

For Immediate Release
Calgary, Alberta

Sahara Energy Ltd.-TSX Venture Exchange: SAH
U.S. Quotation: SAHRF
June 29, 2007

**SAHARA ENERGY - ANNOUNCES CLOSING OF NON-BROKERED DEBENTURE
FINANCING
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA, Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that on June 28, 2007 it closed its previously announced non-brokered private placement (the "Private Placement") of \$790,000 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 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 Private Placement, at the option of the holder.

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.

Finders fees in the aggregate of \$35,700 were paid to certain individuals in connection with the Private Placement.

The net proceeds of the Private Placement will be used for to fund the exploration and development of the Company's oil and gas properties and for general corporate purposes.

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.