



## **PRESS RELEASE**

**FOR IMMEDIATE RELEASE:**

**September 13, 2011**

### **BROWNSTONE ENERGY PROVIDES UPDATE ON OPERATIONS IN COLOMBIA**

**Toronto, Ontario (September 13, 2011)** – Brownstone Energy Inc. (TSXV: BWN; OTCQX: BWSOF) (“Brownstone”) is pleased to provide the following update on its operations in Colombia.

#### **Block 27, Llanos Basin**

As previously announced, the operator completed both the initial 220 square km 3D seismic survey and an additional 54 square km survey on the block and Brownstone has been advised that following analysis and interpretation, 4 drillable prospects have been identified on the block.

On August 10, 2011, blanket environmental permits were received paving the way to proceed with the drilling of its first well on Block 27. Construction of the location began on August 29, 2011, and Brownstone has been advised that the first well should spud by the second half of October 2011 using a rig contracted from Saxon Energy Services. Brownstone has been advised that the well should take approximately 45 days to reach its target depth of 10,000 feet.

Prospective targets include the oil bearing intervals in the Mirador and Une Formations, with the Carbonera formation representing a secondary target.

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

#### **Block 21, Llanos Basin**

Brownstone has been advised that a 95 square kilometer 3D seismic program has been completed on Block 21, and management is near completion of its analysis and

interpretation. Preliminary evaluation has identified 4 potential prospects of interest on Block 21 with further detailed analysis required.

On August 3, 2011, the parties filed for environmental permits on Block 21 and await approval. Under contractual commitments to the ANH, and by the terms of its farm-in agreement, Brownstone and its partners must drill two wells by September 12, 2012. Assuming environmental approval is received in a timely fashion, the Company expects to commence wellsite construction in Q1 2012, and drill two wells in Q2 2012. Projected well depths at Block 21 are 8,000 feet.

Brownstone has a 50% paying interest (45.5% working interest before pay out, 35% working interest after payout) in Block 21.

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

A long term production test began on May 4, 2011 with an ESP set at approximately 6,000 feet depth, approximately 8,000 feet above the producing Mirador formation. Since that time, total production has averaged approximately 400 barrels of oil per day and Brownstone has been advised that the water cut has gone from an average of 18% in May to 33% in August. Initial reservoir pressure was registered at approximately 5,850 psi in May, and management has witnessed some decline in bottom hole flowing pressure since commencement of the long term test. Brownstone has been further advised that in late August, Quetzal, the acting operator, had shut in the Canaguay 1 well for 6 days to conduct a pressure build up test. Over that short period, well pressure returned to within 100 psi of the May pressure indicating that reservoir pressure depletion is not significant. Given that the perforations are only 30 feet above the plug back depth, management believes that sand production is likely causing a restriction in flow, and reduced bottom hole flowing pressure. The Company and its partners now plan to service the well by conducting a cleanout of the well, replacing the ESP, and placing the new ESP at a deeper depth in the well closer to the producing zone. It is management's expectation that this will lead to increased fluid production and a resultant increase in oil production as well. This work is expected to be completed by November 1 and is budgeted at a net cost to Brownstone of \$250,000.

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

### **Block 36**

The acquisition of 109 square kilometers of 3D seismic on Block 36 has been completed and analysis and interpretation continues. Drilling of one well is required by February 2012 and the operator, Montecz continues to evaluate options to meet activity requirements of the ANH. 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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