



## **FOR IMMEDIATE RELEASE – October 8, 2009**

October 8, 2009 - Calgary, Alberta – Painted Pony Petroleum Ltd. (“Painted Pony” or the “Company”) is pleased to provide the following operational update.

Painted Pony’s production for September 2009 (based on field estimates) averaged 1,800 boe/d, a 37% increase from second quarter 2009 sales of 1,313 boe/d. Crude oil production averaged 1,230 bbls/d in September 2009 compared to the second quarter average rate of 543 bbls/d. Natural gas volumes averaged 545 boe/d in September compared to second quarter average sales of 733 boe/d; the decline due to the previously reported voluntary shutting in of lower netback gas wells in the Cypress area, and to stabilization of rates following the flush production from the successful first quarter drilling and re-completion program. In the first week of October 2009, the Company has experienced a temporary reduction of approximately a quarter of the daily oil sales volumes due to excessively wet surface conditions.

Painted Pony carried out an active third quarter horizontal Bakken development drilling program with the drilling of 7 (6.3 net) wells. Six of these oil wells (6.0 net) have been placed on production. In the first three quarters of 2009, Painted Pony has participated in the drilling of 11 (10.3 net) horizontal Bakken oil wells and 1 (0.5 net) conventional gas well. In addition, during the third quarter of 2009, the Company closed four acquisitions of undeveloped land and Bakken production at a cost of \$14 million (before adjustments), primarily in the Company’s core Midale/Huntoon area.

During the last quarter of this year, the Company expects to drill an additional 7 (4.3 net) wells targeting the Bakken formation. With over 100 net development locations, the Company has a multi-year inventory of development drilling locations for Bakken oil.

In the third quarter of 2009, operations resumed in northeast British Columbia under two farm-out agreements. On the Cameron lands, a second vertical well targeting the Montney formation which commenced drilling on July 29th, 2009 is currently waiting on completion. A third well targeting the Montney formation committed to under the terms of the farm-out agreement on the Cameron lands is expected to be drilled in the fourth quarter of 2009.

In preparation for the 2010 drilling program on the Company’s two natural gas resource plays, Painted Pony is in the process of licensing three potential Montney locations at Blair. The Company is also evaluating the economics of air drilling a well targeting the Buckinghorse shale gas formation.

Painted Pony’s emphasis on conservative fiscal management continues, with the credit facilities of \$29 million undrawn.

Painted Pony will be undertaking a series of presentations to interested parties over the next couple of weeks in various cities in Canada and the United States.

Interested parties are invited to visit the Company’s website on Friday, October 9, 2009 to view an updated presentation dated October 1, 2009.

For further information, please see [www.paintedpony.ca](http://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

**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](http://www.sedar.com)) or Painted Pony's website ([www.paintedpony.ca](http://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.*

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.***