle Gas Resources was founded in 2003 and is headquartered in Sheridan, Wyoming.

Safe Harbor

This press release contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical facts included in this report regarding our financial position, business strategy, plans and objectives of management for future operations, industry conditions, and indebtedness covenant compliance are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as "estimate," "project," "predict," "believe," "expect," "anticipate," "target," "plan," "intend," "seek," "goal," "will," "should," "could" "may" or other words and similar expressions that convey the uncertainty of future events or outcomes. Items contemplating or making assumptions about, actual or

potential future sales, market size, collaborations, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following, general economic or industry conditions, nationally and/or in the areas in which we conduct our business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting our operations, products, services and prices.

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