



# Solara Exploration Ltd.

Solara Exploration Ltd. is a junior oil and gas company trading on the TSX Venture Exchange under the trading symbols SAA.A (Class A shares) and SAA.B (Class B shares). The Company explores for, develops and produces crude oil and natural gas in Western Canada. Solara owns interests in producing properties, oil and gas reserves and undeveloped mineral rights in Alberta, Canada.

## FINANCIAL AND OPERATING INFORMATION

Six Months Ended June 30, 2008	
Oil and Gas Revenue	\$4,182,183
Funds from Operations	\$2,256,578
Net Income	\$142,742
Capital Expenditures	\$2,061,703
Produced Field Volumes (boe/d)	374
Sales Volumes (boe/d)	331
Class A Shares	25,105,692
Class B Shares	1,028,500
Working Capital (Excluding Bank Debt)	\$565,337
Bank Debt	\$6,409,073
Operating Line	\$10,000,000

## CORPORATE STRATEGY OVERVIEW

Solara's capital expenditure program is focused on increasing production and reserves by pursuing three primary strategies for growth:

- Drilling exploration and development wells to identify new pools of oil and gas and to optimize reserves
- Acquiring producing oil and gas properties with optimization potential
- Negotiating strategic business combinations to accelerate growth of the company

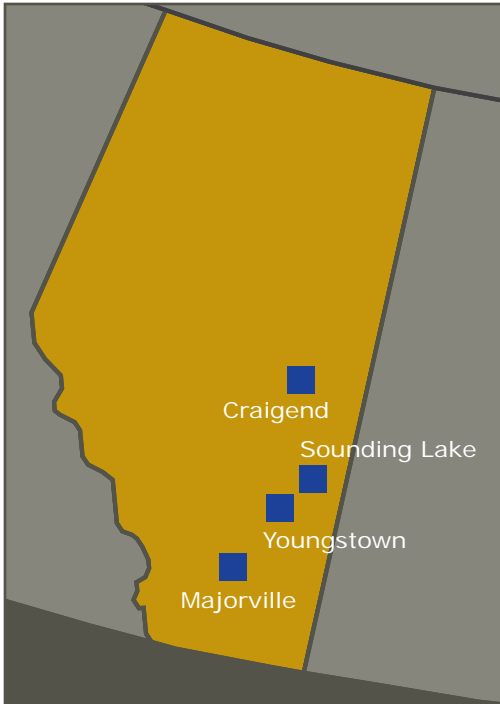
## SECOND QUARTER HIGHLIGHTS

For the Six Months Ended June 30, 2008

- Generated gross oil and gas revenues of \$4,182,183, funds from operations of \$2,256,578 (\$0.09 per basic Class A Share) and net income of \$142,742
- Averaged oil and gas sales production of 331 boe/d
- Participated in the drilling of three wells resulting in two gas wells and one dry and abandoned well
- Completed purchase of various assets in Alberta producing 45 boe/d

## RECENT DEVELOPMENTS

Sales of oil and gas production averaged 331 boe/d during the six month period ended June 30th, 2008 compared to daily field production of 374 boe/d. The main difference between field and sales production relates to shrinkage and unavoidable loss of production in the field. Solara experienced approximately 31 days of production downtime on certain working interest wells due to gas plant turnarounds, workovers, spring breakup and equipment repairs. Several wells are expected to be tied-in and placed on production in the third and fourth quarters and are expected to add additional oil and gas production. The Company estimates that it currently has approximately 150 BOE/d behind pipe which involves tie-ins and recompletions during the balance of 2008. The Company continued to selectively acquire strategic land parcels for its inventory of undeveloped lands during the period. On September 19, 2008 Solara completed the purchase of certain producing and non-producing oil and gas assets located in Alberta for \$1,350,000.



## OUTLOOK

Solara's financial and operating performance is expected to continue to improve over the balance of 2008. Production additions from the recent acquisition, tie-ins and new drilling will contribute to the improvement in the Company's business. Solara continues to evaluate asset and corporate acquisitions which may be accretive, and will accelerate growth in the short term. With the current downturn in oil and natural gas prices over the summer, acquisition opportunities are expected to increase in the coming months. Solara has a number of drilling opportunities on its core projects which will be selectively pursued in the short term depending on availability of capital and commodity prices.

## MANAGEMENT

**Donald R. Holding, B.Sc., B.Comm.**  
*President & Chief Executive Officer*

**Brian A. Skinner, P.Geol.**  
*Vice President, Exploration*

**Brent J. McGillivray, P.Eng.**  
*Vice President, Operations & Engineering*

**James E. Lawson, CA**  
*Chief Financial Officer*

**Ross O. Drysdale, LLB**  
*Corporate Secretary*

## DIRECTORS

**Stanley M. Davison**  
*Chairman*

**John D. Boyd, P.Geoph.**

**Alfred F. Fischer, P.Geol.**

**Donald R. Holding, B.Sc., B.Comm.**

## AUDITORS

**KPMG LLP**  
Calgary, Alberta

## BANKER

**National Bank of Canada**  
Calgary, Alberta

## EVALUATION ENGINEERS

**GLJ Petroleum Consultants**  
Calgary, Alberta

## LEGAL COUNSEL

**Burstall Winger LLP**  
Calgary, Alberta

## REGISTRAR & TRANSFER AGENT

**Olympia Trust Company**  
Calgary, Alberta



CORPORATE PROFILE | SEPTEMBER 2008

TSX-V SAA.A/SAA.B

## FORWARD LOOKING STATEMENTS

This presentation contains forward-looking information. Implicit in this information are assumptions, among other things, regarding oil and natural gas prices, production, royalties and expenses that, although considered reasonable by Solara at the time of preparation, may prove to be incorrect. These forward-looking statements are based on certain assumptions that involve a number of risks and uncertainties and are not guarantees of future performance. Actual results could differ materially as a result of changes in Solara's plans, changes in the commodity prices, general economic, market, regulatory and business conditions as well as production, development and operating performance and other risks associated with oil and gas operations. There is no guarantee by Solara that actual results achieved will be the same as those forecast herein. Readers are cautioned that the foregoing list of important factors is not exhaustive. The forward-looking statements contained in this presentation are made as of the date hereof and Solara undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

Suite 1800, 444 - 5th Avenue SW,  
Calgary, Alberta, Canada T2P 2T8  
Phone: 403.537.0458  
Fax: 403.537.0462  
info@solaraexploration.com  
www.solaraexploration.com

