PRESS RELEASE

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BROWNSTONE ENERGY PROVIDES COLOMBIAN 2012 OPERATIONAL UPDATE

Toronto, Ontario (February 29, 2012) – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) ("Brownstone") announces that it has received the following operational update for its Colombian operations.

Llanos 27 Block

Mani-1 Exploration Well

As announced On January 16, 2012, Brownstone and its partners have an oil discovery in the Mani-1 exploration well. Initial production rates from the test were 1,510 bbls/d of fluids with a 32% watercut equating to approximately 1,025 bbls/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 bbls/d of 16 degree API oil. Following the initial test, the well was suspended while regulatory approval was applied for to place the well on extended test. All applications and submissions have been made and Brownstone has been advised that the operator expects the extended test approval to be granted in the next one to two weeks. Production under the extended test will commence immediately following receipt of the approval.

Flami-1 Exploration Well

In January 2012, the operator completed negotiations for land access at the Flami-1 exploration location and preliminary construction has begun to prepare the location for drilling. Subject to rig availability, Brownstone and its partners expect to spud the Flami-1 well by May 1, 2012. Once drilling begins, management has been advised that the operator expects to reach target depth of approximately 10,000 feet in 45 days. Prospective targets include the oil bearing intervals in the Mirador and Une Formations, with the Carbonera formation representing a secondary target. The high resolution 3D seismic data over the Flami 1 Prospect shows a structural trap similar to the successful Mani 1 discovery, but significantly larger in areal extent. Brownstone pays 50% of cost and has a 45.275% revenue interest in this block before payout, and a 34.25% private participating interest following payout.

Canaguaro Block

Canaguay-1 Well

On October 20, 2011, the Company and its partners shut in the Canaguay 1 well to service the well by conducting a cleanout of the well, replacing the ESP, and placing the new ESP at a deeper depth in the well closer to the producing zone. The operator's expectation was that this would lead to increased fluid production and a resultant increase in oil production as well. One of the objectives of this job was to remove a considerable amount of high viscosity emulsion that was plugging the well and limiting its productivity. The second objective was to run a new ESP design to ensure more effective drawdown on the well. On October 29th, 2011, the well was put back on production and since that time production has averaged between 900-1,000 bbls/d of oil with a watercut of approximately 35%.

In early February, 2012, the ESP began to run into complications due to the same high viscosity emulsion that was addressed in the October, 2011 workover. As a result, the well has been suspended in order to run a second workover of the well to remove the emulsion. The operator and its partners are also reviewing other pump design options that may be better suited to address the production challenges associated with the emulsion issue. Brownstone has been advised that its estimated share of the current workover will be approximately $250,000 and that it should take approximately three weeks to complete.

Canaguay-2 Well

In late 2011, Brownstone and its partners received approval for the Evaluation Program at the Canaguaro Block. The commitment under the Evaluation Program is to shoot 20 km^2 of 3D seismic and to drill another well by February 3, 2013. Planning has commenced to complete the 3D seismic survey in the summer of 2012 and plans are being made to drill the Canaguay-2 well in Q4 of 2012.

Brownstone has a 25% private participating interest in the Canaguaro Block.

Block 21

Following the Mani-1 oil discovery at Block 27 and the successful workover completed at the Canaguaro Block, the partners have decided to focus capital expenditure activity on Block 27 and the Canaguaro Block. As a result, the Company has entered into an agreement with Omega Energy Colombia to renegotiate its farm-in arrangement at Block 21, whereby Brownstone will cap its capital expenditure commitment to an agreed amount in return for a reduced private participating interest.

Under the terms of the original farm-in agreement, Brownstone was to pay 50% of two wells in exchange for a private participating interest of 35%. Under the new arrangement, Brownstone will pay a maximum of $3,875,000 towards the two wells and will have the option, following the completion of those wells to: a) waive any right to a private participating interest going forward and have no further financial obligations; or b) retain a 24.75% private participating interest in the block by reimbursing Omega Energy Colombia for its incurred cost in the two wells, such that Brownstone will have paid 50%.

Block 36

Brownstone has been advised by Montecz, the operator of Block 36, that it has made an application to the ANH for an extension of the Phase 1 exploration deadline and is awaiting a decision on that application.

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.

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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.