



Emerald Bay Energy

For Immediate Release August 25, 2011

**EMERALD BAY ENERGY INC. ISSUES
STOCK OPTIONS**

Calgary, Alberta, August 25, 2011 - Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") announced today that, subject to regulatory approval, it has granted incentive stock options for a total of 4,925,000 common shares of the Corporation at a price of \$0.10 per share for a period of five years, under the formal Stock Option Plan approved at the Annual General Meeting held on November 15, 2010, subject to regulatory approval, to certain directors, officers, and consultants (including 700,000 options to the investor relations firm) of the Corporation. The options are subject to a four-month hold period. A maximum of 10% of the issued shares are reserved for issuance for the Corporation's Stock Option Policy.

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:

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

or

CHF Investor Relations:

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

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.