



FOR IMMEDIATE RELEASE – May 26, 2009

**PAINTED PONY CONSOLIDATES CORE AREAS WITH
ACQUISITION OF 160 BBL/D OF BAKKEN ASSETS**

May 26, 2009 - Calgary, Alberta - NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES - Painted Pony Petroleum Ltd. ("Painted Pony" or the "Company") is pleased to announce that the Board of Directors approved the Company entering into an agreement with a private company to acquire certain oil properties focused in the Bakken-prospective fairway in the Company's Midale/ Huntoon core area in southeast Saskatchewan (the "Assets"). The purchase price is \$10.0 million, before closing adjustments and related costs. The acquisition has an effective date of May 1, 2009 and is expected to close on July 15, 2009. The completion of the acquisition is subject to certain conditions, including normal regulatory approvals.

Current production from the acquired properties, based on field estimates, is approximately 148 bbls/d of Bakken oil, with an additional 12 bbls/d shut-in due to spring breakup. The Assets include 3,410 net acres (5.3 net sections) of undeveloped adjacent lands prospective for Bakken oil. All of the Assets are currently operated by Painted Pony. This acquisition increases the Company's average working interest in the areas to greater than 80%.

In connection with the acquisition of the Assets, Painted Pony had Sproule Associates Limited ("Sproule") prepare a reserve report in accordance with National Instrument 51-101. At April 30, 2009, Sproule estimated the proved reserves for the Assets to be 414.3 Mboe and the proved and probable reserves to be 823.7 Mboe.

Acquisition metrics (before transaction costs and other closing adjustments) are approximately \$24.14 per boe on a proven basis and \$12.14 per boe on a proven plus probable basis. Reserve life index of the asset is 7.1 years on a proven basis and 14.1 years on a proved and probable basis. Production cost is \$62,500 per boe/d, based on 160 bbls/d.

Investor Information

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 28,222,700 Class A shares, 1,173,600 Class B shares and 2,790,000 options (at an average price of \$5.00 per share) issued and outstanding.

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

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READER ADVISORY

This news release contains certain forward-looking statements, which include assumptions with respect to (i) drilling success (ii) production; (iii) future capital expenditures; and (iv) cash flow. 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, reserve estimates, undeveloped land holdings and values, capital expenditures and the timing thereof and the total future capital required to bring undeveloped proved and probable reserves onto production, 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. 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.

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 release.

This news release is not for dissemination in the United States or to U.S. persons.