

CARAT EXPLORATION INC.
#908-595 Howe Street
Vancouver, BC, V6C 2T5

News Release

May 3, 2007

Carat has granted incentive stock options to purchase 4,500,000 shares at a price of \$0.92 per share for a period of five years.

On behalf of the Board of Directors

C. (Harry) Katevatis
President

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.

This release has been prepared by management – TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

