

**SAHARA ENERGY LTD.**  
(TSX Venture Exchange: SAH)

**Closing of Private Placement**

**Calgary, Alberta** (December 16, 2010) – Sahara Energy Ltd. (the “**Corporation**”) announces that, further to its press release dated December 13, 2010, the Corporation has received the approval of the TSX Venture Exchange for its second and final tranche of its non-brokered private placement (the “**Private Placement**”) in the amount of \$500,000.

For acting as financial advisors to the Corporation, Salman Partners Inc. was paid a cash fee of \$5,500 (rather than the \$50,000 as previously announced in the Corporation’s press release of December 13, 2010) and was issued warrants entitling the holder to acquire 110,000 Common Shares of the Corporation at an exercise price of \$0.05 per share until December 10, 2011. In addition Macquarie Private Wealth Inc. was paid a cash finder’s fee of \$13,000.

The Common Shares issued pursuant to the Private Placement are subject to a four month hold period ending April 11, 2011.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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