



Emerald Bay Energy

For Immediate Release: January 23, 2012

EMERALD BAY ANNOUNCES DISPOSITION OF INTERESTS IN EDSON AREA PROPERTIES

Calgary, Alberta, January 23, 2012 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**" or "Emerald Bay") is pleased to announce that it has accepted an offer on various interests in certain oil and gas properties situated in Edson, Alberta to an arm's length party. The total consideration to be received by the Corporation for this disposition is \$1,500,000 and is reflective of a five month sales process. The agreement has an effective date of January 1, 2012 and is expected to close on or before January 31, 2012. The sale will allow the Corporation to significantly reduce bank debt and focus on the exploration and development of oil opportunities Southwest Texas. Completion of this transaction is subject to, among other things, the execution of a conveyance agreement; approval of the Corporation's bank lender; and the 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.

For further information, please contact:

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or

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

Forward-Looking Statements

Certain statements in this press release, including in particular statements regarding the present worth of future net revenue of the interest in the assets being sold, may constitute "forward-looking" statements. When used in this press release, such statements use words, including but not limited to, "estimated" "may", "will", "expect", "believe", "plan", "intend", "anticipate", "future" and other similar terminology. These forward-looking statements reflect the current expectations of the Corporation's management regarding future events or values but involve known and unknown risks, uncertainties and other factors which may cause the value of the assets or the actual results, performance or achievements of the Corporation, to be materially different from any future values, results, performance or achievements expressed or implied by such forward-looking statements. Actual net revenues, values or events could differ materially from those projected herein and depend on a number of factors. There can be no assurance that the future revenue of the assets discussed herein will be equal to the values described in this press release or at all. In addition, there are numerous risks associated with an investment in the securities of the Corporation, which are also further described in our public filings on SEDAR. These forward-looking statements speak only as of the date of this press release. Except as required by applicable securities laws, the Corporation does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.