



Emerald Bay Energy

For Immediate Release: December 10, 2010

EMERALD BAY ANNOUNCES PRIVATE PLACEMENT

Calgary, Alberta, December 10, 2010 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") today reported that the Corporation is proposing a non-brokered private placement offering of up to maximum of 20,000,000 common shares ("**Common Shares**") of the Corporation. The Common Shares are to be issued under a unit offering whereby up to a maximum of 20,000,000 units ("**Units**") at a subscription price of \$0.05 per Unit are to be offered. Each Unit shall consist of one (1) Common Share of the Corporation (to be 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 subscribers option) 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 \$0.12) (the "**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:

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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.

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