



FOR IMMEDIATE RELEASE – November 26, 2009

PAINTED PONY ANNOUNCES SEPTEMBER 30, 2009 FINANCIAL RESULTS AND OPERATIONAL UPDATE

November 26, 2009 - Calgary, Alberta –Painted Pony Petroleum Ltd. ("Painted Pony" or the "Company") is pleased to present its third quarter 2009 financial results together with an update of its operational activities to date. The Company has:

- grown daily production to average 1,655 boe/d in the third quarter of 2009, up 26% over the second quarter 2009 average rate, with September 2009 production averaging 1,833 boe/d (weighted 68% oil and liquids and 32% gas);
- exited the third quarter with positive working capital of \$1.1 million and no debt;
- increased the bank credit facilities to \$40 million in October 2009, which credit facilities are undrawn to date;
- raised \$51.7 million (before costs) in a bought deal financing through the issuance of 8.8 million Class A shares at \$5.88 in November 2009;
- enjoyed third quarter 2009 field netbacks of \$51.08 per bbl for SE Saskatchewan oil on sales averaging \$71.18 per bbl;
- closed four acquisitions of undeveloped land and light oil production costing an aggregate of \$13.6 million primarily in the Company's core Midale/Huntoon area in SE Saskatchewan;
- drilled 7 (6.3 net) Bakken light oil wells in the third quarter; and
- commenced construction of a multi-well oil battery and water disposal and gathering system in the main producing areas of Midale/Huntoon, which is expected to reduce transportation and operating costs and minimize production disruptions due to weather.

Growing Production

The Company grew production 26% compared to the second quarter of 2009 and 79% compared to the third quarter of 2008, to average 1,655 boe/d in the third quarter, weighted 61% oil, 3% condensate and natural gas liquids, and 36% gas. In September 2009, sales averaged 1,833 boe/d, with oil and liquids contributing 68% and gas contributing 32%.

Adding to Land Inventory

At September 30, 2009, the Company had an inventory of 153,997 net acres of land, consisting of 59,843 net acres in Saskatchewan and 94,154 net acres in British Columbia. During the fourth quarter, the Company successfully participated in a British Columbia land sale, bringing total lands in the province to 98,400 net acres as at November 1, 2009. Painted Pony has over 68,500 net acres with Montney/ Doig rights.

Light Oil Operations

In the third quarter of 2009, the Company closed four acquisitions primarily in the Company's core Midale/Huntoon area securing additional undeveloped lands and Bakken production at an aggregate cost of \$13.6 million, including closing costs and adjustments.

Painted Pony carried out an active third quarter horizontal Bakken development drilling program with the drilling of 7 (6.3 net) wells. In the first three quarters of 2009, Painted Pony has participated in the drilling of 11 (10.3 net) horizontal Bakken oil wells and 1 (0.5 net) conventional gas well. To date in the fourth quarter, the Company has participated in the drilling of 8 (6.2 net) Bakken oil wells along with an additional 1 (0.13 net) well planned before the end of 2009.

Painted Pony is currently planning an active drilling program in 2010. In the first quarter, the Company anticipates participating in the drilling of 10 (8.4 net) horizontal Bakken oil wells in Saskatchewan, primarily developmental wells. Painted Pony currently anticipates drilling over 30 net Bakken wells in Saskatchewan in 2010.

Natural Gas Operations

During the third quarter of 2009, operations resumed under two farm-out agreements, whereby a senior oil and gas company has farmed-in on portions of Montney rights held by the Company within the Cypress and Cameron areas of British Columbia. On the Cameron lands, a second vertical well targeting the Montney formation which commenced drilling on July 29, 2009 is currently waiting on completion. A third well targeting the Montney formation committed to under the terms of the farm-out agreement on the Cameron lands is expected to commence being horizontally drilled in the fourth quarter of 2009. On the Cypress lands, a horizontal well targeting the Montney formation drilled primarily during the first quarter of 2009 is currently being flow tested. Further completion work is anticipated. Painted Pony has over 68,500 net acres of lands with Montney/Doig rights in British Columbia, as at November 1, 2009.

In preparation for the 2010 drilling program on the Company's two natural gas resource plays, Painted Pony is in the process of licensing 3 (2.3 net) potential Montney wells at Blair, of which 2 (1.3 net) are horizontal locations. The Company anticipates air drilling up to 2 (1.0 net) wells targeting the Buckinghorse shale gas formation in the third quarter of 2010. Within the Cameron area, Painted Pony expects to participate in the drilling of 2 (1.0 net) wells targeting the Bluesky/Gething zone in the first quarter of 2010.

Financial Resources

In October 2009, Painted Pony's revolving credit facilities were increased to \$33.0 million for its demand revolving operating credit facility (from \$24.0 million) and to \$7.0 million for its demand non-revolving acquisition/development facility (from \$5.0 million). Both facilities are provided by a Canadian chartered bank. The credit facilities are subject to a review date on or before March 31, 2010, at the sole discretion of the bank. Currently, Painted Pony has no funds drawn under either credit facility.

In November 2009, the Company issued 8.8 million Class A shares at \$ 5.88 per share, raising \$51.7 million before costs. At the end of September 2009, Painted Pony had a positive working capital position of \$1.1 million and no debt.

Appointment

The Company is pleased to announce the appointment of Michael Belenkie, P. Eng., as Vice President, Corporate Development. Mr. Belenkie was previously Manager of Corporate Development since joining Painted Pony in September 2008. Prior to that, he held numerous positions with a major oil and gas company, lastly as Montney Development Lead. Mr. Belenkie graduated in 1997 with a B. Sc. (Eng) from the University of Calgary and has approximately 13 years of industry experience.

Outlook

Painted Pony expects to continue to generate solid operating and financial results through successful drilling, complemented by a strong financial position and healthy oil prices. During the balance of 2009 and in 2010, the Company intends to expand its Bakken exploration and development program and commence the exploratory evaluation of its Montney and Buckinghorse shale gas resource plays. Approximately 75% of the expected drilling, completion and equipping costs in 2010 are targeted for light oil operations. The Company's budget anticipates 2010 capital expenditures of approximately \$90 million.

Investor Relations

Interested parties are invited to visit the Company's website on Friday, November 27, 2009 to view an updated presentation. For further information, please contact:

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Financial and Operational Highlights

(unaudited)

	Three months ended September 30,		Nine months ended September 30,		
	2009	2008	2009	2008	
Financial					
Petroleum and natural gas revenue (before royalties)	\$ 7,833,928	\$ 7,188,501	\$ 17,282,744	\$ 14,979,157	
Funds flow from operations ⁽¹⁾	\$ 4,513,191	\$ 4,845,733	\$ 8,228,720	\$ 9,866,416	
Per share – basic and diluted ⁽²⁾	\$ 0.12	\$ 0.16	\$ 0.25	\$ 0.38	
Cash flow from operating activities	\$ 4,273,094	\$ 5,756,112	\$ 6,302,910	\$ 10,019,933	
Net earnings (loss)	\$ (2,046,483)	\$ 328,233	\$ (5,608,318)	\$ 5,199,328	
Per share – basic and diluted ⁽²⁾	\$ (0.05)	\$ 0.01	\$ (0.17)	\$ 0.20	
Capital expenditures ⁽³⁾	\$ 26,629,630	\$ 16,997,381	\$ 39,010,576	\$ 60,176,319	
Net working capital	\$ 1,095,754	\$ 21,336,077	\$ 1,095,754	\$ 21,336,077	
Total assets	\$112,861,191	\$100,933,521	\$ 112,861,191	\$100,933,521	
Shares outstanding					
Class A	35,237,700	28,222,700	35,237,700	28,222,700	
Class B	1,173,600	1,173,600	1,173,600	1,173,600	
Operational					
Daily sales volumes					
Oil sales	(bbls/d)	1,008	457	713	308
Condensate sales	(bbls/d)	24	15	24	10
Natural gas liquids	(bbls/d)	20	9	15	5
Natural gas	(Mcf/d)	3,617	2,677	3,881	1,806
Total	(boe/d)	1,655	925	1,399	622
Realized prices					
Oil	(\$/bbl)	71.18	118.34	64.78	117.83
Gas	(\$/Mcf)	3.20	8.11	3.99	9.38
Field operating netbacks					
Oil	(\$/bbl)	51.08	87.82	43.87	86.06
Gas & liquids	(\$/boe)	6.44	24.68	7.35	30.33
Company combined	(\$/boe)	33.63	55.82	25.95	57.87
Wells drilled ⁽⁴⁾					
Gross		7	15	12	37
Net		6.3	7.8	10.8	17.1
Net success rate		95%	87%	97%	91%

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) do 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. 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.
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.

Advisory

This news release contains certain forward-looking statements, which are based on numerous assumptions including but 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. Readers are cautioned that the foregoing list of factors is not exhaustive. 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.

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