



## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

**August 20, 2012**

### **BROWNSTONE ENERGY INC. PUTS FLAMI-1 WELL ON EXTENDED TEST PRODUCTION**

**Toronto, Ontario (August 20, 2012)** – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) (“Brownstone” or the “Company”) is pleased to announce that it has commenced extended test production of the Flami-1 well at the Llanos 27 block.

The Flami-1 well is the second well drilled by NCT Energy Group C.A. Colombia, as official Operator of the Llanos 27 Block, along with Brownstone and its partners. The well commenced drilling on April 23, 2012 and was drilled to a total depth of 9,300 feet on May 31, 2012. Initial testing operations occurred between June 21 and July 5, 2012. At that time the well was suspended while Brownstone and its partners awaited regulatory approval to put the well back on production. Approval was received on August 17 and production commenced on August 18, 2012.

Brownstone and its partners have brought the well back on at initial fluid production rates of 1,700 BOFD. The intention is to gradually increase drawdown rate while closely monitoring watercut in order to determine optimal production conditions. At present the well has been producing at an 18% watercut, producing approximately 1,400 BOPD.

#### **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).

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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*