



*Emerald Bay Energy*

For Immediate Release: January 31, 2012

EMERALD BAY ANNOUNCES PRIVATE PLACEMENT

Calgary, Alberta, January 31, 2012 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**" or "**Emerald Bay**") today reported that the Corporation is proposing a Private Placement offering of up to maximum of 13,000,000 common shares ("**Common Shares**") of the Corporation. The Common Shares are to be issued under a unit offering whereby up to a maximum of 13,000,000 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 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 \$0.10) (the "**Offering**").

The proceeds will be used for drilling wells, contributing to the Corporation debt facilities and increasing working capital.

All of the 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.

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 our website at [www.emeraldbayenergy.com](http://www.emeraldbayenergy.com).

For further information, please contact:

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

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