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For immediate release

FOR IMMEDIATE RELEASE – January 5, 2010

Painted Pony Petroleum Ltd. Announces Grant of Stock Options

January 5, 2010 – 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, 689,000 incentive stock options to purchase Class "A" Shares of Painted Pony (the “Options”), to certain of its Directors, Officers, Employees and Consultants. The Options are exercisable over a three year period at \$5.88 per share, with 33.3% vesting immediately, 33.3% in one year, and the final 33.3% vesting in two years.

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 44,081,700 Class A shares, 1,173,600 Class B shares and 3,444,000 options (at an average price of \$4.00 per share) issued and outstanding.

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

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