

PAINTED PONY PETROLEUM LTD.

300, 602 - 12 Avenue S.W.

Calgary, Alberta T2R 1J3

INSTRUMENT OF PROXY

**THIS PROXY IS SOLICITED BY THE MANAGEMENT AND WILL
BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 6, 2011**

The undersigned shareholder (the “**Shareholder**”) of Painted Pony Petroleum Ltd. (the “**Corporation**”) hereby nominates, constitutes and appoints Patrick R. Ward, President, Chief Executive Officer and Director of the Corporation, or failing him, Joan E. Dunne, Vice-President, Finance and Chief Financial Officer of the Corporation, or in the place and stead of the foregoing _____ the true and lawful attorney and proxy of the undersigned to attend, act and vote in respect of all shares held by the Shareholder at the annual and special meeting (the “**Meeting**”) of the shareholders of the Corporation to be held on Monday, June 6, 2011, and at any adjournment thereof. The undersigned hereby instructs the said proxy to vote the shares represented by this Instrument of Proxy in the following manner:

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------|
| 1. To fix the number of directors for the ensuing year at six (6) | FOR | AGAINST |
| 2. To elect Patrick R. Ward as a director | FOR | WITHHOLD |
| To elect Glenn R. Carley as a director | FOR | WITHHOLD |
| To elect Allan K. Ashton as a director | FOR | WITHHOLD |
| To elect Ronald R. Talbot as a director | FOR | WITHHOLD |
| To elect Kevin Angus as a director | FOR | WITHHOLD |
| To elect Arthur J.G. Madden as a director | FOR | WITHHOLD |
| 3. To appoint KPMG LLP, Chartered Accountants, as auditors of the Corporation until the next annual general meeting and to authorize the directors to fix their remuneration | FOR | WITHHOLD |
| 4. To pass an ordinary resolution in the form set out in the Information Circular, to approve and ratify the Corporation’s incentive stock option plan | FOR | AGAINST |
| 5. To vote in discretion of the proxy nominee on any amendments to or variations of matters identified in the Notice of Meeting and on any other matters which may properly come before the Meeting. | FOR | AGAINST |

DATED this _____ day of _____, 2011.

(Signature of Shareholder)

(Name of Shareholder - Please Print)

Number of Class A Shares represented by this proxy: _____

Number of Class B Shares represented by this proxy: _____

NOTES:

1. This proxy confers discretionary authority upon the persons named herein with respect to amendments or variations to matters identified above or with respect to such other matters as may properly come before the Meeting. At the time of mailing of this proxy the management of the Corporation knows of no such amendments or other matters.
2. The Class A Shares or Class B Shares of the Corporation owned by the Shareholder and represented by this proxy will be voted or withheld from voting by the proxyholder in accordance with the instructions of the Shareholder as specified by marking an "X" or similar notation in the space provided for that purpose.
3. **The Shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) to attend and act on his or her behalf at the Meeting other than the persons named in this proxy. To exercise this right, the Shareholder must strike out the name of the persons named in this proxy and insert the name of his or her nominee in the space provided or complete another appropriate form of proxy.**
4. A proxy will not be valid unless signed by the Shareholder or by his or her attorney authorized in writing, or, in the case of a corporation, executed under its corporate seal or signed by a duly authorized officer or attorney for the Corporation. If the proxy is executed by an attorney for the Shareholder or by an officer or attorney of a corporate Shareholder not under its corporate seal, the instrument so empowering the attorney or officer or a notarial copy thereof should accompany the proxy. If the proxy is not dated, it will be deemed to be dated on the date it was mailed to the Shareholder.
5. A Shareholder who has given a proxy has the power to revoke it. A proxy may be revoked by an instrument in writing signed by the Shareholder or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either deposited: (i) at the offices of the transfer agent of the Corporation, Olympia Trust Company, 2300, 125 – 9 Avenue S.E., Calgary, Alberta, T2G 0P6, Fax: (403) 265-1455, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting or an adjournment of the Meeting. In addition, a proxy may be revoked by the Shareholder executing another form of proxy bearing a later date and depositing same at the offices of the Corporation not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment thereof, or by the Shareholder personally attending the Meeting and voting his or her shares.
6. To be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notorially certified copy thereof must be deposited at the office of the transfer agent of the Corporation, Olympia Trust Company, 2300, 125 – 9 Avenue S.E., Calgary, Alberta, T2G 0P6, Fax: (403) 265-1455, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment of the Meeting.