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Painted Pony Petroleum Ltd. Announces \$47 Million Bought Deal Equity Financing

October 22, 2009 – Calgary, Alberta – Painted Pony Petroleum Ltd. ("Painted Pony" or the "Corporation") is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by FirstEnergy Capital Corp. and including RBC Capital Markets, Wellington West Capital Inc., Thomas Weisel Partners Canada Inc., CIBC World Markets Inc. and Cormark Securities Inc. under which they have agreed to purchase for resale to the public, on a bought deal basis, 8,000,000 Class A Shares ("Class A Shares") at \$5.88 per Class A Share for aggregate gross proceeds of \$47,040,000.

The Corporation intends to use the net proceeds to accelerate the Corporation's drilling program and for general corporate purposes.

The Class A Shares shall be offered in all provinces of Canada (other than Quebec) by way of short form prospectus, and in the U.S. on a private placement basis pursuant to exemptions from registration requirements. The closing of the offering is expected to occur on November 17, 2009, and is subject to certain conditions, including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

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" respectively.

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This news release shall not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. The common shares may be offered or sold in other

eligible foreign jurisdictions and to U.S. buyers on a private placement basis pursuant to an applicable exemption from registration requirements in Rule 144-A or Regulation D of the United States Securities Act of 1933, as amended.

This press release may contain statements within the meaning of safe harbour provisions as defined under Securities Laws and Regulations. The above statements are based on the current expectations and beliefs of Painted Pony's management and are subject to a number of risks and uncertainties that may cause the actual results to differ materially from those described above. Painted Pony does not undertake any responsibility with regard to the accuracy of this press release nor the obligation to update the abovementioned information.

This press release contains certain forward-looking statements within the meaning of applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Corporation cannot assure that actual results will be consistent with these forward looking statements. They are made as of the date hereof and are subject to change and the Corporation assumes no obligation to revise or update them to reflect new circumstances, except as required by law. Prospective investors should not place undue reliance on forward looking statements. These factors include the inherent risks involved in the exploration for and development of crude oil and natural gas properties, the uncertainties involved in interpreting drilling results and other geological and geophysical data, fluctuating energy prices, the possibility of cost overruns or unanticipated costs or delays and other uncertainties associated with the oil and gas industry. Other risk factors could include risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities, and other factors, many of which are beyond the control of the Corporation. A barrel of oil equivalent (boe) is derived by converting gas to oil in the ratio of six thousand cubic feet of gas to oil and may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead, especially in various international jurisdictions.

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.