

**For Immediate Release**  
**Calgary, Alberta**

**January 2, 2007**  
**TSXV: "SAH"**

**SAHARA ENERGY ANNOUNCES  
CLOSING OF PRIVATE PLACEMENT  
FOR IMMEDIATE RELEASE**

**CALGARY, ALBERTA** – January 2, 2007, Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that on December 29, 2006 the Company closed the final tranche (the "Final Tranche") of its previously announced brokered private placement (the "Private Placement") of 3,000 units (the "Units") each Unit consisting of two (2) flow-through shares, each representing \$1.60 of Canadian Development Expenses and one (1) flow through share representing \$1.70 of Canadian Exploration Expenses for aggregate gross proceeds of \$14,700.

In total, pursuant to the Final Tranche and the first tranche which closed on December 22, 2006, an aggregate of 214,005 Units at a price of \$4.90 per Unit were sold pursuant to the Private Placement for combined aggregate gross proceeds of \$1,048,625.

The Private Placement was brokered by Leede Financial Markets Inc. and Blackmont Capital Inc.

Additionally, on December 29, 2006 a total of 67,959 Units (the "Non-Brokered Units") were sold on a non-brokered basis for aggregate gross proceeds of \$332,999.10.

The shares issued pursuant to the Non-Brokered Units and the Final Tranche are subject to a four-month hold period expiring April 30, 2007.

Proceeds of the Private Placement will be used to fund expenditures related to Sahara's exploration and development activities.

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

For further information please contact:

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**ADVISORY**

**The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.**

**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.**