

For Immediate Release  
Calgary, Alberta

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

January 11, 2008

**SAHARA ENERGY - ANNOUNCES ISSUANCE OF SHARES PURSUANT TO SHARES FOR  
DEBT AGREEMENTS  
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA, Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that TSX Venture Exchange has accepted for filing its previously announced shares for debt application to satisfy the amounts outstanding to certain trade creditors (the "Creditors") pursuant to shares for debt agreements entered into between Sahara and the Creditors on November 26, 2007 and November 27, 2007, respectively. The shares issued pursuant to these agreements are based on a price of \$0.20 per share. In total, an aggregate of 574,000 shares of Sahara were issued to the Creditors to satisfy all debts owing to such Creditors. The shares are subject to a four month hold period from the date of their issuance.

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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*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.*

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