



Emerald Bay Energy

For Immediate Release: Wednesday, February 16, 2011

EMERALD BAY REPORTS SOUTH TEXAS LEASES ARE ADDING WELLS WEEKLY

Calgary, Alberta, February 16 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the “Company”) is pleased to report on recent crude oil-focused developments in South Texas.

Medina County In-fill drilling: Through its 25% ownership of Production Resources Inc. (PRI), and as the managing partner, Emerald Bay has more than 100 in-fill drilling locations on the existing leases in Medina County. PRI has recently completed its 1st ten-well drilling package on three separate leases in the Taylor Ina field. Considering the 175+ existing wells on PRI’s leases, a comparative analysis shows each of the wells drilled have either met or exceeded the Company’s expectations. Three of ten drilling permits have been received for the second 10-well program. It is expected that PRI will have seven remaining permits approved by the end of February in order to start drilling in early March. Approximately 50 to 60 wells are planned for development drilling on the existing PRI leases in 2011.

Medina County Well optimization: The well optimization plan is moving along nicely. Approximately 40 wellbores are scheduled for the installation of upgraded lifting equipment. The equipment has been secured and 5 to 6 wells are being upgraded each week. The other two phases of optimization will be (i) the work-over of the Olmos zone in the existing wells; and (ii) the perforation and production of the by-passed pay zone called the Escondido. Under Emerald Bay’s direction, PRI has recently tested one well on the Escondido zone with great success. The Olmos zone was isolated; then the Escondido was perforated and put on pump with no stimulation needed. The initial 24-hour test produced 100% oil at rates equivalent to the Company’s stimulated Olmos wells. According to plan, the up-hole potential of the existing wellbores has been converted to production very efficiently using Companies-owned equipment.

Land and production acquisitions: The Company continues its land and production acquisitions in South Texas with specific focus on Frio, Atascosa, and Medina Counties. Multiple deals are currently in various stages of due diligence and negotiations, and the Company is very optimistic that the transactions could close in the 1st quarter of 2011. Zones of interest will continue to be where the Company has specific experience; such as the Escondido, Olmos, Austin Chalk, Eagle Ford, and Buda. While the Eagle Ford shale is widely considered to be the crown jewel, the Buda has been equally productive for operators who have reached this zone just below the Eagle Ford.

“In March of 2010, when Emerald Bay took the lead and found the joint venture partners willing to get behind the Taylor-Ina project, the project was producing around 750 barrels per month. We firmly believed that Taylor-Ina had the potential to produce over 20,000 barrels per month with a focused optimization and drilling plan. Based on our current lease position and rig availability, we are projecting a 2011 year-end monthly production volume over 12,000 barrels. This provides a solid, repeatable production operation to build on as we expand in the Eagle Ford trend of South Texas,” summarized Shelby Beattie, President and CEO.

ABOUT EMERALD BAY

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 www.emeraldbayenergy.com.

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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.

Forward-Looking Statements

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "expect", "plan", "intend", "anticipates", "projects", "potential" or similar expressions.. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Forward-looking statements are statements that are not historical facts.

Information inferred from the interpretation of drilling results may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a well is actually developed. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The reader is cautioned that assumptions used in the preparation of such information, which are considered reasonable by Emerald Bay at the time of preparation, may prove to be incorrect. Actual results achieved will vary from the information provided and the variations may be material. There is no representation by Emerald Bay that actual results achieved will be the same in whole or part as those indicated in the forward-looking statements. Forward-looking statements in this document include statements regarding the Company's exploration, drilling and development plans, the Company's expectations regarding the timing and success of such programs. In particular, forward-looking information in this news release includes, but is not limited to, statements with respect to: pipeline acquisitions and leasing; pipeline permits, pipeline construction, production estimates, drilling operations, completion operations, funding and development goals. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, level of activity, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, fluctuations in the prices of oil and gas, uncertainties inherent in estimating quantities of oil and gas reserves and projecting future rates of production and timing of development activities, competition, operating risks, acquisition risks, liquidity and capital requirements, the effects of governmental regulation, adverse changes in the market for the Company's oil and gas production, dependence upon third-party vendors, and other risks detailed in the Company's periodic report filings with the applicable securities regulators.



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