



**PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

**September 28, 2012**

**BROWNSTONE ENERGY INC. RELEASES RESULTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**TORONTO, Ontario (September 28, 2012)** – Brownstone Energy Inc. (TSXV: “BWN”; OTCQX: “BWSOF”) (“Brownstone” or the “Company”) today announces its results for the year ended June 30, 2012.

As at June 30, 2012, the Company had cash and cash equivalents of \$18.2 million as compared to \$29.8 million as at June 30, 2011. Investments at fair value totaled \$2.8 million as at June 30, 2012 as compared to \$12.4 million as at June 30, 2011. Also as at June 30, 2012, exploration and evaluation assets totaled \$45.1 million as compared to \$42.1 million as at June 30, 2011.

**Financial Highlights for the year ending June 30, 2012 with comparatives:**

<b>Operating Results</b>	<b>Year ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
Net realized losses on disposal of investments	\$ (5,008,726)	\$ (1,385,033)
Net change in unrealized gains (losses) on investments	(610,098)	5,050,138
Net investment gains (losses)	(5,618,824)	3,665,105
Total expenses	21,570,378	6,236,774
Loss for the year	(27,053,898)	(1,581,297)
<b>Basic and diluted loss per common share</b>	<b>(0.21)</b>	<b>(0.02)</b>

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**Consolidated statements of financial position  
Highlights**

	<b>June 30, 2012</b>	June 30, 2011
Cash and cash equivalents	<b>\$ 18,197,006</b>	\$ 29,833,806
Investments, at fair value	<b>2,771,469</b>	12,350,483
Exploration and evaluation assets	<b>45,141,148</b>	42,053,011
Total assets	<b>67,650,272</b>	90,591,353
Total liabilities	<b>1,150,868</b>	1,497,064
Share capital, warrants and broker warrants, contributed surplus	<b>120,550,480</b>	118,327,742
Foreign currency translation reserve	<b>(928,739)</b>	(3,165,014)
Deficit	<b>(53,122,337)</b>	(26,068,439)
Working Capital	<b>20,793,675</b>	46,507,056

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During the year ended June 30, 2012, the Company spent net cash of \$16,717,003 on exploration and evaluation assets as compared to \$12,772,103 during the year ended June 30, 2011. During the year ended June 30, 2012, the Company recorded an impairment of \$16,292,799 (2011 – nil) on its exploration and evaluation assets.

Brownstone is currently participating in several oil and gas exploration projects based in Colombia, Israel, United States (Colorado/Utah and Oregon), and Argentina.

**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 investment 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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