



Emerald Bay Energy

For Immediate Release: December 31, 2010

EMERALD BAY CLOSES PRIVATE PLACEMENT

Calgary, Alberta, December 30, 2010 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") today reported that the Corporation has closed its previously announced private placement. Pursuant to the private placement, 4,300,000 units ("**Units**") were issued at a price of \$0.05 per Unit, for aggregate consideration of \$215,000. Each Unit consisted of one (1) common share of the Corporation (issued either as a common share or as a "flow-through share" pursuant to the *Income Tax Act* (Canada) (the "**Flow-Through Share**") at the subscriber's option) and one (1) 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 twelve months from the issuance of the Units at a price of \$0.12) (the "**Offering**"). Of the total 4,300,000 common shares issued under this Offering, an aggregate 1,300,000 were issued as Flow-Through Shares. A finder's fee of \$5,000 was paid to Brant Securities Limited along with the issuance of 100,000 finder's options (the "**Finder's Options**"). Each Finder's Option is exercisable into one Unit (on a non-flow-through basis) of the Corporation (on the same terms and conditions as those received by the subscribers under this Offering).

The proceeds will be used for drilling wells, seismic activities and increasing working capital.

All of the Flow-Through Shares, Common Shares and Warrants issued pursuant to the private placement are subject to a four-month hold period. Completion of the private placement is subject to the final approval of the TSX Venture Exchange.

In connection with the Offering, Mr. Michael Rice, Chief Financial Officer of the Corporation, acquired 120,000 Units.

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.

For further information, please contact:

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

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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