

**For Immediate Release  
Calgary, Alberta**

**February 26, 2008**

**SAHARA ENERGY LTD. AND MIRAGE ENERGY LTD. ANNOUNCE ENTERING INTO OF  
DEFINITIVE ARRANGEMENT AGREEMENT**

CALGARY, ALBERTA – Further to the February 6, 2008 joint press release of Sahara Energy Ltd. (TSX-V:SAH) ("Sahara") and Mirage Energy Ltd. (TSX-V:MGE) ("Mirage"), Sahara and Mirage are pleased to announce that they have entered into a definitive arrangement agreement setting out the terms and conditions of a merger of the two companies into a single larger entity. The transaction is expected to result in Sahara having improved cash flow through significant operating synergies and general and administrative savings. It is expected that as a result of the transaction Sahara will have improved access to capital and a larger production and reserve base to enable future growth. As previously announced, Salman Partners Inc. has been engaged to act as a financial advisor to Mirage and has provided a verbal opinion to the Board of Directors of Mirage, subject to review of final documentation, that the consideration offered to Mirage shareholders is fair, from a financial point of view.

It was previously disclosed that the merger between Sahara and Mirage would be undertaken by Sahara acquiring all of the assets of Mirage in exchange for common shares of Sahara (the "Sahara Shares"), which would leave Mirage as a shell corporation in order to enable Mirage to carry out future transactions; however, after a consideration of the tax implications of the structure of the transaction Sahara and Mirage have decided to carry out the transaction by Sahara acquiring Mirage as a whole. Under the terms of the agreement, it is expected that Sahara will acquire all of the issued and outstanding shares of Mirage (the "Mirage Shares") in exchange for Sahara Shares such that each shareholder of Mirage will receive 0.5 of a Sahara Share for each Mirage Share held as of the effective date of the transaction. After completion of the transaction, Mirage will be a wholly-owned subsidiary of Sahara. In addition, Sahara will assume Mirage's obligations pursuant to outstanding convertible debentures of Mirage such that the debentures will be convertible into securities of Sahara following the transaction.

Management and directors of Sahara will be Peter Boswell (President & Director), Rene LaPrade (Director), Dufton Lewis (Chief Financial Officer), Quentin Enns (VP Exploration & Director) and William H. Petrie Sr. (Director).

The transaction will be considered a non-arms length transaction pursuant to the policies of the TSX Venture Exchange (the "TSXV") as directors and officers of Mirage are also directors and officers of Sahara. Due to the conflict of interest and the inability of the Mirage directors to vote to approve the agreement pursuant to the provisions of the *Business Corporations Act* (Alberta) (the "ABCA") the agreement will not be binding on Mirage until such time until it is ratified and approved by the shareholders of Mirage. The transaction is expected to be completed pursuant to a plan of arrangement under the ABCA and is subject to regulatory, court, shareholder and TSXV approval. Mirage has scheduled a meeting of its shareholders for March 28, 2008 where shareholders will be asked to ratify and approve the transaction.

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Certain information set forth in this press release, including managements' assessment of the future plans and operations of Sahara and Mirage and the benefits of the proposed transaction, contains forward looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of Sahara and Mirage, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward looking statements. The actual results, performance or achievement of Sahara, Mirage or the combined entity could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits that Sahara and Mirage will derive therefrom. Sahara and Mirage disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

***The TSX Venture Exchange, Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this press release.***

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