

SAHARA ENERGY LTD.

News Release

For Immediate Release

**Sahara Energy Ltd. - TSX Venture Exchange: SAH
- U.S. Quotation: SAHRF**

Calgary, Alberta

December 27, 2007

**SAHARA ENERGY ANNOUNCES CLOSING OF NON-BROKERED PRIVATE
PLACEMENT
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA – December 27, 2007, Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that it closed its previously announced non-brokered private placement (the "Private Placement") of common shares. Pursuant to the Private Placement an aggregate of 1,758,091 common shares at a price of \$0.11 per common share were sold for aggregate proceeds of \$193,390.

Insiders of the Corporation accounted for approximately 12% of the common shares sold pursuant to the Private Placement.

Proceeds of the private placement will be used to pay down Sahara's debt.

The securities issued pursuant to the Private Placement are subject to a hold period of 4 months and one day from closing of the Private Placement.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Sahara is a junior oil and gas company focused on the exploration and development of oil and gas in western Canada.

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READER ADVISORY

Statements in this press release may contain forward-looking statements including expectations with respect to future events and the actions of third parties. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e. operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, adequate available financing and health, safety and environmental factors), commodity price and exchange rate fluctuation and uncertainties.