

For Immediate Release
Calgary, Alberta

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TSXV Trading Symbol: SAA.A
SAA.B
24,880,181 Class A Shares
1,044,000 Class B Shares

SOLARA ANNOUNCES 2006 FINANCIAL AND OPERATING RESULTS AND RESERVE ADDITIONS

CALGARY, ALBERTA – May 4, 2007. Solara Exploration Ltd. (“Solara” or the “Company”) is pleased to announce its consolidated financial and operating results for the twelve (12) month fiscal year ended December 31, 2006.

Highlights

- **Completed the acquisition of two private oil and gas companies**
- **Exited 2006 with approximately 300 boe/d of daily oil and gas production**
- **Raised \$5.3 million in various financings during the year**
- **Generated gross oil and gas revenue of \$2.15 million and cash flow of \$176,000**
- **Operated the drilling of 14 wells on core projects, and participated in an additional 34 wells**
- **Added in 931,300 boe in proven and probable reserves based on an independent reserve evaluation.**

The drilling activity and acquisitions undertaken in 2006 have positioned Solara for significant growth in 2007. Total capital expenditures for the 2006 fiscal period were \$19.7 million comprised mainly of exploration activities and the acquisition of two oil and gas companies. Most of the investment occurred later in the year and accordingly, had a lesser impact on the financial and operating results for 2006. The Company’s production and reserves increased significantly during the year. Upon completion of various tie-in activities for the oil and gas wells drilled in late 2006 and completed in the first quarter of 2007, Solara’s net daily field production is expected to increase to 700 boe/d in the second quarter based on management’s estimates.

As at December 31, 2006, Solara reported a working capital deficiency of \$3,557,522. During the period, the Company had oil and gas production revenue of \$2,149,560, cash flow of \$176,000 and a loss, after income taxes, of \$589,092. The Company had no bank debt at year end 2006. Solara raised \$4.09 million pursuant to a private placement of Class A Shares in March, 2007. Solara has filed its audited financial statements and management discussion and analysis for the 2006 fiscal year with the Canadian securities regulatory authorities on SEDAR and may be accessed electronically at www.sedar.com.

The Company also announces its reserves for the fiscal year ended December 31, 2006 (“Fiscal Year End”). In accordance with National Instrument 51-101-Standards for Disclosure for Oil and Gas Activities (“NI 51-101”), GLJ Petroleum Consultants (“GLJ”) has independently prepared Solara GLJ Report (“GLJ Report”) which evaluated all of the Company’s oil, natural gas and liquids reserves at Fiscal Year End. The GLJ price forecast of January 1, 2007 was used to determine estimates of future net revenues. Based on the GLJ Report, Solara has 1,058,100 boe proven plus probable reserves for Total Company Interest Reserves. The before tax net present

value discounted at 8% of Total Company Interest Reserves is \$19,429,000, not including value of reserves associated with wells drilled but not completed at Fiscal Year End. Solara exceeded its reserve ceiling test and accordingly, did not have a write down at Fiscal Year End. GLJ prepared a second report at March 31, 2007, updating the Company's proved and probable reserves ("GLJ March Report") reporting 1,166,000 boe, net of estimated produced reserves in the first quarter 2007. The before tax net present value discounted at 8% of Total Company Reserves pursuant to the GLJ March Report is \$22,063,000 utilizing the GLJ price forecast at April 1, 2007. The Company had proven and probable reserve additions of 283,900 boe in the first quarter 2007 based on GLJ March Report. Total Company Interest Reserves are the total of the Company's working and royalty interest share after deduction of applicable royalties. The Form 51-101-F1 summary of the GLJ Report and associated Company information is available for public viewing on SEDAR at www.sedar.com.

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