



Emerald Bay Energy

For Immediate Release: December 31, 2009

EMERALD BAY ANNOUNCES CLOSING OF FIRST TRANCHE OF PRIVATE PLACEMENT

Calgary, Alberta, December 31, 2009 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") today reported that the Corporation has closed the first tranche of its previously announced private placement. Pursuant to the private placement, 1,875,000 units ("**Units**") were issued at a price of \$0.08 per Unit, for aggregate consideration of \$150,000 (of which \$9,000 originated from a director/officer of the Corporation). Each Unit consisted of one (1) common share of the Corporation issued as a "flow-through share" pursuant to the *Income Tax Act* (Canada) (the "**Flow-Through Share**") and one (1) non-transferable share purchase warrant (the "**Warrant**") (each full Warrant shall entitle the holder thereof to purchase one (1) additional common share of the Corporation for a period of 12 months from the issuance of the Units at a price of \$0.15) (the "**Offering**").

The proceeds will be used for drilling new wells, completion and tie-ins of recently drilled wells and for seismic activities.

All of the securities issued pursuant to the private placement are subject to a 4-month hold period. Completion of the private placement is subject to the final approval of the TSX Venture Exchange.

Emerald Bay Energy Inc., based in Calgary, is a junior oil and gas producer with production properties in Western Canada and South Texas. The common shares of Emerald Bay trade on the TSX Venture Exchange under the symbol "EBY". Please visit our website at www.emeraldbayenergy.com.

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If you would like to receive press releases via email please contact catarina@chfir.com. Please specify "Emerald Bay press releases" in the subject line.

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