



Emerald Bay Energy

For Immediate Release: January 3, 2018

EMERALD BAY ANNOUNCES CLOSING OF SECOND/FINAL TRANCHE OF PRIVATE PLACEMENT

Calgary, Alberta, January 3, 2018 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**" or "**Emerald Bay**") today reported that the Corporation has closed the final tranche of its previously announced private placement. Pursuant to this fully subscribed closing of the private placement, an aggregate 10,000,000 units ("**Units**") were issued to four (4) subscribers (of which 2,000,000 Units were acquired by an officer of the Corporation and 6,500,000 were acquired by an insider of the Corporation) at a price of \$0.015 per Unit, for aggregate consideration of \$150,000 (\$250,000 was raised on Tranche 1 which closed on December 20, 2017 (on the same terms as this closing)). Each Unit consisted 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 \$0.05) (the "**Offering**"). The Warrants are subject to an acceleration clause whereby if after four months and one day following the date the Warrants are issued, the closing price of the Common Shares of the Corporation on the principal market on which such shares trade is equal to or exceeds \$0.10 for 30 consecutive trading days (with the 30th such trading date hereafter referred to as the "**Eligible Acceleration Date**"), the Warrant expiry date shall accelerate to the date which is 30 calendar days following the date a press release is issued by the Corporation announcing the reduced warrant term, provided, no more than five business days following the Eligible Acceleration Date: (i) the press release is issued; and (ii) notices are sent to all warrant holders.

The net proceeds will be used in respect existing drilling commitments on the Corporation's assets in Texas, specifically in relation to the following:

- at the Corporation's Wooden Horse property, the Corporation: (i) will add lifting equipment to begin production operations on the recently drilled Kuhn 4 well, at an approximate cost of USD\$22,500; (ii) is evaluating locations for two new wells (Kuhn 5 and Kuhn 6) to be drilled as Buda formation targets at an estimated cost of USD\$65,000 each; it is also anticipated that completing and equipping Kuhn 5 and Kuhn 6 will cost USD\$35,000 each; and (iii) will renew leased acreage and lease acreage adjacent to the Wooden Horse property at an approximate cost of USD\$35,000; and
- at the Corporation's Nash Creek property, the Corporation plans to drill short radius horizontal legs to the fault detected by the 3D seismic in the BeauMar 1 well at an approximate cost of USD\$68,000.

All of the Common Shares and Warrants issued pursuant to the private placement are subject to a 4-month hold period. The terms of the private placement are according to the TSX Venture Exchange Discretionary Waivers of \$0.05 Minimum Pricing Requirement Bulletin dated April 7, 2014 and completion of the private placement is subject to the final approval of the TSX Venture Exchange.

ABOUT EMERALD BAY

Emerald Bay Energy Inc. (EBY) is an energy company with oil producing properties in southwest Texas as well as non operated oil, natural gas, and electricity generation interests in Central Alberta, Canada. EBY is the operator of the Wooden Horse and Nash Creek Projects in Guadeloupe, Texas, where the Company currently now owns a 50.00% working interest in those projects. The Company also owns 75% of Production Resources Inc., a South Texas oil company.

To stay informed on Emerald Bay Energy, please join our Investor Group at <https://www.8020connect.com/groups/emerald-bay-energy-inc> for all upcoming news releases, articles, comments and questions.

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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.

Forward-Looking Statements

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "expect," "plan," "intend," "anticipates," "projects," "potential" or similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Forward-looking statements are statements that are not historical facts.

Information inferred from the interpretation of drilling results may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a well is actually developed. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The reader is cautioned that assumptions used in the preparation of such information, which are considered reasonable by Emerald Bay at the time of preparation, may prove to be incorrect. Actual results achieved will vary from the information provided and the variations may be material. There is no representation by Emerald Bay that actual results achieved will be the same in whole or part as those indicated in the forward-looking statements. Forward-looking statements in this document include statements regarding the Company's exploration, drilling and development plans, the Company's expectations regarding the timing and success of such programs. In particular, forward-looking information in this news release includes, but is not limited to, statements with respect to: pipeline acquisitions and leasing; pipeline permits, pipeline construction, production estimates, drilling operations, completion operations, funding and development goals. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, level of activity, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, fluctuations in the prices of oil and gas, uncertainties inherent in estimating quantities of oil and gas reserves and projecting future rates of production and timing of development activities, competition, operating risks, acquisition risks, liquidity and capital requirements, the effects of governmental regulation, adverse changes in the market for the Company's oil and gas production, dependence upon third-party vendors, and other risks detailed in the Company's periodic report filings with the applicable securities regulators.