

For Immediate Release
Calgary, Alberta

Sahara Energy Ltd. - TSX Venture Exchange: SAH
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**SAHARA ENERGY ANNOUNCES TWO GAS WELL
DISCOVERIES AND DRILLING PLANS
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA, January 12, 2007 – Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce results on two recently drilled deep gas wells.

In the Simonette area of Alberta, Sahara participated for a 15% working interest in a well that was drilled and completed in the Cadotte formation. The reservoir was flow tested and indicated significant gas deliverability with a stabilized gas flow rate of 2 mmscfd with only a 2% drawdown of the zones productive capability. The well is presently being tied-in and should be on production within the next 60 days.

The second well was drilled in the Gold Creek area of Alberta and cased as a potential Halfway gas well. This well is currently being completed, Sahara has a 17 percent working interest in this well. At the Sahara operated Gold Creek 4-26-68-6W6M Halfway gas well (Working interest 20%), Sahara has a third party gas contract in place and has surveyed a 1.6 km pipeline for the tie-in. The pipeline right of way is presently awaiting regulatory approvals with the well expected to be on production in March of 2007.

Sahara is participating for a 20% working interest in an Ellerslie gas test in the Leduc-Woodbend area of central Alberta. The location was identified on 3-D seismic and is expected to spud within the next ten days.

Sahara also announces that it will operate for a 50% working interest in the drilling of up to 10 heavy oil wells, in the Lloydminster area of Alberta. Sahara will also participate for a 33% working interest in the drilling of an additional ten development heavy oil wells in the Buzzard / Lashburn areas Saskatchewan.

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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Note: Boe means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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