



## *Emerald Bay Energy*

For Immediate Release: Thursday, July 16, 2009

### **EMERALD BAY PROVIDES OPERATIONAL UPDATE**

Calgary, Alberta, July 15 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the “Company”) is pleased to report on recent developments in Central Alberta and South Texas.

#### **CENTRAL ALBERTA**

Tie-in and facilities efforts continue at Gilby, Chigwell, Joffre, and Lacombe, in Alberta. Pipeline land acquisitions and leasing should be complete at Gilby and Chigwell on or about July 17, 2009. Pipeline permits are expected to be issued within approximately two weeks after that, and construction to begin on or about the first week of August. Joffre pipeline construction operations are expected to begin in late August, with Lacombe’s operations to follow Joffre in September. Based on initial testing results, after pipeline operations are complete, the Company is estimating to add 60 to 80 boepd to the current production rate of 188 boepd.

Costs of drilling have come down in recent months. The reductions have played a major role influencing management’s allocation of resources. As a result, drilling operations will start again in approximately mid-August at Alliance, Alberta (8-25-40-13 W4). The target is Viking oil and gas formation at approximately 850 metres. The Company currently has a 40% working interest in the property, but may reduce its interest prior to drilling.

#### **MEDINA COUNTY, TEXAS**

Phase 1 of the completion operations have been accomplished on the Oscar C 3EB well in Medina County. The well is still recovering frac fluid at the current time with a ratio of 50/50 (frac fluid/oil). After the frac fluid is returned, Phase 2 operations will take place that will perforate the remaining porosity intervals in the Olmos sand. Given the early results obtained, the Company projects to meet its finding and development cost goal of \$5,000.00 per producing boe.

During drilling operations at Oscar C 3EB, oil was found in the pits and samples in the Escondido zone, just above the Olmos formation. The Company has filed a drilling application to off-set the 3EB well to drill and test Escondido separately. The drilling is anticipated to begin on or about the week of July 20<sup>th</sup>, results of which will determine if the Olmos and Escondido wells will be commingled going forward.

“Our current operational focus will be to tie-in our current natural gas production in Alberta. Drilling efforts will focus on oil in South Texas and in-fill shallow gas in Alberta where we have existing infrastructure in place,” 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:

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

or

*CHF Investor Relations:*

Catarina Cerqueira, Associate Account Manager, (416) 868-1079 x251, [catarina@chfir.com](mailto:catarina@chfir.com)

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

*If you would like to receive press releases via email please contact [catarina@chfir.com](mailto:catarina@chfir.com). Please specify "Emerald Bay press releases" in the subject line.*

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#### **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, finding 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.