



## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

**May 9, 2011**

### **BROWNSTONE ENERGY PUTS CANAGUAY #1 WELL ON PRODUCTION IN COLOMBIA**

**Toronto, Canada (May 9, 2011)** – Brownstone Energy Inc. (TSXV: BWN) (“Brownstone”) is pleased to provide the following update on operations in Colombia.

#### **Canaguaro Block, Llanos Basin**

Brownstone has been advised by the operator of the Canaguaro Block that installation of long term production testing equipment at the Canaguay #1 well has been completed and that long term production testing of the well has commenced. During commissioning, the well produced oil at various rates, and most recently, the Canaguay #1 well produced from the Mirador formation through the new facilities at a rate in excess of 2,000 barrels of oil per day (“bopd”) with a 0.2% water cut. The optimal production rate for the Mirador reservoir and facilities will be determined by the results of the long term production test. Long term trucking and sale agreements have been signed for oil produced at Canaguay #1.

Brownstone has met its obligations to earn its 25% working interest in the Canaguaro Block.

#### **Block 27**

Brownstone and its partners have defined drilling locations on the first two of five separate structures, based on the interpretation of the previously completed 3D seismic survey. An additional follow-up development location has been selected on one of the structures dependant on success. Brownstone and its partners continue to wait on required environmental permits before construction of the locations can commence; and anticipates commencing construction and drilling in the 3<sup>rd</sup> quarter, 2011.

The wells have a planned depth of approximately 10,000 feet and will test prospective oil bearing intervals in the Carbonera, Mirador and Une Formations.

A follow-up 54 square kilometer 3D seismic acquisition program has commenced in the south eastern portion of the block to further define additional potential drilling locations. The 3D seismic acquisition

program is expected to be completed in the 2<sup>nd</sup> quarter, with the drilling of an additional 10,000 foot well before year-end, dependant on the results of the follow-up 3D seismic.

Brownstone has a 50% paying interest (45.275% working interest before pay out, 34.25% working interest after payout) in Block 27.

### **Block 21**

Brownstone and its partners have also completed 75% of the 83 square kilometer 3D seismic survey on Block 21. After processing and interpretation, the partners plan to drill 2 wells by the 1<sup>st</sup> quarter of 2012.

Brownstone is the operator of the block and has a 50% paying interest (45.5% working interest before pay out, 35% working interest after payout) in Block 21.

### **Block 36**

The acquisition of 109 square kilometers of 3D seismic on Block 36 is approximately 75% complete; this program was delayed by weather and environmental difficulties. Drilling of one 15,000 foot well remains scheduled to occur by the end of 2011.

Brownstone has a 20% paying interest (18.2% working interest before pay out, 14% working interest after payout) in Block 36.

### **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 5 off-shore Israel concessions and 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](http://www.brownstoneenergy.com).

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