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SAA.B
24,849,692 Class A Shares
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SOLARA ANNOUNCES FIRST QUARTER 2007 FINANCIAL AND OPERATING RESULTS

CALGARY, ALBERTA – May 31, 2007. Solara Exploration Ltd. ("Solara" or the "Company") is pleased to announce its unaudited financial and operating results for the three (3) months ended March 31, 2007.

Highlights

- **Generated oil and gas revenues of \$1.27 million and cash flow of \$594,783**
- **Focused on completion and tie-in of wells drilled in late 2006**
- **Averaged sales production of 291 boe/d of oil and gas for the period**
- **Daily production rose to approximately 400 boe/d in March 2007**
- **Raised \$4.09 million in a financing completed during the quarter**

Overview

Solara continued to grow in all key aspects of its business in the first quarter 2007. The Company experienced a high level of drilling activity in the prior year by participating in 48 wells. Accordingly, the focus in the first quarter 2007 changed to capitalizing on the positive drilling results through completions and tie-in of wells. Several key wells remained to be tied in for production at the end of the quarter primarily due to a protracted spring breakup which precluded any field pipeline construction.

Financial

Solara's financial and operating results continued to increase over the prior periods due to higher production and relatively strong commodity prices. During the quarter, the Company had oil and gas production revenue of \$1,269,598, cash flow of \$594,783 and a loss, after income taxes, of \$110,002. As at March 31, 2007, Solara reported a working capital deficiency of \$1,072,601 including bank debt of \$790,950. Total capital expenditures for the first quarter were \$1.85 million comprised mainly of completion and tie-in activities, and land acquisitions. Solara completed a private placement of 4,090,000 Class A Shares at \$1.00 per Share in March. The Company's banker increased its demand operating line from \$2.5 million to \$7.5 million based on its year end reserve additions.

Operations

Sales production averaged 291 boe/d for the three month period. Solara had field operating downtime totaling 13 days resulting in cessation of production on certain projects during spring breakup. Field production rose to approximately 400 boe/d in March as a result of the completion of wells drilled in the prior year. Upon completion of various tie-in activities for oil and gas wells drilled in late 2006, Solara's daily production is projected to continue to increase during the second quarter based on management's estimates of up to 300 boe/d behind pipe. The Company had proved and probable reserve additions of 283,900 boe in the first quarter 2007 based on an independent reserve evaluation update at March 31, 2007 undertaken by GLJ Petroleum Consultants. Operating, general and administrative and royalty costs on a barrel of oil equivalent (boe) basis continued to improve primarily due to increased production levels during the current period. Solara acquired several strategic land parcels during the quarter with potential drilling locations.

Outlook

Management fully expects Solara's operating and financial results to continue to show progressive growth in the second quarter 2007 based on the tie-in of various high working interest wells. The Company continues to focus on optimizing production through re-completions, tie-ins and exploitation drilling. A major focus involves undertaking a corporate or asset acquisition which will accelerate the growth of the Company in the short term. There are exploration and development drilling locations on core projects which will be selectively pursued during the balance of 2007 utilizing discretionary cash flow the available operating lines. The management and Board of Directors remain firmly committed to growing shareholder value.

Solara has filed its unaudited financial statements and management's discussion and analysis for the three month period ended March 31, 2007 with the Canadian securities regulatory authorities on SEDAR. This information may be accessed electronically 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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