

Calgary, Alberta

February 6, 2008

**SAHARA ENERGY LTD. AND MIRAGE ENERGY LTD. ANNOUNCE AGREEMENT TO
MERGE**

CALGARY, ALBERTA – Sahara Energy Ltd. (TSX-V:SAH) (“Sahara”) and Mirage Energy Ltd. (TSX-V:MGE) (“Mirage”) are pleased to announce that they have entered into a binding agreement to merge assets 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. 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.

Under the terms of the agreement, it is expected that Sahara will acquire all the assets and liabilities of Mirage in exchange for common shares of Sahara (the "Sahara Shares"). One half of one Sahara Share will be issued for each common share of Mirage outstanding as of the effective date of the transaction. All the Sahara Shares to be issued pursuant to the transaction will be distributed to the Mirage shareholders. After completion of the transaction, Mirage will have ceased carrying on an active business and it is expected that, subject to TSX Venture Exchange (the "TSXV") approval, the listing of its common shares will be moved to the NEX Board of the TSXV.

Based upon the independent reserve reports of each of Sahara and Mirage effective December 31, 2006 and management estimates of production, dispositions, and capital expenditures, Sahara will have:

- production in excess of 270 boe/d;
- 823 mboe of proved reserves;
- net undeveloped land of 9,400 acres; and
- more than 20 identified drill ready prospects with a minimum working interest of 75%;
- Options on TLE First Nation Lands of 62,000 acres in Western Saskatchewan.

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).

Using the proceeds of recent flow-through private placements, Sahara and Mirage have successfully re-completed two heavy oil wells which have added production in the aggregate of 50 bbl/d. Sahara also plans to re-complete one 70% working interest heavy oil well and drill one 100% working interest heavy oil well in the Lloydminster area.

The merger is expected to be completed pursuant to a plan of arrangement and is subject to regulatory, court, shareholder and TSXV approval. Sahara and Mirage expect to enter into an arrangement agreement setting out the definitive terms and conditions of the proposed transaction. Mirage expects to hold a meeting of its securityholders at the end of March 2008 where securityholders 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.

Disclosure provided herein in respect of boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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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