



FOR IMMEDIATE RELEASE – May 27, 2009

PAINTED PONY ANNOUNCES MARCH 31, 2009 FINANCIAL RESULTS

May 27, 2009 - Calgary, Alberta - Painted Pony Petroleum Ltd. (“Painted Pony” or the “Company”) is pleased to report the progress made during the first quarter of 2009. The accomplishments include:

- Drilling 3 (2.5 net) successful wells targeting the Bakken oil formation in southeast Saskatchewan and the Bluesky/Gething gas zone in northeast British Columbia,
- Building the land base to 54,018 net acres in Saskatchewan and 96,675 net acres in British Columbia,
- Growing production to 1,225 boe/d, weighted 51% oil and liquids and 49% gas,
- Evaluating the Montney/ Doig formations in 2 farm-out pilot wells in northeast British Columbia, and
- Exiting the first quarter with positive working capital of \$6.4 million and \$22 million of unutilized credit facilities.

The first quarter of 2009 was a challenging period for the energy industry. Commodity prices continued to be volatile and financial markets were very unstable. Faced with this uncertainty, Painted Pony continued to maintain a positive balance sheet, and to examine the economics of each planned capital expenditure. There were, however, certain positive developments that assisted the Company in determining those operations that would generate higher returns. These included: provincial royalty incentives, reduced drilling costs brought about by the reduced industry activity, and drilling shorter horizontal wells, while maintaining productivity/recovery parameters at levels similar to wells drilled with longer horizontal legs.

In the first quarter of 2009, the Company drilled two short horizontal Bakken oil wells 100% working interest, in the Huntoon area of Saskatchewan. One of these wells was completed and placed on production in the quarter. Completion of the second well and its placement on production was delayed by spring break-up until late May. Spring break-up in the second quarter of 2009 has caused some temporary disruptions to the Company’s Saskatchewan sales volumes due to difficulty accessing some of the Company’s oil well battery sites. However, the impact on our second quarter results is expected to be mitigated by the incremental volumes from the new wells.

In northeast British Columbia, Painted Pony participated in the drilling of 1 (0.5 net) gas well in the Cameron area targeting the Bluesky/Gething zone. The gas well was completed and tied in, with initial production commencing early in the second quarter.

The Company entered into two farm-out agreements whereby a senior oil and gas producer farmed in on portions of the Montney/Doig rights within the Cypress and Cameron areas. Under the terms of the agreements, four tests will be drilled on these land blocks in 2009. The first well on the Cypress block commenced drilling at the end of 2008 and the second well on the Cameron block commenced drilling during the first quarter of 2009. The Cameron well has been completed and is being evaluated, while the Cypress well is awaiting completion after break up. Both agreements contain rolling option provisions whereby additional lands can be earned through conducting additional activities on the farm-out lands. Under the terms of the farm-out agreements, Painted Pony does not pay any drilling or completion costs, and can elect whether to pay its proportionate share of the equipping and tie-in costs.

The Company participated in the experimental recompletion and tie-in of one Buckingham/ Fort St. John shale well in the first quarter of 2009 as part of a pilot program. With over 70,000 net acres with potential for Buckingham shale, the Company is in the very early stages of proving up the commercial viability of the project.

Acquisition

On May 26, 2009, the Board of Directors approved the Company entering into an agreement with a private company to acquire certain oil properties focused in the Bakken-prospective fairway in the Company's Midale/ Huntoon core area in southeast Saskatchewan for \$10.0 million, before closing adjustments and related costs. The proposed acquisition has an effective date of May 1, 2009 and is expected to close on July 15, 2009. The completion of the acquisition is subject to certain conditions, including normal regulatory approvals.

Current production from the acquired properties, based on field estimates, is approximately 148 bbls/d of Bakken oil, with an additional 12 bbls/d shut-in due to Spring breakup. The assets include 3,410 net acres (5.3 net sections) of undeveloped adjacent lands prospective for Bakken oil. All of the assets are currently operated by Painted Pony. This acquisition increases the Company's average working interest in the areas to greater than 80%.

Outlook

In the second quarter of 2009, the Company anticipates drilling 2 (1.7 net) oil wells, and is currently evaluating its budget plans for the second half of the year. Two additional farmout wells targeting the Montney/Doig zone have been committed to on the Cameron block in 2009. The Company has approximately 60,000 net acres with Montney/ Doig rights.

Investor Relations

Painted Pony will also be undertaking a series of presentations to interested parties over the next couple of weeks in various cities in Canada and the United States. Readers are invited to visit the Company's updated presentation dated May 28, 2009 available aftermarket today on our website at www.paintedpony.ca.

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

Financial and Operating Highlights
(Unaudited)

Three months ended March 31,	2009	2008
Financial		
Petroleum and natural gas revenue (before royalties)	\$ 4,559,432	\$ 1,354,759
Funds flow from operations ⁽¹⁾	\$ 1,890,014	\$ 1,073,860
Per share – basic and diluted ⁽²⁾	\$ 0.05	\$ 0.06
Cash flow from operating activities ⁽¹⁾	\$ 1,499,252	\$ 1,314,606
Net earnings (loss)	\$ (1,597,149)	\$ 3,345,551
Per share – basic and diluted ⁽²⁾	\$ (0.05)	\$ 0.19
Capital expenditures, including ARC ⁽⁴⁾	\$ 7,530,067	\$ 30,586,484
Net working capital	\$ 6,407,092	\$ 4,686,036
Total assets	\$ 92,605,471	\$ 58,660,444
Shares outstanding		
Class A	28,222,700	19,392,700
Class B	1,173,600	1,173,600
Operational		
Daily sales volumes		
Oil sales (bbls/d)	583	148
Natural gas liquids (bbls/d)	37	-
Natural gas (mcf/d)	3,631	-
Total (boe/d)	1,225	148
Realized prices		
Oil (\$/bbl)	\$ 51.51	\$ 100.50
Gas (\$/mcf)	\$ 5.30	-
Field operating netbacks		
Oil (\$/bbl)	\$ 32.10	\$ 69.60
Gas & liquids (\$/boe)	\$ 12.25	-
Company combined (\$/boe)	\$ 21.69	\$ 69.60
Wells drilled ⁽³⁾		
Gross	3	11
Net	2.5	3.7
Net success rate	100%	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 funds 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 stratigraphic well. “Net wells drilled” refers to net revenue interest. “Net success rate” in 2008 excludes a stratigraphic well.

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. Certain or all of the 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.

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