

For Immediate Release  
Calgary, Alberta

Thursday, August 31, 2006  
TSXV Trading Symbol: SAA.A  
SAA.B  
18,046,778 Class A Shares  
1,044,000 Class B Shares

## SOLARA EXPLORATION COMPLETES ACQUISITION

CALGARY, ALBERTA, August 31, 2006 – Solara Exploration Ltd. (“Solara”) is pleased to announce that it has completed its previously announced acquisition of a privately owned oil and gas company (the “Company”) with oil and gas properties in Alberta (the “Transaction”). Pursuant to the Transaction, Solara has acquired all of the outstanding common shares of the Company by exchanging one (1) Solara Class A Share for every 2.75 common shares of the Company. Under the terms of the Transaction, Solara has issued a total of approximately 2,650,280 Class A Shares at a deemed value of \$1.30 per share with a hold period expiring on November 1, 2006 to the shareholders of the Company. The share exchange ratio was predicated on the relative corporate net asset valuations of the two companies based on management estimates. Shareholders of the Company approved the Transaction at a special meeting held on August 30, 2006. The Transaction has also received conditional approval from the TSX Venture Exchange.

Solara had previously undertaken an independent audit of the Company’s oil and gas reserves by GLJ Petroleum Consultants indicating an estimated value of \$1.3 MM utilizing a discount rate of 8% effective April 30, 2006. As well, the Company has current estimated working capital of \$1.25 MM, net daily production of approximately 30 BOE/D and drilling prospects on undeveloped lands in Alberta. The board of directors of Solara is very pleased with the acquisition which is expected to increase Solara’s daily production to approximately 250 BOE/D. As well, the acquisition is expected to provide additional opportunities for growth in oil and gas production and reserves in the near term.

Solara Exploration is an emerging junior oil and gas company focused on the exploration, development and acquisition of oil and natural gas in western Canada.

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### **READER ADVISORY:**

***The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.***

***Certain information regarding the Company including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities laws and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environment risks, competition from other producers and ability to assess sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.***