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:

February 17, 2012

ITEM 3 News Release:

A press release was issued in respect of the material change on February 17, 2012.

ITEM 4 Summary of Material Change:

February 17, 2012 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**" or "**Emerald Bay**") today reported that the Corporation has closed its previously announced private placement. Pursuant to the private placement, 14,240,000 units ("**Units**") were issued at a price of $0.05 per Unit, for aggregate consideration of $712,000 (1,740,000 Units were purchased for $87,000 by a current shareholder of the Corporation that controls (after this issuance), directly or indirectly, just over 11% of the common shares of the Corporation). 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 $0.10) (the "**Offering**").

The proceeds will be used for drilling wells, contributing to the Corporation debt facilities and increasing working capital. A finder's fee of $32,500 was paid to Trimor Capital Corporation in connection with the private placement. Trimor Capital Corporation was also issued 650,000 finder's options as further compensation (each finder's option exercisable into one Unit of the Corporation (on the same terms and conditions as those received by the subscribers under this Offering) for a period of 12 months from the issuance at a price of $0.05).

All of the Common Shares, Warrants, and finder's options 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.

ITEM 5 Full Description of Material Change:

Reference is made to the press releases 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 February 17, 2012.

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

Emerald Bay Energy

For Immediate Release: February 17, 2012

EMERALD BAY ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, Alberta, February 17, 2012 – Emerald Bay Energy Inc. (TSX Venture: EBY) (the "**Corporation**" or "**Emerald Bay**") today reported that the Corporation has closed its previously announced private placement. Pursuant to the private placement, 14,240,000 units ("**Units**") were issued at a price of $0.05 per Unit, for aggregate consideration of $712,000 (1,740,000 Units were purchased for $87,000 by a current shareholder of the Corporation that controls (after this issuance), directly or indirectly, just over 11% of the common shares of the Corporation). 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 $0.10) (the "**Offering**").

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ABOUT EMERALD BAY

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.