Brixton Energy Corporation

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CALGARY, May 30, 2011 /CNW/ -- CALGARY, May 30, 2011 /CNW/ - (TSXV: BRX) Brixton Energy Corp. ('Brixton') announces it is currently negotiating the potential purchase of two oil and gas producing properties, with combined 2010 revenue of $5.1 million and significant proven and proven plus probable reserves with upside potential from a private energy fund. The first operated property spans over 5 townships in central Alberta with extensive 3D seismic and interpretation completed. The second property in northern Alberta, a large portion of which is joint ventured with a major also has high quality 3D seismic interpreted. Both properties have an inventory of additional drilling locations with extensive professional wor already completed on these drill-ready targets.

Brixton expects to fund these transactions through the previously announced credit facility of up to $50 million, which will be collateralized by the value of these reserves and where repayment of the debt will come from the revenue derived from the production of theses properties and or potential equity financings. Current revenue from these properties will also allow the Company to develop additional targets to establish additional reserves and production, thereby potentially increasing the cash flow to service and pay down its credit facility. The Company is currently in the process of finalizing the business plan proposal to its lender. Part of the proposal will also include streamlining operations to reduce overhead per barrel to provide additional funds for working capital.

Brixton's wholly owned subsidiary will hold and operate these assets.

Management feels that acquiring these low risk producing properties will deliver significant upside to our shareholders. The Company expects to retain the existing infrastructure and field operations and is currently evaluating the necessary internal staff requirements needed to assist Brixton in maintaining operations and conducting future development of these properties.

The Company expects to finalize the negotiations in the coming weeks and will issue an update as progress is made toward transaction completion. This is an arms length transaction and finders fees may be payable in accordance with the TSX Venture rules and regulations.

We seek safe harbour.

On Behalf of Brixton Energy Corp.

Richard Saxon
Richard Saxon, President

We seek Safe Harbor

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