



**PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

**February 28, 2012**

**BROWNSTONE ENERGY INC. RELEASES UNAUDITED RESULTS  
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2011**

**TORONTO, Ontario (February 28, 2012)** – Brownstone Energy Inc. (TSXV: “BWN”; OTCQX: “BWSOF”) (“Brownstone” or the “Company”) today announces its unaudited results for the three and six months ended December 31, 2011.

As at December 31, 2011, the Company had cash and cash equivalents of \$27.2 million as compared to \$29.9 million as at June 30, 2011. Investments at fair value totaled \$11.1 million as at December 31, 2011 as compared to \$12.4 million as at June 30, 2011. Also as at December 31, 2011, exploration and evaluation assets totaled \$51.5 million as compared to \$42.1 million as at June 30, 2011.

**Financial Highlights for the three and six months ending December 31, 2011 with comparatives:**

<b>Operating Results (unaudited)</b>	<b>Three months ended December 31,</b>		<b>Six months ended December 31,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Net realized (losses) gains on disposal of investments	<b>\$ (1,631,880)</b>	\$ 279,670	<b>\$ (1,823,211)</b>	\$ (724,176)
Net change in unrealized gains (losses) on investments	<b>3,786,867</b>	4,178,644	<b>1,414,599</b>	5,241,808
Net investment gains (losses)	<b>2,154,987</b>	4,458,314	<b>(408,612)</b>	4,517,632
Profit (loss) for the period	<b>893,858</b>	3,046,580	<b>(2,449,468)</b>	2,452,382
<b>Basic earnings (loss) per share</b>	<b>0.01</b>	0.03	(0.02)	0.03
<b>Diluted earnings (loss) per share</b>	<b>0.01</b>	0.03	(0.02)	0.02

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**Consolidated statements of financial position  
Highlights**

	<b>December 31, 2011</b>	June 30, 2011
Cash and cash equivalents	<b>\$ 27,236,052</b>	\$ 29,833,806
Investments, at fair value	<b>11,139,408</b>	12,350,483
Exploration and evaluation assets	<b>51,475,455</b>	42,053,011
Total assets	<b>91,485,788</b>	90,591,353
Total liabilities	<b>1,718,936</b>	1,497,064
Share capital, warrants and broker warrants, contributed surplus	<b>119,185,785</b>	118,327,742
Foreign currency translation reserve	<b>(901,026)</b>	(3,165,014)
Deficit	<b>(28,517,907)</b>	(26,068,439)
Working Capital	<b>37,727,979</b>	46,507,056

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During the six months ended December 31, 2011, the Company spent net cash of \$6,873,335 on exploration and evaluation assets as compared to \$4,230,778 during the six months ended December 31, 2010.

Brownstone is currently participating in several oil and gas exploration projects based in Colombia, Israel, United States (Colorado/Utah and Oregon), Argentina, Canada and Brazil.

**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](http://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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