

SOLARA ANNOUNCES RECENT AND PLANNED ACTIVITIES

CALGARY, ALBERTA - Solara Exploration Ltd. ("Solara" or the "Company") (TSX VENTURE:SAA.A) (TSX VENTURE:SAA.B) is pleased to announce that it is currently tying-in an operated natural gas well for production in the Provost area of Alberta. The Company previously announced the initial test well results of the well on November 19, 2008. The well is expected to initially add approximately 40 BOE/d of net production. Solara has plans to drill an additional well on the section which has potential for gas in two other zones based on management's assessment of drilling and geophysical data. Solara is currently optimizing several of its operated oil wells on the Sounding Lake Project in eastern Alberta with the objective of enhancing daily production. The Company also has plans to drill two development wells on its operated projects in the Dewberry and Youngstown areas of Alberta.

The Company recently completed a non-brokered private placement of 600,000 Class A Shares on a "flow-through" basis at \$0.20 per share raising \$120,000. The financing was completed on December 31, 2008 in accordance with the conditional approval of the TSX Venture Exchange ("TSXV"). The senior management of the Company participated in the financing. The shares will be subject to a four month hold period. Solara plans to use the proceeds for various exploratory and development activities on projects in Alberta.

Solara continues to repurchase its shares by way of open market transactions pursuant to the Company's normal course issuer bid which was previously approved by the TSXV. The management of the Company believes that the current trading price of the Company's shares does not reflect the value of the shares based on management's internal estimate of oil and gas reserves, as well as other indices typically used to evaluate share value in the public oil and gas sector.

About Solara

Solara Exploration is an emerging junior oil and gas company focused on the exploration, development and production of oil and natural gas 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.

24,933,437 Class A Shares

1,022,000 Class B Shares

The TSXV has neither approved nor disapproved the contents of this news release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact:

Donald R. Holding, President and Chief Executive Officer

Solara Exploration Ltd.

1800, 444 - 5th Avenue S.W.

Calgary, Alberta, Canada T2P 2T8

Telephone: (403) 537-0458

Facsimile: (403) 537-0462

Email: don_solaraexploration@shaw.ca

READER ADVISORY

The TSXV has neither approved nor disapproved the contents of this news release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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 BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.