

For Immediate Release  
Calgary, Alberta

Friday, August 31, 2007  
TSXV Trading Symbols: SAA.A  
SAA.B  
24,678,692 Class A Shares  
1,044,000 Class B Shares

## **SOLARA ANNOUNCES SECOND QUARTER 2007 FINANCIAL AND OPERATING RESULTS**

**CALGARY, ALBERTA** – August 31, 2007. Solara Exploration Ltd. (“Solara” or the “Company”) is pleased to announce its unaudited financial and operating results for the three (3) month period ended June 30, 2007.

### **Highlights**

- **Generated gross oil and gas revenue of \$1.33 million and cash flow of \$557,444 during the three month period**
- **Daily production averaged 311 BOE/d in the quarter**
- **Continued focus on the completion and tie-in of wells drilled in late 2006**
- **Exited the quarter at approximately 425 BOE/d of field production**
- **Operating line was increased by the Company’s banker to \$7.5 MM**

Solara’s financial and operating results continued to increase over the prior periods due to slightly higher sales production and relatively strong oil prices. Total capital expenditures for the second quarter were \$2.11 million comprised mainly of completion and tie-in activities, seismic and land acquisitions. Solara’s daily field production continued to increase toward the end of June and into July as a result of the completion of various tie-in activities initially adding approximately 135 BOEd. These production additions will have a positive impact on the third quarter 2007 financial and operating performance. Solara has a 35% interest in a gas well in the Pembina area which has been tied-in and is awaiting a gas plant turnaround and repairs prior to going on production in September. The well is initially expected to add approximately 40 BOE/d net to the Company’s daily production. Three additional gas wells are planned for tie-in in the fourth quarter. Solara has plans to drill several wells on core projects prior to year end.

During the three month period, the Company had oil and gas production revenue of \$1,337,781, cash flow of \$557,444 and a loss, after income taxes, of \$238,864. At June 30, 2007, Solara reported a working capital deficiency of \$2,765,347. The Company’s banker increased its demand operating line from \$3.25 MM to \$7.5 MM in May. Solara has filed its unaudited financial statements and management discussion and analysis for the three month period ended June 30, 2007 with the Canadian securities regulatory authorities on SEDAR. This information may be accessed electronically at [www.sedar.com](http://www.sedar.com).

### **About Solara Exploration Ltd.**

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.*