



PRESS RELEASE

BROWNSTONE ENERGY INC.:

“BWN” (TSXV)

FOR IMMEDIATE RELEASE:

May 26, 2011

**BROWNSTONE ENERGY INC. RELEASES UNAUDITED RESULTS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2011**

TORONTO, Ontario (May 26, 2011) – Brownstone Energy Inc. (TSXV: “BWN”) today announces its unaudited results for the three and nine months ended March 31, 2011.

As at March 31, 2011, the Company had cash and cash equivalents of \$30.4 million as compared to \$1.8 million as at June 30, 2010. Investments at fair value totaled \$13.6 million as at March 31, 2011 as compared to \$17.2 million as at June 30, 2010. Also as at March 31, 2011, oil & gas properties and related expenditures totaled \$45.5 million as compared to \$36.2 million as at June 30, 2010.

Financial Highlights for the three and nine months ending March 31, 2011 with comparatives:

Operating Results (unaudited)	Three months ended March 31,		Nine months ended March 31,	
	2011	2010	2011	2010
Realized gains (losses) on disposal of investments, net	\$ 111,277	\$ (206,693)	\$ (612,899)	\$ 570,662
Unrealized gains (losses) on investments, net	(256,829)	5,171,474	4,984,979	7,890,645
Net investment gains (losses)	(145,552)	4,964,781	4,372,080	8,461,307
Net and comprehensive income (loss) for the period	(1,461,881)	3,512,888	1,193,188	2,102,288
Basic earnings (loss) per share	(0.01)	0.05	0.01	0.03
Diluted earnings (loss) per share	(0.01)	0.05	0.01	0.03

Balance Sheet Highlights	March 31, 2011	June 30, 2010
	Cash and cash equivalents	\$ 30,372,364
Investments, at fair value	13,575,445	17,174,119
Oil & gas properties and related expenditures	45,485,321	36,167,168
Total assets	93,045,380	63,961,793
Total liabilities	231,847	2,113,363
Share capital, warrants and contributed surplus	111,826,196	82,054,281
Deficit	(19,012,663)	(20,205,851)
Working Capital	45,215,519	20,394,295

During the nine months ended March 31, 2011, the Company spent cash of \$9,581,481 on oil & gas properties and related expenditures.

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

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.

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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