

For Immediate Release
Calgary, Alberta

Sahara Energy Ltd.-TSX Venture Exchange: SAH
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**SAHARA ENERGY - ANNOUNCES FINAL CLOSING OF NON-BROKERED DEBENTURE
AND UNIT FINANCINGS
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA, July 11, 2007, Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that it has closed the second and final tranche of its previously announced non-brokered private placement (the "Debenture Private Placement") of \$50,000 principal amount of 10% fixed rate convertible debentures (the "Debentures"). The Debentures are convertible into units (each, a "Unit") at a price of \$0.90 per Unit. Each Unit is comprised of one common share in the capital of the Corporation (a "Common Shares") and one Common Share purchase warrant (a "Warrant"). Each Warrant is convertible into one Common Share of the Company at a price of \$0.90 for two years from the date of closing of the Debenture Private Placement. The Debentures are convertible, in whole or in part, at any time prior to the date which is 24 months subsequent to the closing of the Debenture Private Placement, at the option of the holder.

In total, an aggregate of \$770,000 principal amount of Debentures were sold pursuant to the Debenture Private Placement (including the \$720,000 principal amount of Debentures sold pursuant to the first tranche).

The Debentures issued pursuant to the Private Placement will be subject to a hold period of 4 months and one day from the date of closing of the Private Placement.

Proceeds of the Debenture Private Placement will be used to fund general expenditures related to Sahara's development and exploration of its oil and natural gas properties.

Sahara is also pleased to announce that it has closed the second and final tranche of its unit private placement (the "Unit Private Placement") for total gross proceeds of \$125,000. Each unit (a "Unit") is comprised of one common share issued on a "flow-through" basis and renounced to subscribers as Canadian Development Expenses (a "CDE Flow Through Share") pursuant to the Income Tax Act (Canada) and one CDE Flow Through Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to acquire, at any time prior to January 18, 2008, one CDE Flow Through Share upon payment to the Company of \$1.20.

In total, an aggregate of 270,000 units ("Units") of the Company were sold pursuant to the Unit Private Placement (including 140,000 Units sold pursuant to the first tranche).

The securities issued pursuant to the Unit Private Placement are subject to a hold period of 4 months and one day from closing of the Private Placement.

Finders fees in the aggregate of \$6,000 (\$7,500 total including the first tranche) were paid to certain persons and 6,000 finder warrants (7,500 including the first tranche), which entitle the holder thereof to acquire one common share in the capital of the Corporation at a price of \$1.05 for one year from the date of closing the Unit Private Placement, were issued in connection with the Unit Private Placement.

Proceeds of the Unit Private Placement will be used to fund general expenditures related to Sahara's development and exploration of its oil and natural gas properties.

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.