



## Emerald Bay Energy

For Immediate Release: August 4, 2011

### EMERALD BAY ANNOUNCES DISPOSITION OF INTERESTS IN CENTRAL ALBERTA PROPERTIES

Calgary, Alberta, August 4, 2011 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") is pleased to announce that it has sold various working interests in certain oil and gas properties situated in Kelsey, Ferrybank, Doreenlee, Twining, Joffre, and Nevis, Alberta to All Investments Ltd., a company controlled by Clarence Wagenaar. Clarence Wagenaar controls, directly or indirectly, 11.67% of the common shares of the Corporation. The total consideration received by the Corporation for this disposition, which represents less than 6% of the Corporation's Canadian assets, was \$301,020 and was based upon the Corporation's independent geological evaluation report effective December 31, 2010. The sales price is reflective of the proved plus probable before tax 10% Dcf (discounted cash flow) present value of the various working interests at December 31, 2010. The agreement has an effective date of July 1, 2011. Emerald Bay has retained working interests and remains the operator in all of the properties. Completion of this transaction is subject to the approval of the TSX Venture Exchange.

"Selling various working interests in these selected non-strategic properties provides Emerald Bay with funds to reduce debt as well as capital to meet certain drilling obligations in Texas where Emerald Bay continues its oil development strategy." stated Shelby Beattie, President and CEO.

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](http://www.emeraldbayenergy.com).

For further information, please contact:

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***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.***

Certain statements in this press release, including in particular statements regarding the future net income of the assets being sold, may constitute "forward-looking" statements. When used in this press release, such statements use words, including but not limited to, "estimated" "may", "will", "expect", "believe", "plan", "intend", "anticipate", "future" and other similar terminology. These forward-looking statements reflect the current expectations of the Corporation's management regarding future events or values but involve known and unknown risks, uncertainties and other factors which may cause the value of the assets or the actual results, performance or achievements of the Corporation, to be materially different from any future values, results, performance or achievements expressed or implied by such forward-looking statements. Actual net income, values or events could differ materially from those projected herein and depend on a number of factors. There can be no assurance that the future net income of the assets discussed herein will be equal to the values described in this press release or at all. In addition, there are numerous risks associated with an investment in the securities of the Corporation, which are also further described

in our public filings on SEDAR. These forward-looking statements speak only as of the date of this press release. Except as required by applicable securities laws, the Corporation does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.