FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company

Emerald Bay Energy Inc. (the "Corporation")
3 – 4015 1 Street SE
Calgary, AB T2G 4X7

ITEM 2 Date of Material Change:

December 30, 2010.

ITEM 3 News Release:

A press release was issued in respect of the material change on December 30, 2010.

ITEM 4 Summary of Material Change:

The Corporation has closed its previously announced private placement. Pursuant to the private placement, 4,300,000 units ("**Units**") were issued at a price of $0.05 per Unit, for aggregate consideration of $215,000. 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 subscribers 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 12 months from the issuance of the Units at a price of $0.12) (the "**Offering**"). Of the total 4,300,000 common shares issued under this Offering an aggregate 1,300,000 were issued as Flow-Through Shares. A finder's fee of $5,000 was paid to Brant Securities Limited along with the issuance of 100,000 finder's options (the "**Finder's Options**"). Each Finder's Option is exercisable into 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).

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 4-month hold period. Completion of the private placement is subject to the final approval of the TSX Venture Exchange.

In connection with the Offering, Mr. Michael Rice, Chief Financial Officer of the Corporation, acquired 120,000 Units.

ITEM 5 Full Description of Material Change:

Reference is made to the press release attached hereto.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

ITEM 7 Omitted Information:

No material information has been omitted from this Report.

ITEM 8 Executive Officer:

For further information, please contact Shelby D. Beattie, President at (403) 262-6000 or by facsimile at (403) 263-6001.

ITEM 9 Date of Report:

Dated as of December 30, 2010.

The foregoing accurately discloses the material change referred to in this report.

Emerald Bay Energy

For Immediate Release: December 30, 2010

EMERALD BAY ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, Alberta, December 30, 2010 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**") today reported that the Corporation has closed its previously announced private placement. Pursuant to the private placement, 4,300,000 units ("**Units**") were issued at a price of $0.05 per Unit, for aggregate consideration of $215,000. 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 12 months from the issuance of the Units at a price of $0.12) (the "**Offering**"). Of the total 4,300,000 common shares issued under this Offering, an aggregate 1,300,000 were issued as Flow-Through Shares. A finder's fee of $5,000 was paid to Brant Securities Limited along with the issuance of 100,000 finder's options (the "**Finder's Options**"). Each Finder's Option is exercisable into 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).

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 4-month hold period. Completion of the private placement is subject to the final approval of the TSX Venture Exchange.

In connection with the Offering, Mr. Michael Rice, Chief Financial Officer of the Corporation, acquired 120,000 Units.

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:
Catarina Cerqueira, Associate Account Manager, (416) 868-1079 x251, catarina@chfir.com
Robin Cook, Senior Account Manager, (416) 868-1079 x228, robin@chfir.com.

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

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