

CARAT EXPLORATION INC.

#908 - 595 Howe Street
Vancouver, BC, V6C 2T5

News Release

Vancouver, July 9, 2007

The Company is pleased to announce a non-brokered private placement of 750,000 Units at \$0.80 per unit. Each unit shall consist of one common share and one-half share purchase warrant. Each warrant is exercisable at a price of \$1.20 per share for a period of one year from closing.

The proceeds of the private placement will be used for developing the Company's properties and working capital.

A finders fee will be paid in respect to the private placement, when applicable.

The private placement is subject to the approval of the TSX Venture Exchange.

CARAT EXPLORATION INC.

Per: "W.E. Schmidt"

William E. Schmidt, CFO

This announcement contains certain forward looking statements which involve known and unknown risks, delays and uncertainties not under the corporations control which may cause actual results, performance or achievements of the corporation to be materially different from the results, performance or expectation implied by these forward looking statements.

This release has been prepared by the management of the company. The TSX Venture Exchange has neither approved nor disapproved of the information contained herein.

This press release is available on the Carat Exploration IR HUB for investor commentary, feedback and questions. Investors are asked to visit <http://www.AGORACOM.com/IR/Carat>. Alternatively, investors are asked to e-mail all questions and correspondence to CRZ@agoracom.com where they can also request addition to the investor email list, to receive all future press releases and correpsondence directly.

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