

Sahara Energy Ltd. Announces Proposed Change of Business

Calgary, Alberta--(Newsfile Corp. - January 25, 2021) - Sahara Energy Ltd. (TSXV: SAH) (the "**Company**") is pleased to announce that, effective January 24, 2021, it has entered into two Equity Investment Agreements (the "**Investment Agreements**") with affiliates of DMG Investments LLC (collectively, "**DMG**"), pursuant to which the Company has agreed to invest in two of DMG's real estate development projects in Amherst, New York and Albany, New York.

Pursuant to the terms of the Investment Agreements, it is currently intended that the Company, through a wholly-owned subsidiary, will make an investment of USD\$3,000,000 in exchange for a preferred equity ownership position of approximately 21.27% in a student housing development project in Amherst, New York and an investment of USD\$2,000,000 in exchange for a preferred equity ownership position of approximately 15.56% in a multi-family mixed commercial housing development in Albany, New York (collectively, the "**Investments**").

Completion of the Investments, as currently proposed, would constitute a "change of business" of the Company in accordance with TSX Venture Exchange Policy 5.2 - *Changes of Business and Reverse Take-overs* ("**Policy 5.2**"), as the Company currently operates as a junior resource exploration company engaged in the acquisition, exploration and development of petroleum and natural gas reserves in Western Canada and the Investments would see the Company making investments in two real estate development projects in the United States.

Over the past few years, the Company has experienced ongoing losses. Equipping and tie-in activities for two of the Company's heavy oil development wells was suspended 2015 and the Company has been unable to identify new lands or assets on satisfactory terms or dispose of its existing lands or assets on satisfactory terms, thereby limiting the growth and development of the Company. These issues have been further exacerbated by the ongoing general downturn in market conditions in the oil and gas industry in Western Canada and the COVID-19 pandemic. Given the existing strengths and skills of the Company's management team and the Company's analysis of various markets and opportunities for the growth of shareholder value, the Board of Directors of the Company has determined it to be in the best interests of the Company to pursue the Investments and to re-direct the Company's business focus to that of an investment and real estate company.

DMG is an independent third party without any involvement of any related party to the Company (including no involvement of a director, officer, controlling shareholder or other "insider" or any entity owned or controlled by them or with which they are involved). The proposed Investments are "Arm's Length Transactions", do not involve "Non-Arm's Length" parties, are not "related party transactions" and, to the Company's knowledge, no other circumstances exist which would otherwise require shareholder approval or that may compromise the independence of the Company or other interested parties (in particular, the Company's directors and senior officers) with respect to the proposed Investments.

As a "change in business", the completion of the Investments is subject to the approval of the TSX Venture Exchange and there can be no guarantee that such approval will be obtained on terms acceptable to the parties or at all. As such, the Investments may not be completed on the terms currently contemplated by the Company or at all.

In accordance with Policy 5.2, the Company's shares have been halted from trading and will remain halted until such time as determined by the TSX Venture Exchange. The Company will be providing further details respecting the Investments and its proposed change of business by way of a more comprehensive news release following the approval of the same by the TSX Venture Exchange.

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Forward-Looking Information Advisory

The matters discussed in this news release include forward-looking information. Forward-looking information includes, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking information may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning. In addition, any information that may be made concerning future performance, strategies or prospects and possible future corporate action, is also forward-looking information. In particular, this news release includes forward-looking information respecting the completion of the Investments and the anticipated outcome of the "change of business" and impact of the Investments and such "change of business" on shareholder value and the Company's overall financial position and prospects. Forward-looking information is based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, costs of goods and services, equity and capital markets, and the general business and social environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date. Forward-looking information is not a guarantee of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Company. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, changes in costs of goods and services, global equity and capital markets, business competition, technological change, changes in government relations, industry conditions, unexpected judicial or regulatory proceedings and catastrophic events. In addition, the COVID-19 pandemic has put significant strain on the global business and economy, including in the North American real estate sector, leading to significant volatility and unpredictability and there can be no assurance as to the overall or further impacts of the pandemic or any recovery therefrom. The Investments are being made in two real estate development projects. Real estate development projects are subject to their own inherent risks and the success of such projects may be adversely impacted by, among other things: environmental risks and costs; labour costs and shortages; uncertain supply and price fluctuations in raw materials; increases in energy costs; labour disputes and work stoppages; leasing costs and the availability of equipment; heavy equipment demand and availability; contractor and subcontractor performance issues; worksite safety issues; project delays and cost overruns; extreme weather conditions; and social disruptions. As the Investments are being made in projects being developed by DMG, such Investments will also be subject to risks relating to investment concentration and reliance on DMG's ability to meet its contractual obligations and develop each of the projects underlying the Investments in the manner currently contemplated by the Company. Any material adverse change in DMG's financial position or a failure by DMG to successfully operate and finance the projects in the manner currently contemplated, could have a corresponding material adverse change on the Investments and, by extension, the Company. The Company stresses that the above-mentioned list of important factors is not exhaustive. The Company encourages all readers to consider these and other factors carefully before making any investment decisions and urges readers you to avoid placing undue reliance on

forward-looking information. The Company disclaims any intention or obligation to update or revise the forward-looking information as a result of new information, future events or otherwise, except as required under applicable securities laws.

Completion of the Investments is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Investments cannot close until the required shareholder approval is obtained. There can be no assurance that the Investments will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Investments, any information released or received with respect to the Investments may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Investments and has neither approved nor disapproved the contents of this news release.

Neither 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

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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