

SAHARA ENERGY LTD.

News Release

For Immediate Release

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

Calgary, Alberta

June 29, 2007

**SAHARA ENERGY ANNOUNCES CLOSING OF NON-BROKERED PRIVATE
PLACEMENT
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA – June 29, 2007, 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") for total gross proceeds of \$145,000. In total, an aggregate of 145,000 units ("Units") of the Company were sold at a price of \$1.00 per Unit. Each 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.

The securities issued pursuant to the 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 \$4,200 were paid to certain individuals and 4,200 finder warrants, 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 Private Placement, were issued in connection with the Private Placement.

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

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

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READER ADVISORY

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.