



**PRESS RELEASE**

**FOR IMMEDIATE RELEASE: July 3, 2012**

**BROWNSTONE ENERGY GRANTED EXTENSION OF DRILL CONTRACT AND SPUD DATE  
SAMUEL LICENSE, OFFSHORE ISRAEL**

**Toronto, Ontario (July 3, 2012)** – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) (“Brownstone” or the “Company”) today announced that it has been advised that The Ministry of Energy and Water of the State of Israel has granted an extension of the dates for the execution of a drilling contract and the spudding of the first well on the Samuel offshore license, indicated below:

	<b>Original date</b>	<b>Revised date</b>
Contract Execution Date	July 1, 2012	October 31, 2012
Submission of an Environmental Study	-	July 10, 2012
Spudding of first well	October 1, 2012	April 30, 2013

The date for the submission of the Environmental Study is a new milestone, and Brownstone has been advised by its partners that they believe they are able to submit the study within this timeline.

Brownstone holds a 6.75% working interest in the Samuel License.

**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.***

For further information, please contact:

Jonathan Schroeder, P. Geoph., President and COO  
(403) 660-2894  
[schroeder@brownstoneenergy.com](mailto:schroeder@brownstoneenergy.com)

Gerry Feldman, CFO  
(416) 941-8900  
[Feldman@brownstoneenergy.com](mailto:Feldman@brownstoneenergy.com)

Richard Patricio, Vice-President Corporate and Legal Affairs  
(416) 941-8900  
[info@brownstoneenergy.com](mailto:info@brownstoneenergy.com)

### **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 Israel. 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.*