

PAINTED PONY
PETROLEUM LTD 

FOR IMMEDIATE RELEASE

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Painted Pony Increases Bought Deal Equity Financing to \$51.7 Million

October 22, 2009 – Calgary, Alberta – Painted Pony Petroleum Ltd. ("Painted Pony" or the "Corporation") is pleased to announce that, in connection with its previously announced public offering, the Corporation and the syndicate of underwriters led by FirstEnergy Capital Corp. and including RBC Capital Markets, Wellington West Capital Markets Inc., Thomas Weisel Partners Canada Inc., CIBC World Markets Inc. and Cormark Securities Inc. have agreed to increase the size of the offering to 8,800,000 Class A Shares ("Class A Shares"). Under the revised terms, the Underwriters have agreed to purchase, on bought deal basis, an aggregate of 8,800,000 Class A Shares at \$5.88 per Class A Share for aggregate gross proceeds of \$51,744,000.

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 or about 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".

This news release shall not constitute an offer to sell or the solicitation of any offer to buy the securities in any jurisdiction. The Class A Shares issued have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, or to a U.S. person, absent registration, or an applicable exemption therefrom.

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

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Advisory

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.

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.

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.