



FOR IMMEDIATE RELEASE – April 2, 2009

PAINTED PONY ANNOUNCES 2008 FINANCIAL RESULTS

April 2, 2009 - Calgary, Alberta - Painted Pony Petroleum Ltd. (“Painted Pony” or the “Company”) is pleased to report the financial results for the year ended December 31, 2008. The Company achieved the following during 2008:

- crossing the 1,000 boe/d benchmark in September, to average 1,173 boe/d in the fourth quarter;
- aggregating 147,877 net acres in Saskatchewan and British Columbia, with undeveloped land independently valued at \$58.4 million;
- growing proved and probable reserves 688%, to 4,360 mboe; and
- exiting 2008 with positive working capital of \$11.8 million and undrawn available credit facilities of \$22 million.

Targeting the Bakken in Saskatchewan

Painted Pony’s initial focus was to extend the boundaries of the Bakken field surrounding the towns of Stoughton and Viewfield. In 2008, the Company drilled 48 (20.3 net) wells in Saskatchewan, primarily Bakken wells in the Kisbey, Midale and Weyburn areas. By the end of 2008, Painted Pony had accumulated 54,000 net acres of developed and undeveloped land, of which 98% were undeveloped. Fourth quarter sales in Saskatchewan increased to 620 bbls/d of light oil.

Within the Bakken play, technology has continued to evolve. Resource plays justify experimenting with new approaches, then applying successes to subsequent operations. Painted Pony recently drilled two shortened horizontal wells at a 100% working interest. The wellbores are approximately half the length of conventional horizontal Bakken wells, but have the same number of fracture treatments, thereby “down-spacing” the fractures. The Company believes there are multiple advantages to this new technique. Most importantly, with the fracture treatments closer together, a higher percentage of the reservoir is stimulated; it is believed this will result in higher recovery factors. To date there has been no discernable difference in production performance using this new technique. Shorter wells also cost less to drill, reduce the need for pooling of mineral rights, and could effectively double the number of viable locations.

As commodity prices declined in the second half of 2008, Painted Pony revised its drilling program to minimize risk and optimize cash flow. The Company drilled its first “down-spaced” well, resulting in three full-length wells per half section of land, rather than two. The well is on production and is showing no signs of interference. The Company has also focused on drilling on unencumbered crown lands which enjoy reduced royalties. As oil prices stabilize, Painted Pony will resume exploratory drilling to further extend the Bakken field. Meanwhile, capital costs are improving as industry activity has decreased; since mid-year 2008, rig utilization and demand for services has dropped, which has resulted in a material reduction in costs.

Targeting Conventional and Unconventional Gas in British Columbia

In March of 2008, the Company acquired a multi-zone, gas producing asset in Northeast British Columbia. The Company subsequently participated in the successful drilling of two (1.0 net) vertical wells and the recompletion of one (1.0 net) well, all targeting the Bluesky zone. At the end of 2008, Painted Pony had accumulated 93,900 net developed and undeveloped acres of land (79% undeveloped) in Northeast British Columbia. In the fourth quarter of 2008, sales averaged 553 boe/d, weighted 96% gas and 4% natural gas liquids.

Unconventional Gas - Montney

The Triassic Montney formation is an areally-extensive, dolomitic siltstone and shale resource play that has been developed to the south and east of the Company's Blair/Cameron properties. Industry competitors are now drilling wells targeting the Montney on lands directly offsetting Company lands. The Company currently has over 60,000 net acres of land with Montney rights. In the Blair/Cameron area, the Montney zone is sweet, over-pressured and gas-charged. Painted Pony entered into two farm-out agreements with an active Montney exploration company in order to evaluate its Montney potential with minimal capital exposure. The partner has committed to drill at minimum four wells; the first two wells began drilling late in 2008 and early in 2009.

Unconventional Gas - Buckinghorse/Fort St. John Group Shale

The Buckinghorse formation is an organic-rich, Cretaceous-aged shale up to 800 meters thick. The zone is over-pressured, gas-charged and shallow, found between 400 and 1,200 meters in depth. The Company holds over 70,000 net acres of land on the trend, and while the commerciality of the resource has not been established, the resource potential is significant.

In the fourth quarter of 2008, Painted Pony participated in the experimental re-completion of two vertical wells in the Blair area. Both wells were completed throughout the Buckinghorse formation and have been placed on production at modest rates. Continued experimental drilling and completion techniques are planned for the remainder of 2009.

The Steady Climb Continues

Since commencing operations less than two years ago, Painted Pony has focused on three resource-style plays. Driven by a financially conservative mandate, the Company will continue to balance a scaled-back development drilling program until commodity markets improve.

Readers are invited to visit the Company's updated presentation dated April 6, 2009 on our website at www.paintedpony.ca.

For further information, please see www.paintedpony.ca or contact:

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Financial and Operating Highlights

	2008	2007	% change
Financial			
Petroleum and natural gas revenue (before royalties)	\$ 20,634,939	\$ 782,843	2,536
Funds flow from operations ⁽¹⁾	\$ 12,757,791	\$ 602,956	2,016
Per share – basic and diluted ⁽²⁾	\$ 0.38	\$ 0.07	443
Cash flow from operating activities ⁽¹⁾	\$ 13,599,073	\$ 166,548	8,065
Net earnings	\$ 5,453,146	\$ 157,448	3,363
Per share – basic and diluted ⁽²⁾	\$ 0.16	\$ 0.02	700
Capital expenditures, including ARC ⁽⁴⁾ , net	\$ 72,714,077	\$ 6,147,396	1,083
Net working capital	\$ 11,834,615	\$ 16,250,793	(27)
Total assets	\$ 97,193,946	\$ 26,194,023	271
Shares outstanding			
Class A	28,222,700	15,282,700	85
Class B	1,173,600	1,173,600	-
Operational			
Daily sales volumes			
Oil sales (bbls/d)	386	25	1,444
Natural gas liquids (bbls/d)	17	-	-
Natural gas (mcf/d)	2,149	-	-
Total (boe/d)	761	25	2,944
Realized prices			
Oil (\$/bbl)	\$ 94.50	\$ 85.46	11
Gas (\$/mcf)	\$ 8.59	-	-
Field operating netbacks			
Oil – S.E. Saskatchewan operations (\$/bbl)	\$ 65.89	\$ 62.06	6
Gas & liquids – N.E. B.C. operations (\$/boe)	\$ 26.41	-	-
Company combined (\$/boe)	\$ 46.45	\$ 62.06	(25)
Net developed & undeveloped land			
S.E. Saskatchewan (acres)	54,010	6,605	718
N.E. B.C. (acres)	93,867	-	-
Total (acres)	147,877	6,605	2,139
Total proved and probable reserves (mboe, 6:1)	4,360.2	553.0	688
Wells drilled ⁽³⁾			
Gross	50	6	733
Net	21.33	2.41	785
Net success rate	86%	100%	-

1. This table contains the term “funds flow from operations”, which should not be considered an alternative to, or more meaningful than “cash flow from operating activities” as determined in accordance with Canadian generally accepted accounting principles (“GAAP”) as an indicator of the Company’s performance. Therefore reference to funds flow from operations or cash flow from operations per share (basic and diluted) may not be comparable with the calculation of similar measures for other entities. Management uses funds flow from operations to analyze operating performance and leverage and considers funds flow from operations to be a key measure as it demonstrates the Company’s ability to generate the cash necessary to fund future capital investment. The reconciliation between funds flow from operations and cash flow from operating activities can be found in “Management’s Discussion and Analysis”. Funds flow from operations per share is calculated using the basic and diluted weighted average number of shares for the period after the deemed conversion of the Class B shares to Class A shares.

2. Class B shares are converted into Class A shares at \$10 divided by the greater of \$1.00 and the Current Trading Price, defined as being the weighted average trading price per share of Class A shares for the last 30 consecutive trading days.

3. “Gross and net wells drilled” in 2008 excludes a salt water disposal well, and includes a stratigraphic well. “Net wells drilled” refers to net revenue interest. “Net success rate” in 2008 excludes a stratigraphic well. Gross and net wells drilled in 2008 exclude 2 (1.0 net) gas wells drilled between acquisition effective and close date.

4. Asset retirement costs.

Advisory

This news release contains certain forward-looking statements, which include assumptions with respect to (i) drilling success; (ii) production; and (iii) future capital expenditures; and (iv) cash flow from operating activities. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect.

With respect to forward-looking statements contained in this document, Painted Pony has made a number of assumptions. The key assumptions underlying the aforementioned forward-looking statements include assumptions that: (i) commodity prices will be volatile throughout 2009 and, overall, lower than 2008 prices; (ii) capital, undeveloped lands and skilled personnel will continue to be available at the level Painted Pony has enjoyed to date; (iii) Painted Pony will be able to obtain equipment in a timely manner to carry out exploration, development and exploitation activities; (iv) production levels in 2009 are expected to show modest growth from fourth quarter production rates; (v) Painted Pony has sufficient financial resources with which to conduct the capital program; and (vi) the continuation of the current tax and regulatory regime will remain substantially unchanged. Certain or all of the forgoing assumptions may prove to be untrue.

Certain information regarding Painted Pony set forth in this document, including management's assessment of Painted Pony's future plans and operations, number, type and timing of wells to be drilled, the planning and development of certain prospects, production estimates, and expected production growth may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Painted Pony's control, including without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, competition, the lack of availability of qualified personnel or management, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, stock market volatility, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Readers are cautioned that the foregoing list of factors is not exhaustive. Painted Pony's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Corporation will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Additional information on these and other factors that could affect Painted Pony's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Painted Pony's website (www.paintedpony.ca).

The forward-looking statements contained in this document are made as at the date of this news release and Painted Pony does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.