



PRESS RELEASE

FOR IMMEDIATE RELEASE:

March 11, 2011

BROWNSTONE ENERGY ANNOUNCES CLOSING OF \$28 MILLION FINANCING

Toronto, Ontario (March 11, 2011) – Brownstone Energy Inc. (TSXV: BWN) is pleased to announce the closing today of its previously announced underwritten private placement (the "Offering") of units. The company raised gross proceeds of \$28,750,000 through the sale of 30,263,158 units (which include the units sold pursuant to the exercise in full of the underwriters' over-allotment option), at a price of \$0.95 per unit. Each unit was comprised of one common share and one-half of one common share purchase warrant of the company. Each whole warrant entitles the holder to acquire one common share of Brownstone at a price of \$1.25 per share, until expiry on September 11, 2012, subject to accelerated expiry, at the company's option, if, at any time following July 11, 2011, the closing price of Brownstone's common shares on the TSX Venture Exchange is at least \$1.75 over a period of 20 consecutive trading days.

The Offering was conducted through a syndicate of underwriters led by Jennings Capital Inc. and Dundee Securities Ltd. as co-lead underwriters, and including Clarus Securities Inc., Fraser Mackenzie Limited, PI Financial Corp. and All Group Financial Services Inc. As consideration for their services, the company paid to the underwriters a cash commission equal to 6% of the gross proceeds raised under the Offering and issued to them an aggregate of 1,815,789 broker warrants (equal to 6% of the total number of units sold under the Offering), each broker warrant entitling the holder to acquire one common share of the company, on the same terms and subject to the same conditions as the warrants comprising the units.

PowerOne Capital Markets Limited, which acted as financial advisor to the company in connection with the Offering, received a cash commission equal to 1% of the gross proceeds raised under the Offering and an aggregate of 302,632 broker warrants.

All of the securities issued in connection with the Offering (including common shares underlying the warrants and broker warrants) are subject to a hold period expiring on July 12, 2011.

The net proceeds of the Offering will be used to fund the company's exploration and development programs in Colombia and off-shore Israel, to repay outstanding indebtedness and for working capital and general corporate purposes.

Insiders of Brownstone purchased an aggregate of 1,694,000 units under the Offering, representing approximately 5.6% of the total number of units sold. A material change report in respect of the Offering will be filed on SEDAR in accordance with applicable securities law requirements. The report could not be filed at least 21 days prior to closing as material information concerning the Offering was not then known by the company.

The Offering is subject to final acceptance by the TSX Venture Exchange.

About Brownstone

Brownstone Energy Inc. is a Canadian-based, energy focused investment company with direct interests in oil and gas exploration projects, including varying interests in 5 off-shore Israel concessions and varying interests in 4 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.

For further information, please contact:

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

or

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