



Emerald Bay Energy

For Immediate Release: Tuesday, March 29, 2011

EMERALD BAY ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, Alberta, March 29, 2011 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") today reported that the Corporation has closed the first tranche of its previously announced private placement. Pursuant to the private placement, 7,503,701 units ("**Units**") were issued at a price of \$0.05 per Unit, for aggregate consideration of \$375,185.05. Each Unit consisted of one (1) common share of the Corporation (issued either as a common share or as a "flow-through share" pursuant to the *Income Tax Act* (Canada) (the "**Flow-Through Share**") at the subscriber's option) 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 18 months from the issuance of the Units at a price of \$0.10) (the "**Offering**"). Of the total 7,503,701 common shares issued under this Offering, an aggregate 6,163,701 were issued as Flow-Through Shares. A finder's fee of \$10,000 was paid to Limited Market Dealer Inc. along with the issuance of 400,000 finder's options (the "**Finder's Options**"). A finder's fee of \$3,500 was paid to Pope & Company Limited along with the issuance of 70,000 Finder's Options. Each Finder's Option entitles the holder to acquire one Unit (on a non-flow-through basis) of the Corporation (on the same terms and conditions as those received by the subscribers under this Offering) at a purchase price of \$0.05 per Unit for a period of 12 months from the issuance of the Finder's Option.

The proceeds will be used for drilling wells, seismic activities and increasing working capital.

All of the Flow-Through Shares, Common Shares and Warrants issued pursuant to the private placement are subject to a four month hold period. Completion of the private placement is subject to the final approval of the TSX Venture Exchange.

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.

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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.

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