

For Immediate Release
Calgary, Alberta

Friday, January 4, 2008
TSXV Trading Symbol: SAA.A
SAA.B
25,314,192 Class A Shares
1,044,000 Class B Shares

SOLARA COMPLETES PRIVATE PLACEMENT

CALGARY, ALBERTA, Jan 4, 2008 Solara Exploration Ltd. ("Solara" or the "Company") (TSX VENTURE:SAA.A) (TSX VENTURE:SAA.B) is pleased to announce that it has completed a private placement of 820,000 Class A Shares issued on a flow-through basis at a price of \$0.35 per share for aggregate proceeds of \$287,000. The shares are subject to a four month hold period expiring on April 28, 2008. The Company plans to use the proceeds of the financing for ongoing operations on its oil and gas projects in Alberta.

The Company also announces that the Board of Directors has approved the granting of stock options to officers, directors and employees of the Company. Options to purchase 950,000 Class A Shares were issued by the Company with an exercise price of \$0.30 per share. The options have a term of five years with vesting in accordance with the Company's Option Plan.

Solara Exploration is a publicly trading junior oil and gas company focused on the exploration, development and acquisition of oil and natural gas assets in western Canada.

READER ADVISORY

This news release may contain certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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.

Solara Exploration Ltd.

Donald R. Holding

President and Chief Executive Officer

(403) 537-0458

(403) 537-0462

Email: don_solaraexploration@shaw.ca

Solara Exploration Ltd.

1800, 444 - 5th Avenue S.W.

Calgary, Alberta T2P 2T8

Website: www.solaraexploration.com