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Calgary, Alberta

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SAA.B  
17,852,481 Class A Shares  
1,044,000 Class B Shares

## **SOLARA EXPLORATION ANNOUNCES THIRD QUARTER 2006 FINANCIAL AND OPERATING RESULTS**

**CALGARY, ALBERTA** – November 30, 2006. Solara Exploration Ltd. (“Solara” or the “Company”) is pleased to announce its unaudited consolidated financial and operating results for the third quarter of 2006.

### **Highlights**

- **During the third quarter, Solara participated in the drilling of 7 wells for six gas wells and one dry and abandoned well, for an 86% success rate**
- **Completed the acquisition of a private oil and gas company producing 30 BOE/d and with \$1,250,000 in working capital**
- **Exited the quarter with approximately 280 BOE/d in net daily field production**
- **Positive cash flow from operations was \$265,642 for the nine months ended September 30, 2006**
- **Completed a \$2,756,000 convertible debenture financing in July**

### **Overview**

Solara is pleased to report that it continued to grow in key aspects of its business during the nine months ended September 30, 2006. Through a combination of drilling activities, tie in of wells and the completion of a corporate acquisition in August, the Company has increased its daily oil and gas production and reserves. Since January 1, 2006, Solara has participated in the drilling of 30 wells resulting in three oil, 23 gas and four dry and abandoned wells. The Company’s production will continue to increase with ongoing completion and tie-in activities of wells drilled to date. In August, Solara completed the acquisition of privately owned oil and gas company producing approximately 30 BOE/d and with \$1,250,000 in estimated working capital. The transaction closed on August 30, 2006 with the issuance of 2,650,280 Class A Shares to the shareholders of the acquired company. Solara also completed a convertible debenture financing raising \$2,756,000 in July to partially fund the corporate acquisition previously completed in May.

### **Financial Review**

As at September 30, 2006, Solara reported working capital of \$5,522,638. Working capital increased primarily as a result of the completion of the convertible debenture financing in July. During the period, the Company had oil and gas production revenue of \$1,348,115, cash flow of \$265,642 and a net loss (before income taxes) of \$341,765. Oil and gas revenue increased during the third quarter as a result of the acquisition of 30 BOE/d in August and production from wells tied-in during the period. Oil and gas revenue for the third quarter was \$683,511 compared to \$122,145 in the prior period in 2005. Lower selling prices for natural gas affected revenues for the period. Solara has filed its unaudited consolidated financial statements and management discussion and analysis for the nine months ended September 30, 2006 with the Canadian securities regulatory authorities on SEDAR. This information may be accessed electronically at [www.sedar.com](http://www.sedar.com).

**The following table summarizes the unaudited consolidated financial and operating results for the nine month period ended September 30, 2006 with comparable periods in 2005.**

<b>Financial Highlights</b>	Three months ended Sept 30, 2006	Three months ended Sept 30, 2005	Nine months ended Sept 30, 2006	Nine months ended Sept 30, 2005
Production - Oil bbls/d	79	5	54	2
- Gas mcf/d	419	111	237	54
- BOE/d	149	23	93	11
	\$	\$	\$	\$
Revenues, net after royalties	615,836	109,368	1,202,511	135,102
Operating expenses	(199,036)	(9,960)	(371,605)	(19,249)
Cash flow from field operations	416,800	99,408	830,906	115,853
Net back \$/BOE	30.41	46.98	32.73	40.07
Interest income	16,177	39	142,411	1,282
General and administrative expenses	(173,187)	(37,489)	(432,876)	(128,871)
Interest expense and financing costs	(95,413)	(452)	(274,799)	(15,841)
Cash flow	164,377	61,506	265,642	(25,577)
Cash flow per share	0.01	0.02	0.02	(0.01)
Loss	(209,868)	(50,519)	(739,739)	(100,296)
Loss per share	(0.02)	(0.01)	(0.03)	(0.00)
Weighted average class A shares – basic (000's)	17,244	2,859	16,289	3,020
<b>Source and Use of Funds</b>	Three months ended Sept 30, 2006	Three months ended Sept 30, 2005	Nine months ended Sept 30, 2006	Nine months ended Sept 30, 2005
Issuance of shares, net of costs	6,500,729	123,500	6,198,854	944,285
Funds provided (used) by operations	164,377	61,506	265,642	(25,577)
Change in non-cash working capital	(399,440)	51,917	87,983	32,223
	6,265,666	236,923	6,552,479	948,931
Additions to property and equipment	(5,496,242)	(630,394)	(8,551,761)	(880,537)
Corporate acquisitions	818,420	-	(3,484,345)	-
	(4,677,822)	(630,394)	(12,036,106)	(880,537)
Increase (decrease) in cash	1,587,844	(393,471)	(5,483,627)	68,394

## Operations Review

Solara participated in the drilling of 23 gas wells in the Peace River Arch, West Central, Birch Wavy and Majorville areas of Alberta during the nine month period. Several of these wells have been placed on production with more wells planned to be tied-in for production during the balance of 2006. The Company participated in the drilling of three oil wells and four dry and abandoned wells. Production for the nine month period averaged approximated 93 BOE/d increasing to an average of 149 BOE/d in the third quarter 2006. Sales production for the month of September averaged 203 BOE/d with the Company exiting the quarter with estimated daily production of 280 BOE/d. At the time of this news release, Solara had additional wells awaiting completion of tie-in activities which could increase production by up to 250 BOE/d by January 2007 based on management estimates. Additional working interest wells recently drilled and cased will be completed and tested to evaluate commercial potential over the next several weeks. Operating expenses for the nine month period were \$371,605 or \$14.60/BOE. With higher production in the third

quarter, operating expenses were \$199,036 or \$14.52/BOE. Selling prices for oil and natural gas marketed during the three month period averaged \$62.15/bbl and \$5.79/mcf respectively. Natural gas prices tracked lower during August and September affecting the Company's revenues. The average selling price per barrel of oil equivalent (BOE) sold during the nine month period was \$51.68/BOE. Net operating revenues after royalties and operating expenses were \$973,317 for the nine months and \$432,977 for the third quarter ended September 30, 2006.

## **Outlook**

Solara has initiated an aggressive drilling program for the fourth quarter committing to drill 25 wells prior to year end. Since the beginning of October, the Company has participated in the drilling and casing of 10 potential gas wells on various projects in Alberta. Two of the wells were recently completed and tested, and the results disclosed in the news release on November 20. Solara is currently producing an estimated 280 BOE/d and expects its production to be in excess of 400 BOE/d by year end upon the completion of various tie-ins of gas wells and recompletion activities. Solara is currently operating the drilling of 10 wells and participating in an additional five wells. Any new production obtained from the wells recently drilled and wells currently being drilled will be incremental to this exit production estimate. The Company continues to evaluate strategic asset and corporate acquisitions which would increase its production and reserves in the near term.

Solara Exploration Ltd. 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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## **ADVISORY**

***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 source. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.***

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

***BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.***