



FOR IMMEDIATE RELEASE – July 31, 2009

PAINTED PONY ANNOUNCES GRANT OF STOCK OPTIONS

July 31, 2009 - Calgary, Alberta - NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES –

Painted Pony Petroleum Ltd. ("Painted Pony") (TSX VENTURE:PPY.A)(TSX VENTURE:PPY.B) announces that pursuant to the terms and conditions of its Stock Option Plan, it has granted, in the aggregate, 478,500 incentive stock options to purchase Class A Shares of Painted Pony (the "Options") to Employees and Consultants. The Options are exercisable over a three year period at \$3.15 per Class A Share, with 33.3% vesting immediately, 33.3% in one year, and the final 33.3% vesting in two years. In addition 914,000 options previously granted to Officers and Directors and 475,000 options previously granted to Employees and Consultants, all of which were substantially out of the money, have been cancelled.

Readers are invited to visit the Company's updated presentation dated August 1, 2009 which will be available on our website at www.paintedpony.ca on August 5, 2009.

Investor Information

Painted Pony is a junior Canadian oil and gas exploration company that trades on the TSX Venture Exchange under the symbols "PPY.A" and "PPY.B". Painted Pony has 35,222,700 Class A shares, 1,173,600 Class B shares and 2,684,000 options (at an average price of \$3.43 per share) issued and outstanding.

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

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