



## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

**September 25, 2012**

### **BROWNSTONE ENERGY SUCCESSFULLY DRILLS INITIAL KOKOPELLI WELL TO 8,440 FEET APPROXIMATELY 2,500 FEET OF GAS COLUMN THICKNESS ENCOUNTERED IN THE LOWER MESA VERDE (WILLIAMS FORK AND ROLLINS FORMATIONS)**

**Toronto, Canada (September 25, 2012)** - Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) ("Brownstone" or "the Company") is pleased to announce that the operator has advised that the first well at its 28% owned Kokopelli project in the Piceance Basin, Colorado, was directionally drilled to a total depth of 8,440 feet, just below the base of the Rollins Formation, and has encountered reservoir quality and gas column thickness similar to other recently drilled wells in the immediate area. The 2,500 feet of gross gas column, depth and composition of reservoirs encountered in the Lower Mesa Verde Formation were as expected. The well has been cased to total depth in preparation for completion operations. Completion operations, including perforating, fracturing and production tie-in are expected to be completed during Q4 2012. Successful completion of this well secures for Brownstone the substantial portion of the proven, probable undeveloped reserves attributed to the Lower Mesa Verde section of this Kokopelli leasehold by Brownstone's independent engineers.

As previously reported, this 2,200 acre project is ideally situated for exploitation of both the Williams Fork and Mancos hydrocarbon laden sand/shale bodies immediately adjacent to Williams Energy (NYSE: WPX) and Bill Barrett Corporation (NYSE: BBG) who are developing and producing their respective leaseholds to the east, west and north of the Company's acreage. Brownstone has worked closely, through its operator, Dejour Energy Inc. (NYSE MKT: DEJ / TSX: DEJ), with important constituents including local citizenry, government, the Bureau of Land Management and the Colorado Division of Wildlife to develop a mutually acceptable development plan for this environmentally sensitive area.

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 net to Brownstone in the Lower Mesa Verde Formation. Associated Proven and Probable Undeveloped Reserves net to Brownstone from the same independent engineering report are 60 BCFe which includes 3.6 MM barrels of liquids. It should be noted that the estimated values disclosed do not represent fair market value.

### **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.***

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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 the U.S.A. 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.*