



PRESS RELEASE

FOR IMMEDIATE RELEASE:

October 16, 2013

**BROWNSTONE ANNOUNCES EXTENSIONS ON YITZHAK AND GABRIELLA LICENSES,
OFFSHORE ISRAEL**

RELINQUISHES SAMUEL LICENSE, AND PROVIDES UPDATE ON YAM HADERA OPTION

Toronto, Ontario (October 16, 2013) - Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) ("Brownstone" or "the Company") is pleased to announce that it has received an extension (the "**Extension**") from the Ministry of Energy and Water of the State of Israel (the "**Ministry**") for the work programs on the Yitzhak and Gabriella licenses, offshore Israel. Brownstone and the other license holders have also relinquished their interests in the Samuel license, offshore Israel, back to the State of Israel. Brownstone held a 6.75% interest in the Samuel license.

The extended work program for the Yitzhak license requires the Company, and the other participants on the Yitzhak license, to submit an Environmental Impact Assessment to the Central District Planning Committee of the State of Israel by January 1, 2014, and execute a drilling contract by September 30, 2014. The Yitzhak license has been extended to October 14, 2014. Brownstone holds a 15% interest in the license.

The extended work program for the Gabriella license requires the Company, and the other participants on the Gabriella license, to submit a request to the Ministry for approval of a new operator that complies with Ministry regulations by February 28, 2014, execute a drilling contract by April 30, 2014, complete an Anisotropic PSDM and coherent sub surface model by July 31, 2014, and spud a well by August 31, 2014. The Gabriella license has been extended to September 1, 2014. Brownstone holds a 15% interest in the license.

Brownstone further announces that the work program for the Yam Hadera license, on which Brownstone has an option to acquire a 10% interest, has also been extended. The extended work program requires the participants on the Yam Hadera license, to submit a request to the Ministry for approval of a new

operator that complies with Ministry regulations by February 28, 2014, execute a drilling contract by May 31, 2014, submit an Environmental Assessment by May 31, 2014, and spud a well by August 31, 2014.

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 off-shore Israel and in the Llanos basin, Colombia, 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.

For further information, please contact:

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

Gerry Feldman, CFO
(416) 941-8900
Feldman@brownstoneenergy.com

Richard Patricio, Vice-President Corporate and Legal Affairs
(416) 941-8900
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 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.