

HORNBY BAY EXPLORATION LIMITED

SUITE 700, 357 BAY STREET, TORONTO, ONTARIO M5H 2T7

December 14, 2005

Shares Outstanding December 14, 2005: 86,053,256
Close December 13, 2005: \$0.315

Hornby Bay Announces Financing

Hornby Bay Exploration Limited (HBE) announces that it has arranged a non-brokered private placement of up to 4.3 million flow-through units at a price of \$0.35 per unit for total gross proceeds of up to \$1.5 million. Each unit will consist of one flow-through share and one-half of a common share purchase warrant. Each whole share purchase warrant will be exercisable for one additional (non flow-through) common share of HBE for a period of 24 months from the closing date of the private placement at a price of \$0.45 per share.

In addition, HBE has arranged a non-brokered private placement of up to 430,000 non flow-through units at a price of \$0.35 per non flow-through unit for total gross proceeds of up to \$150,000. Each unit will consist of one common share and one common share purchase warrant exercisable for an additional common share of HBE for a period of 24 months from the closing date of the private placement at a price of \$0.45 per share.

HBE will pay a finder's fee of 7.0% of the gross proceeds received and will issue compensation options equal to 10.0% of the number of units sold, which compensation options will entitle the holders to purchase (non flow-through) common shares of HBE for a period of 24 months from the closing date at a price of \$0.45 per share.

In the event that HBE's common shares trade at a closing price on the TSX Venture Exchange of greater than \$0.55 per share for a period of 20 consecutive trading days ending on a date which is more than four months after the closing date, HBE may accelerate the expiry date of the warrants and/or options by issuing a news release within 15 days and in such case the warrants and/or options will expire on the 30th day after the date of such news release.

HBE will use the gross proceeds of flow-through shares for further exploration of its Canadian exploration properties and the gross proceeds of the non flow-through shares for general working capital.

Completion of the private placements is subject to receipt of all required regulatory approvals.

For further information contact:
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