



2010venture50™



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PAINTED PONY REPORTS OPERATIONAL UPDATE AND 2009 YEAR-END RESERVES AND LAND REPORT

March 18, 2010 - Calgary, Alberta - Painted Pony Petroleum Ltd. ("Painted Pony" or the "Company") is pleased to provide an operational update and announce the Company's 2009 year-end reserves and land valuation.

HIGHLIGHTS

Operational highlights during 2010 to-date include:

- ✓ Achieving a daily production rate of 2,250 boe/d in February 2010, based on field estimates,
- ✓ Drilling 10 (9.3 net) horizontal wells in Saskatchewan primarily targeting Bakken oil,
- ✓ Commencing drilling 3 (2.3 net) operated wells in British Columbia targeting sweet gas in the Montney/Doig formations,
- ✓ Participating in drilling 2 (1.0 net) wells in British Columbia targeting gas in the Bluesky/Cadomin formations, and
- ✓ Three horizontal wells commencing drilling on lands farmed out in British Columbia, targeting gas in the Montney formation.

The highlights of the reserve report and undeveloped land report include:

- ✓ Replacing 2009 production by 476%,
- ✓ Increasing the net present value of future net revenue (discounted at 10%, before income taxes) of proved plus probable reserves by 85% to \$145 million,
- ✓ Increasing proved plus probable reserves by 49% to 6,491.0 mboe, and
- ✓ Increasing the value of undeveloped land holdings to \$93.2 million, a 60% increase.

OPERATIONAL UPDATE

Production:

Painted Pony continues to add production. In February 2010 (based on field estimates) the Company estimates daily sales averaged 2,250 boe/d, weighted approximately 77% oil and liquids. In comparison, in the last quarter of 2009, sales volumes averaged 2,006 boe/d (weighted 73% oil and liquids).

Saskatchewan Operations:

Painted Pony carried out an active first quarter drilling program with the drilling of 10 (9.3 net) horizontal wells primarily targeting Bakken light oil at an 89% net success rate. The Company expects to have all successful wells on production before the end of the second quarter of 2010. During the 2010 calendar year, the Company expects to drill approximately 20 net additional wells in Saskatchewan, primarily targeting the Bakken formation.

Early in the first quarter of 2010, a multi-well oil battery, water disposal and gathering system at Midale/Huntoon was completed. Sixteen wells are tied in to the battery and gathering system. Economic benefits include reducing production disruptions caused by adverse weather, cost-effective water handling and disposal, reduced trucking costs and eliminating the capital investment of oil storage tanks at each well location. Solution gas and liquids conservation activities are also currently underway in this area, with sales of solution gas and associated liquids expected to occur by mid-year.

British Columbia Operations:

On the Blair/Town block, Painted Pony conducted two 100% drilling operations targeting the Montney gas formation in the first quarter of 2010. An existing vertical well bore was re-entered and deepened to the Montney and a horizontal well was drilled. Both wells were drilled significantly under expected costs, with the horizontal well believed to be the fastest drilled Montney horizontal well in the area. Both wells are expected to be completed before spring break-up in March 2010. One additional (30% working interest) Painted Pony operated horizontal well targeting Montney gas is currently drilling.

The Company also participated in drilling 2 (1.0 net) gas wells targeting the Bluesky and Cadomin formations in the Cameron area in the first quarter of 2010. Both wells have been completed successfully, with one well tied-in and the other waiting on tie-in.

On the Cameron block, under the terms of an on-going farm-out agreement, two vertical wells drilled in 2009 targeting the Montney have been completed. Flow rates were announced in the January 21, 2010 "Operational Update" press release. One of the wells has been tied-in and is now production testing; the other is awaiting tie-in. In addition, three horizontal wells commenced drilling in the first quarter of 2010. Of these, two wells have been rig released and are waiting on completion, and the third well is currently drilling. All three of these wells are expected to be completed after spring breakup. Painted Pony will retain a 20% working interest in the wells after paying 20% of only the equipping and tie-in costs.

UNDEVELOPED LAND

As at December 31, 2009, the Company's undeveloped lands in Saskatchewan and British Columbia were valued at \$93.2 million. The land valuation was prepared by Seaton-Jordan & Associates Ltd. in accordance with National Instrument 51-101 ("NI 51-101").

RESERVES

The reserves report was prepared by Sproule Associates Limited ("Sproule") using forecast prices and costs and is dated effective December 31, 2009.

At December 31, 2009 the Company's proved plus probable working interest reserves were 6,491.0 mboe (weighted 66% oil and natural gas liquids) compared to 4,360.2 mboe at December 31, 2008. The total proved working interest reserves were 3,944.1 mboe (weighted 67% oil and natural gas liquids) compared to 2,747.5 mboe as at December 31, 2008. The growth in reserves volumes resulted from Painted Pony's successful 2009 drilling and acquisition program. In 2009, the Company drilled 20 (17.0 net) wells at a net success rate of 98%.

Painted Pony's average production for 2009 was 1,552 boe/d, with the fourth quarter averaging 2,006 boe/d. Accordingly, the Company's 2009 proved plus probable working interest reserves growth before production was approximately 2,697.3 mboe, replacing 2009 production by 4.8 times. The net change in the future developmental costs associated with the reserves is estimated to be \$24.5 million for proved plus probable reserves and \$15.2 million for proved reserves.

Painted Pony's total capital expenditures in 2009 were \$56.0 million. This includes a total of \$13.9 million for charges such as: \$1.8 million of non-cash stock based compensation and asset retirement obligation charges, \$1.0 million in capitalized general and administrative costs, \$5.9 million in land sales, \$0.8 million in seismic purchases, and \$4.4 million in facilities and pipelines in Saskatchewan.

**Summary of Company Gross Oil and Gas Working Interest Reserves^{(1),(2)}
Forecast Prices and Costs**

	As At December 31, 2009				As at Dec 31, 2008
	Natural Gas ⁽³⁾ (mmcf)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)	Total (mboe ⁽⁴⁾ , 6:1)	Total (mboe ⁽⁴⁾ , 6:1)
Proved					
Developed producing	6,695	1,435.4	161.6	2,712.8	1,798.1
Developed non-producing	348	3.2	2.8	64.0	335.6
Undeveloped	771	971.2	67.5	1,167.3	613.8
Total proved	7,814	2,409.9	231.8	3,944.1	2,747.5
Probable	5,524	1,478.0	148.3	2,546.9	1,612.7
Total proved plus probable	13,338	3,887.9	380.1	6,491.0	4,360.2

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

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

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

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

**Summary of Net Present Values of Future Net Revenue^{(1),(2),(3),(4),(5)}
Forecast Prices and Costs (\$000s)
Before Income Taxes**

	As at December 31, 2009					As at December 31, 2008	
	0%	5%	10%	15%	20%	0%	10%
Proved							
Developed producing	101,965	85,257	73,733	65,374	59,056	59,234	38,389
Developed non-producing	315	268	227	192	161	9,081	5,176
Undeveloped	38,659	29,750	23,465	18,837	15,311	19,967	8,577
Total proved	140,939	115,276	97,426	84,403	74,528	88,282	52,142
Probable	99,542	66,086	47,269	35,611	27,827	66,041	25,912
Total proved plus probable	240,481	181,361	144,695	120,014	102,356	154,324	78,054

(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.

(4) Sproule price decks dated December 31, 2008 and 2009.

(5) 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.

METHOD OF PREPARATION

In this press release "Working Interest" reserves (being Company share of reserves, excluding royalty interest reserves, before deduction of royalty burdens payable) are disclosed. The reserve report was prepared utilizing definitions as set out under NI 51-101.

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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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.

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.

Net present value of future net revenue does not represent fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material.