



PRESS RELEASE

FOR IMMEDIATE RELEASE:

January 16, 2012

BROWNSTONE ENERGY ANNOUNCES OIL DISCOVERY AT LLANOS BLOCK 27, COLOMBIA

Toronto, Ontario (January 16, 2012) – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) (“Brownstone”) is pleased to announce that it has been advised by its joint venture partners that there has been an oil discovery in the Upper Mirador Formation at the Mani-1 well on the Llanos 27 Block in Colombia.

Mani-1 is the first well to be drilled in the Llanos 27 exploration drilling program. The well began drilling on October 21, 2011, and finished drilling at a final total depth (“TD”) of 10,850 feet on December 11, 2011, with completion and testing operations commencing on December 12, 2011. Open hole well logs indicated that the key prospective formation was the Upper Mirador at 9,480 feet. Due to a failure with the liner hanger, it was necessary to conduct two remedial cement jobs to ensure proper isolation of the Mirador formation. Following this, the Upper Mirador formation was perforated at the 9,482-9,486 foot interval on January 09, 2012. ESP equipment was set and run at 9,041 feet to test the well and was turned on January 11, 2012.

Initial production rates from the test were 1,510 bbls/d of fluids with a 32% watercut equating to approximately 1,025 boe/d of 14 degree API oil. During the course of the following 57 hour test, fluid and oil production rates improved to 2,310 bbls/d of fluids and a 16% watercut equating to approximately 1,940 boe/d of 16 degree API oil. These test results are preliminary and are not necessarily an indication of the longer-term potential of the well. Additional tests will be performed once the well can be placed on an extended test.

57 Hour Test Summary

Accumulated gross oil: 2,812 barrels

Accumulated water: 898 barrels

Total fluids: 3,710 barrels.

The well was shut-in on Saturday, January 14, 2012, due to storage capacity and will remain suspended while the application is made to the Ministry of Mines in Colombia to put the well on an extended test. This application approval is expected to take up to four weeks, at which time the well can be put back on production and oil from the extended test sold to market.

The Company is paying 50% of the cost to drill and test the well to earn a private participating interest of 45.275% before payout and 34.25% after payout. NCT EG Energy Group Colombia is the official operator of the block.

About Brownstone

Brownstone Energy Inc. is a Canadian-based, energy focused company with direct interests in oil and gas exploration projects, including varying interests in three off-shore Israel concessions and in four Colombian blocks in the Llanos basin, as well as other oil and gas interests worldwide. By owning and managing a diversified portfolio of energy-based projects, Brownstone provides shareholders with a unique energy alternative. For additional information, please see Brownstone's website: www.brownstoneenergy.com.

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.

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Cautionary Statements

This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws (together, "forward-looking information"). The use of any of the words "expect", "anticipate", "continue", "estimate", "believe", "plans", "intends", "confident", "may", "objective", "ongoing", "will", "should", "project", "should" and similar expressions are intended to identify forward-looking information.

The forward-looking information is based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the operational results in Colombia. Although the Company

believes that the expectations and assumptions on which the forward-looking information are based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct.

Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the inherent risks involved in the exploration and development of oil and gas properties, the uncertainties involved in interpreting drilling results and other geological data, uncertainties relating to fluctuating oil and gas prices, the possibility of cost overruns or unanticipated costs and expenses and other factors including unforeseen delays. Anticipated exploration and development plans relating to the Company's properties are subject to change.

The foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information contained in this press release is made as of the date hereof and Brownstone undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.