

For Immediate Release
Calgary, Alberta

Friday, January 20, 2006
TSXV: "SAH"

10,766,000 Common Shares Issued and Outstanding

SAHARA ENERGY ANNOUNCES ACQUISITION OF ASSETS

CALGARY, ALBERTA – January 20, 2006. Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that it has entered into an engagement letter with a private Alberta oil and gas company, Richfield Oils Inc. ("Richfield"), whereby the Company will acquire certain assets of Richfield (the "Acquisition"). The purchase consideration for the assets will be the issuance by Sahara of 250,000 common shares, at a deemed price of \$1.00 per share. The assets are comprised of a 5.75% before payout interest and 21.75% after payout interest in a producing gas well in Crossfield, Alberta. The transaction is subject to the approval of the TSX Venture Exchange. Sahara and Richfield intend to enter into a formal agreement with respect to the Acquisition before January 31, 2006 and intend to close the Acquisition on or before March 1, 2006, subject to any applicable regulatory approvals.

The Company also announces that the board of directors approved the granting of 25,000 stock options to a consultant of the Company at a price of \$1.00 per share. The options are for a term of five years with vesting provisions.

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

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ADVISORY: Certain information regarding Sahara Energy Ltd. including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities laws and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environment risks, competition from other producers and ability to assess sufficient capital from internal and external source. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

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