



2010venture50™



FOR IMMEDIATE RELEASE – March 26, 2010

PAINTED PONY REPORTS 2009 FINANCIAL RESULTS

March 26, 2010 - Calgary, Alberta - Painted Pony Petroleum Ltd. ("Painted Pony" or the "Company") is pleased to report the financial results for the year ended December 31, 2009.

The Company achieved the following milestones during 2009:

- grew funds flow from operations in the fourth quarter to \$7.0 million (\$0.16 per diluted share), an increase of 141% compared to the fourth quarter of 2008, bringing funds flow from operations for 2009 to \$15.2 million (\$0.44 per basic and diluted share);
- cash flow from operations in the fourth quarter was \$6.2 million and for the year was \$12.5 million;
- exited 2009 with positive working capital of \$40.7 million and undrawn available credit facilities of \$40 million;
- fourth quarter field netback was \$52.86 per bbl (2009 year: \$47.49 per bbl) for light oil on sales prices averaging \$75.63 per bbl (2009 year: \$69.15 per bbl); and
- fourth quarter total field netback was \$41.10 per boe with average blended sales price of \$62.90 per boe.

Plans for 2010:

Painted Pony plans to conduct an active drilling program during 2010, with approximately 20 net wells planned in the balance of the year in Saskatchewan, primarily targeting oil in the Bakken formation. In British Columbia, the Company will drill for conventional and unconventional gas. The Montney formation will be targeted through operated wells, and on a carried basis, from lands farmed out. Drilling operations during 2010 are expected to also include conventional Bluesky and Cadomin locations, as well as exploratory wells for the Buckingham shale formation.

In the past week, on the Company's Blair/Town lands in British Columbia, the 30% operated horizontal well targeting Montney gas has completed drilling. Of the two 100% wells targeting the Montney gas formation also drilled this quarter, both the vertical and horizontal wells are currently being completed. The Company plans to drill an additional 4(2.5 net) wells targeting gas during the balance of this year.

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Financial and Operational Highlights

	Three months ended December 31, (Unaudited)		Year ended December 31,	
	2009	2008	2009	2008
Financial (\$000's except per share)				
Petroleum and natural gas revenue (before royalties)	11,612	5,656	28,895	20,635
Funds flow from operations ⁽¹⁾	6,981	2,892	15,210	12,758
Per share – basic ⁽²⁾	0.17	0.08	0.44	0.38
Per share – diluted ⁽²⁾	0.16	0.08	0.44	0.38
Cash flow from operating activities	6,157	3,579	12,460	13,599
Net earnings (loss)	1,953	254	(3,656)	5,453
Per share – basic and diluted ⁽²⁾	0.05	0.01	(0.10)	0.16
Capital expenditures ⁽³⁾	16,943	12,538	56,003	72,714
Net working capital			40,679	11,835
Total assets			164,907	97,194
Shares outstanding				
Class A			44,081,700	28,222,700
Class B			1,173,600	1,173,600
Operational				
Daily sales volumes				
Oil	bbls/d	1,427	620	893
Condensate	bbls/d	23	17	24
NGL's	bbls/d	21	5	17
Gas	mcf/d	3,211	3,188	3,712
Total	boe/d	2,006	1,173	1,552
Realized prices				
Oil	/bbl	\$ 75.63	\$ 60.01	\$ 69.15
Gas	/mcf	\$ 4.94	\$ 7.26	\$ 4.20
Field operating netbacks				
Oil	/bbl	\$ 52.86	\$ 36.08	\$ 47.49
Gas & associated liquids	/boe	\$ 12.14	\$ 19.77	\$ 8.41
Company combined	/boe	\$ 41.10	\$ 28.39	\$ 30.89
Wells drilled ⁽⁴⁾				
Gross		8	13	20
Net		6.2	4.2	17.0
Net success rate		100%	100%	98%

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. Funds flow from operations and funds flow from operations per share (basic and diluted) does not have any standardized meaning prescribed by GAAP and 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 and to repay debt. 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, and after the deemed conversion of the Class B shares to Class A shares, consistent with the calculations of earnings per share. This table also contains other industry benchmarks and terms, such as net working capital (calculated as current assets less current liabilities) and operating netbacks (calculated on a per unit basis as oil, gas and natural gas liquids revenues less royalties, transportation, and operating costs), which are not recognized measures under GAAP. Management believes these measures are useful supplemental measures of, firstly, the total net position of current assets and current liabilities the Company has and, secondly, the profitability relative to commodity prices.

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 the weighted average trading price of the Class A shares for the last 30 consecutive trading days.

3. Including Asset Retirement Costs and Stock-Based Compensation.

4. "Gross and net wells drilled" in 2008 excludes a salt water disposal well and includes a stratigraphic well. "Net wells drilled" refers to net revenue interest. "Net success rate" in 2008 excludes a stratigraphic well. Gross and net wells drilled in 2008 exclude 2 (1.0 net) gas wells drilled between acquisition effective and close date.

Advisory

This news release contains certain forward-looking statements, which are based on numerous assumptions including but not limited to (i) drilling success; (ii) production; (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. The key assumptions underlying the aforementioned forward-looking statements include assumptions that: (i) commodity prices will be volatile throughout 2010; (ii) capital, undeveloped lands and skilled personnel will continue to be available at the level Painted Pony has enjoyed to date; (iii) Painted Pony will be able to obtain equipment in a timely manner to carry out exploration, development and exploitation activities; (iv) production rates in 2010 are expected to show growth from the fourth quarter of 2009; (v) Painted Pony will have sufficient financial resources with which to conduct the capital program; and (vi) the current tax and regulatory regime will remain substantially unchanged. Certain or all of the forgoing 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, volatility of commodity prices, environmental risks, 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, 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, and stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof. 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 Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company 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.

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

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