



PRESS RELEASE

FOR IMMEDIATE RELEASE:

September 4, 2012

**BROWNSTONE ENERGY PARTNER MOVES DRILL TO KOKOPELLI LEASEHOLD
INITIAL WILLIAMS FORK WELL TO SPUD**

Toronto, Ontario (September 4, 2012) – Brownstone Energy Inc. (TSXV: “BWN”; OTCQX: “BWSOF”) (“Brownstone” or the “Company”) today announces that it has been advised by the operator, Dejour Energy Inc. (NYSE AMEX: DEJ / TSX: DEJ), that a drill rig has been contracted to drill the first well at Brownstone’s 28% owned Kokopelli project in the Piceance Basin, Colorado and that the rig is now moving onto the location.

Brownstone has been advised that this well is expected to spud during the coming week and will be directionally drilled to the base of the Williams Fork, logged, with casing set during the third quarter of 2012. Successful completion of this well will secure for Brownstone and its partner the substantial portion of the proven and probable undeveloped reserves, ~60 BCFe including ~3.6MM barrels of liquids net to Brownstone, attributed to the Williams Fork section of this Kokopelli leasehold by independent engineers. Production is expected to be tied into existing gathering systems by year end.

This 2,200 acre project is ideally situated for exploitation of both the Williams Fork and Mancos hydrocarbon laden shale bodies immediately adjacent to Williams Energy (NYSE: WPX) and Bill Barrett Corporation (NYSE: BBG) who are both developing and producing their respective leaseholds to the east, west and north of the Company’s acreage. Brownstone, through the operator, Dejour, has worked closely with important constituents including local citizenry and government, the Bureau of Land Management and the Colorado Division of Wildlife to develop a mutually acceptable development plan for this environmentally sensitive area. Construction of the first drilling pad commenced in the fourth quarter of 2011 with production expected to begin in the second half of 2012. According to National Instrument 51-101 standard in Canada, the reserves evaluation report for Brownstone’s leases at Kokopelli Field effective June 30, 2011, performed by Gustavson and Associates of Boulder, Colorado, projects the before tax discounted net present value 10% (NPV10) of proved undeveloped (PUD) reserves valued at

\$34.6 million and proven plus probable undeveloped (2P) reserves valued at \$74.5 million in the Williams Fork section net to Brownstone..

The initial drilling program has been reduced to reflect current commodity prices, but will allow the Company to secure these valuable assets for the long-term benefit of our stakeholders.

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.

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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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 at Kokopelli. 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