



PRESS RELEASE

BROWNSTONE ENERGY COMPLETES CANAGUAY-1 WORKOVER AND COMMENCES EXTENDED TEST AT MANI-1

Toronto, Ontario (March 26, 2012) – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) (“Brownstone”) is pleased to announce that it has received the following operational update for its Colombian operations.

Canaguaro Block

Canaguay-1 Well

As announced on February 29, 2012, the operator advised that it had planned a workover for the Canaguay-1 well, whereby, a new electric submersible pump (“ESP”) was installed at 12,000 feet and a considerable amount of high viscosity emulsion was removed that was plugging the well and limiting its productivity. On March 15, 2012, the well was put back on production and during the first seven days the well produced emulsion and water that had built up during the shut in phase. During this initial stage, management observed that fluid and oil production continued to increase while watercut decreased. During the four days from March 22 to March 25 average fluid production stabilized at approximately 2,000 BFPD, oil production was approximately 1,320 BOPD and water production was approximately 675 BWPD (34% watercut).

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

Llanos 27 Block

Mani-1 Exploration Well

Also, as announced on February 29, 2012, initial production rates from the test were 1,510 BFPD with a 32% watercut equating to approximately 1,025 BOPD of 14 degree API oil. During the course of the following 57 hour test, fluid and oil production rates improved to 2,310 BFPD and a 16% watercut equating to approximately 1,940 BOPD of 16 degree API oil. On March 7, 2012, Brownstone and its partners placed the well on extended test. Since that time, management has observed that total fluid

production has continued to increase and watercut has also continued to increase. Current fluid production is approximately 1,960 BFPD, oil production is approximately 640 BOPD and water production is approximately 1,320 BWPD (67% watercut).

As described in the Company's January 16, 2012 press release, there was a failure with the liner hanger during completion that caused problems with executing the cement job needed to ensure proper isolation of the Mirador formation. Two remedial cement jobs were completed at that time and it was believed that proper bonding was achieved. However, given the current increase in watercut, management is now investigating whether the cement job from the original completion is holding properly causing water to seep from lower zones, or if the water is being produced from the target reservoir. Management's intention is to continue monitoring production for the next number of days until stabilized watercut has been established before determining next steps.

Flami-1 Exploration Well

Civil works continue on time and on budget and spudding of the well is still expected by May 1, 2012, as previously announced.

Brownstone pays 50% of cost and has a 45.275% revenue interest in this Llanos 27 Block before payout, and a 34.25% private participating interest following payout.

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.