

CARAT EXPLORATION INC.
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July 28, 2009

Symbol: CRZ: TSX-V

NEWS RELEASE

CARAT EXPLORATION INC. ANNOUNCES GRANT OF STOCK OPTIONS

Vancouver, BC – CARAT EXPLORATION INC. (“Carat” or the “Company”) (CRZ: TSX-V) The Company announces that it has granted an aggregate 800,000 incentive stock options to directors, officers and employees. All these stock options are exercisable at a price of \$.32 per share for a period of five (5) years ending July 28, 2014. The stock options have been granted under and are governed by the terms of the Company's incentive stock option plan.

On behalf of The Board of Directors of Carat Exploration Inc.

“Ioannis (Yannis) Tsitos”
President, CEO & Director

This document 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's to be materially different from the results, performance or expectation implied by these forward looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.