



Emerald Bay Energy

For Immediate Release: September 30, 2010

EMERALD BAY ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, Alberta, September 30, 2010 – 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 (the "Offering"). Pursuant to the private placement, 8,350,000 units ("**Units**") were issued at a price of \$0.05 per Unit, for aggregate consideration of \$417,500. 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 12 months from the issuance of the Units at a price of \$0.12).

Of the total 8,350,000 common shares issued under this Offering an aggregate 6,500,000 were issued as Flow-Through Shares. A finder's fee of \$16,250 was paid to Limited Market Dealer Inc. of Toronto, Ontario, along with the issuance of 650,000 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 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.

For further information, please contact:

Emerald Bay President, Shelby D. Beattie, by telephone at (403) 262-6000 or by email at info@ebyinc.com,
or

CHF Investor Relations:

Nadine O'Neill, IR Associate, (416) 868-1079 x246, nadine@chfir.com

Robin Cook, Senior Account Manager, (416) 868-1079 x228, robin@chfir.com.

If you would like to receive press releases via email please contact nadine@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.

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES