

**CARAT EXPLORATION INC.**  
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**NEWS RELEASE**

**CARAT APPOINTS IOANNIS TSITOS AS NEW PRESIDENT AND CEO**

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**Vancouver, B.C. – CARAT EXPLORATION INC. (“Carat” or the “Company”)**

The Board of Directors of the Company is very pleased to announce the appointment of Ioannis (Yannis) Tsitos as President, Chief Executive Officer, Director and member of the Board of Carat, effective January 2, 2008. Mr. Tsitos has been granted an incentive stock option to purchase up to 1,000,000 shares, exercisable at a price of \$C0.40 per share up to January 2, 2013. Carat also announces that Mr. Charalambos (Harry) Katevatis has resigned as President and CEO and has been appointed as Chairman.

Mr. Tsitos, MSc, has over 20 years experience in the Mining Industry of which the last 18 years are with the BHP Billiton group. Mr Tsitos lived and worked in South Africa, Ecuador, Greece and United Kingdom, and has been working in Canada since 2000. Originally, a physicist-geophysicist, he left BHP Billiton in December 2007, where he had the title of New Business Manager for Minerals Exploration in Vancouver. He holds a Master’s degree in Applied Geophysics and Geology from the University of Birmingham and a Bachelor’s degree in Physics from the University of Athens. In addition, he has done management and finance studies as part of an MBA program in Heriot Watt University, Edinburgh.

Mr Tsitos is bringing to the Company a wealth of knowledge and extensive experience in the mining sector focused on exploration for a wide spectrum of commodities, from gold, base metals, nickel and diamonds to bulk minerals such as bauxite, coal and iron ore. Well-known in the Canadian and international exploration communities, he has worked on projects and has travelled for business in 32 countries. He has been instrumental in the identification, negotiation and execution of more than 50 exploration agreements with juniors, majors as well as with state exploration and mining companies. Mr Tsitos has also been part of two discovery teams with BHP Billiton in porphyry copper and nickel sulphide deposits. He is a member of Association for Minerals Exploration British Columbia and Prospectors and Developers Association of Canada.

“We are pleased and fortunate to have Yannis in our management team. With his technical and management knowledge, fluency in Spanish, and with his experience in South American mining projects and exploration business, we are certain that Mr Tsitos will contribute in achieving Carat’s growth plans in both South America and Canada, and increase shareholders value”, said Harry Katevatis, Chairman.

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

"Harry Katevatis"

Harry Katevatis, Chairman

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.

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*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.*