

JAMES BAY RESOURCES ANNOUNCES SIGNIFICANT OIL & GAS OPPORTUNITY

- **James Bay enters agreement to conduct due diligence to identify potential oil & gas acquisition targets in Nigeria**
- **James Bay to partner with established operators D&H Solutions whose partners are Hemla II AS of Norway and DSME of Korea**
- **Additional transaction with domestic oil & gas service provider Mak Mera Limited (MAK MERA) to target acquisitions of near term producing projects**

TORONTO, ONTARIO - James Bay Resources Limited (TSX.V: JBR) ("James Bay" or the "Company") is pleased to announce it has signed a preliminary agreement with D&H Solutions AS ("D&H") to partner in conducting due diligence and identifying potential acquisition targets of significant onshore/offshore Nigerian oil & gas projects.

The Company has signed a memorandum of understanding (the "MoU") to conduct due diligence, and if a suitable target is identified, to form a special purpose vehicle (the "SPV") with D&H (a 50/50 partnership between Hemla of Norway and Korea's DSME (Daewoo Shipbuilding and Marine Engineering) to further evaluate the identified oil & gas opportunities in Nigeria, and if suitable negotiate an agreement to acquire and develop these assets. It is intended that James Bay will earn a 50% interest in the SPV on the condition that the Company invests up to US\$32 million. As part of the initial MoU, James Bay will deposit US\$2 million in an escrow account to provide initial funding assurances to its future joint venture partner D&H for purposes of conducting the initial due diligence to identify and secure acquisition oil & gas property targets. An additional up to US\$10 million will be invested by James Bay after signing an agreement to acquire an advanced oil & gas project, with the funds due within 30 days of receipt of all regulatory approvals, with the up to US\$20 million balance to be invested within one year of signing an acquisition agreement in respect of an identified target.

James Bay is also pleased to announce it has entered into a letter of intent with an established indigenous Nigerian oil & gas service provider MAK MERA. MAK MERA provides upstream oil & gas expertise and contacts that will facilitate James Bay's entry into the Nigerian hydrocarbon industry should an identified target be secured, and an agreement made for its acquisition through the SPV. Subject to locating and completing an acquisition of a target oil & gas asset, James Bay will pay US\$300,000 and will issue up to 12.5 million shares representing 30% of its issued and outstanding shares to MAK MERA based on the following schedule:

- a) US\$300,000 to be paid and 3.25 million shares to be issued upon successful completion of due diligence and acquisition of oil & gas assets in Nigeria
- b) 3.25 million shares to be issued upon the Company reaching 1,500 boe per day
- c) 3 million shares to be issued upon the Company reaching 4,000 boe per day
- d) 3 million shares to be issued upon the Company reaching 5,500 boe per day

“These transactions represent a significant step for James Bay,” stated Mr. Stephen Shefsky, President & CEO. “With our new partners Hemla, DSME and MAK MERA we are confident the Company will complete the due diligence process favourably and begin the development of a significant oil & gas Nigerian prospect.”

If a target is identified through this process, completion of the acquisition could represent a Change of Business under the TSX Venture Exchange policies. As a result, any such transaction would be subject to a number of conditions, including TSX Venture Exchange acceptance and if required shareholder approval.

About James Bay Resources

James Bay is a well-financed Canadian resource company with 28,040,350 shares outstanding and trades on the TSX Venture Exchange under the symbol “JBR”. Please visit the James Bay website at www.jamesbayresources.com.

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