



FOR IMMEDIATE RELEASE – March 17th, 2009

PAINTED PONY REPORTS YEAR-END RESERVES AND LAND REPORT

March 17, 2009 - Calgary, Alberta - Painted Pony Petroleum Ltd. ("Painted Pony" or the "Company") is pleased to announce the results of its year-end reserves report and its net undeveloped land value as of December 31, 2008.

HIGHLIGHTS

Painted Pony is pleased to report the following highlights of the reserve report and undeveloped land, in comparison to the prior year end, including:

- ✓ Increase in proved and probable reserves of 688% to 4,360.2 Mboe,
- ✓ Increase in total proved reserves of 1,262% to 2,747.5 Mboe,
- ✓ Increase in NPV 10% (before income taxes) proved and probable reserves of 543%,
- ✓ Valued undeveloped land holdings at \$58.4 million.

UNDEVELOPED LAND

As at December 31, 2008, in a report prepared by Seaton-Jordan & Associates Ltd. ("Seaton-Jordan"), the Company's net undeveloped acres in Saskatchewan and British Columbia was valued at \$58,411,015. Seaton-Jordan's assessment of the Company's lands was prepared in accordance with National Instrument 51-101.

RESERVES

The December 31, 2008 reserves report was prepared by Sproule Associates Limited ("Sproule").

At December 31, 2008 the Company's proved and probable working interest reserves, using forecast prices and costs, were 4,360.2 Mboe (weighted 52% oil and natural gas liquids) compared to 553.0 Mboe of light and medium oil at December 31, 2007.

Painted Pony's average production for 2008 was 761 boe/d, with the fourth quarter averaging 1,173 boe/d. Accordingly, the Company's 2008 proved and probable working interest reserves growth before production was approximately 4,085.7 mboe, replacing 2008 production by 14.7 times. The net change in the future capital required to bring these proved and probable reserves onto production is estimated to be \$12.2 million. The growth in oil reserves volumes resulted from Painted Pony's successful 2008 drilling program while the growth in natural gas and natural gas liquids reserves volumes were from the March 2008 acquisition combined with successful drilling. In 2008, the Company drilled 50 (21.3 net) wells at a net success rate of 86%. (For more information on the March 2008 acquisition, please see the Company's March 18, 2008 press release located on the Company's website at www.paintedpony.ca or on the SEDAR website at www.sedar.com).

At December 31, 2008, Painted Pony's total proved working interest reserves were 2,747.5 Mboe, an increase of 1,262% compared to 201.7 Mboe at December 31, 2007.

Reserve Life Index

The reserve life index is calculated by dividing reserves as at the effective date of the report (December 31, 2008) by the production during the applicable period, and represents a measure of the amount of time production could be sustained at the production rates based on the reserves at the applicable point in time. Based upon the year-end reserve volumes and the average fourth quarter 2008 production rate for Painted Pony, sufficient reserves exist to continue production at the current rate for approximately ten years based on proved and probable reserves, and over six years based on proved reserves.

Reserve Life

Years	Proved	Proved & Probable
Natural gas	7.1	10.7
Crude oil & NGLs	5.7	9.6
Total boe	6.4	10.1

Production Replacement Ratio

The production replacement ratio measures the number of times the fourth quarter's production annualized has been replaced by net reserve additions. Painted Pony's production replacement ratio reflects the addition of reserves at a cost effective rate.

	2008	2007
Proved basis	6.5 x	6.1 x
Proved and probable basis	9.5 x	16.3 x

Summary of Oil and Gas Working Interest Reserves^{1,3} Forecast Prices and Costs

	As At December 31, 2008			As at Dec 31, 2007	
	Natural Gas ⁴ (mmcf)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)	Total (Mboe ² , 6:1)	Total (Mboe ² , 6:1)
Proved					
Developed producing	6,258	689.8	65.4	1,798.1	77.7
Developed non-producing	1,531	30.6	49.9	335.6	-
Undeveloped	560	482.4	38.1	613.8	124.0
Total proved	8,349	1,202.7	153.3	2,747.5	201.7
Probable	4,152	793.8	126.8	1,612.7	351.3
Total proved plus probable	12,501	1,996.6	280.2	4,360.2	553.0

(1) "Gross" means Painted Pony's total working interest reserves before royalties owned by others.

(2) Natural gas is converted to barrels of oil equivalent ("boe") at a ratio of six thousand standard cubic feet to one barrel of oil.

(3) Numbers in this table are subject to rounding error.

(4) Includes non-associated, associated gas and solution gas.

NET PRESENT VALUE OF FUTURE NET REVENUE

The forecast prices used in the reserve report effective December 31, 2008 were Sproule's published Forecast Prices and Costs as at December 31, 2008. The estimated future net revenues are stated before deducting future estimated site restoration costs and reduced for estimated future well abandonment costs, the Saskatchewan Capital Tax and estimated capital for future development associated with the reserves.

In the reserve report, the net total future capital required to bring undeveloped proved and probable reserves onto production is estimated to be \$22,195,000, an incremental \$12,220,000 from 2007, over the life of the reserves.

Summary of Net Present Values of Future Net Revenue ^{(1), (2), (3)}**Forecast Prices and Costs (\$000s)
Before Income Taxes², Discounted at (%/ year)**

	As at December 31, 2008					As at December 31, 2007	
	0%	5%	10%	15%	20%	0%	10%
Proved							
Developed producing	59,234	46,406	38,389	32,960	29,055	3,802.6	3,309.5
Developed non-producing	9,081	6,624	5,176	4,238	3,587	-	-
Undeveloped	19,967	12,772	8,577	5,864	3,975	2,966.0	1,916.9
Total proved	88,282	65,802	52,142	43,062	36,617	6,768.6	5,226.4
Probable	66,041	38,759	25,912	18,702	14,143	10,978.6	6,921.0
Total proved plus probable	154,324	104,561	78,054	61,763	50,760	17,747.2	12,147.4

(1) Numbers in this table are subject to rounding error.

(2) Values are net of abandonment liabilities.

(3) The net present values of future net revenue do not represent fair market value.

Summary of Pricing and Inflation Rate Assumptions**Forecast Prices and Costs****As at December 31, 2008**

	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40 degree API (\$Cdn/bbl)	Inflation Rates %/ Year	Henry Hub Price \$US/MMbtu	AECO-C Spot \$Cdn/MMbtu	Exchange Rate (\$US/ \$Cdn)
2009	53.73	65.35	2.0	6.30	6.82	0.800
2010	63.41	72.78	2.0	7.32	7.56	0.850
2011	69.53	79.95	2.0	7.56	7.84	0.850
2012	79.59	86.57	2.0	8.49	8.38	0.900
2013	92.01	94.97	2.0	9.74	9.20	0.950
2014	93.85	96.89	2.0	9.94	9.41	0.950
2015	95.72	98.85	2.0	10.14	9.62	0.950
2016	97.64	100.84	2.0	10.34	9.83	0.950
2017	99.59	102.88	2.0	10.54	10.05	0.950
2018	101.58	104.96	2.0	10.76	10.27	0.950
2019	103.61	107.08	2.0	10.97	10.50	0.950
Thereafter	+2%/ yr	+2%/ yr	2.0	+2%/ yr	+2%/ yr	0.950

METHOD OF PREPARATION

In this press release "Gross" reserves (being working interest reserves, excluding royalty interest reserves, before deduction of royalty burdens payable) is disclosed. The reserve report was prepared utilizing definitions as set out under National Instrument 51-101.

RESERVES SUBCOMMITTEE OF THE AUDIT COMMITTEE

The Reserves Sub Committee is comprised of independent board members appointed by the Board of Directors of Painted Pony, and is responsible to the Board to oversee and monitor the process for calculating the reserves and the procedures for compliance with applicable legislation and conformity with industry standards and disclosure of information. It reviews, reports and, when appropriate, makes recommendations to the Board on Painted Pony's policies and procedures related to their reserve estimates. The Sproule Report and the Seaton-Jordan Report was reviewed by the Reserves Sub Committee and approved by the Board of Directors on March 16, 2009.

Painted Pony trades on the TSX Venture Exchange under the symbols "PPY.A" and "PPY.B" respectively. For further information, please see www.paintedpony.ca or contact:

Patrick R. Ward
President & CEO

Joan E. Dunne
Vice President, Finance & CFO

PAINTED PONY PETROLEUM LTD.
300, 602 – 12 Ave SW
Calgary, AB T2R 1J3
Phone: (403) 475-0440 Fax: (403) 238-1487

READER ADVISORY

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

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, reserve estimates, undeveloped land holdings and values, capital expenditures and the timing thereof and the total future capital required to bring undeveloped proved and probable reserves onto production, 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. This news release is not for dissemination in the United States or to U.S. persons.