

For Immediate Release
Calgary, Alberta

Friday, January 5, 2007
TSXV: "SAH"

**SAHARA ENERGY ANNOUNCES A REVISION TO THE PREVIOUSLY
ANNOUNCED GRANT OF OPTIONS
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA – January 5, 2007. Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce the board of directors has approved the granting of 450,000 stock options to directors and officers of the Company at a price of \$1.30 per share. The options are for a term of five years with vesting provisions.

The Company also announces that it has cancelled 125,000 previously granted stock options.

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:

Peter Boswell
President and Chief Executive Officer

Sahara Energy Ltd.
800- 510 5th Street SW
Calgary, Alberta T2P 3S2
Telephone: (403) 232-1359
Fax: (403) 232-1307 or by email at
pete@saharaenergy.ca

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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.

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