



**Emerald Bay Energy**

For Immediate Release: July 19, 2011

**EMERALD BAY ANNOUNCES DISPOSITION OF 50% INTEREST IN CERTAIN OIL AND GAS LEASES LOCATED IN TEXAS**

Calgary, Alberta, July 19, 2011 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") announced that it has sold a 50% interest in certain oil and gas leases situated in Bexar, Atascosa and Medina Counties, Texas to Hillcrest Investments Ltd., a company controlled by Clarence Wagenaar. Clarence Wagenaar controls, directly or indirectly, 11.67% of the common shares of the Corporation. The total consideration received by the Corporation for this disposition was USD\$300,000, based upon the Corporation's independent geological evaluation report dated April 8, 2011. This report estimated that 100% of the assets, as of January 1, 2011, had a present worth of future net revenue, discounted at 9%, at \$494,620. Completion of this transaction is subject to the approval of the TSX Venture Exchange.

"Selling a 50% interest in these selected leases provides Emerald Bay with funds to reduce debt as well as the necessary capital to acquire additional lands and meet certain drilling obligations in the neighboring counties where Emerald Bay continues its oil development strategy in Texas" 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).

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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.***

Certain statements in this press release, including in particular statements regarding the future net income of 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 income, 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 net income 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.