

SAHARA ENERGY LTD.
(TSX Venture Exchange: SAH)

Consolidation of Common Shares

Calgary, Alberta (August 27, 2010) – Sahara Energy Ltd. (the “Corporation”) announces that further to its press release dated June 8, 2010 wherein it announced the Memorandum of Understanding (the “MOU”) with King World International Holdings Ltd., which included the undertaking by the Corporation to propose a share consolidation to its shareholders on a one (1) for six (6) basis, the Corporation confirms that it will be placing before its shareholders at a Special Meeting to be held September 3, 2010 (the “Meeting”) a special resolution (the “Share Consolidation Resolution”) authorizing the Corporation to file articles of amendment to provide for the consolidation of the issued and outstanding Common Shares of the Corporation on the basis of one (1) post-consolidation Common Share for every six (6) pre-consolidation Common Shares (the “Share Consolidation”). The Share Consolidation Resolution must be passed by not less than two-thirds of the votes cast by shareholders represented in person or by proxy at the Special Meeting. The Share Consolidation requires the acceptance of the TSX Venture Exchange. If the Share Consolidation Resolution is passed, the directors of the Corporation will have the authority to revoke it before it is acted upon. The Corporation currently has issued and outstanding 38,036,302 Common Shares which would result in 6,339,384 Common Shares being issued and outstanding following the Share Consolidation. In order to attract equity financing to meet the Corporation’s working capital requirements and in order to fund future acquisitions, and pursuant to the requirements of the MOU, the directors consider it advisable to consolidate the Common Shares as outlined above. Reference is made to the Creditors Proposal and proposed Private Placement referred to in the Corporation’s press release dated June 8, 2010. Following the completion of the Share Consolidation and Creditors Proposal and assuming 58 million Common Shares are issued pursuant to the Private Placement, the Corporation will have approximately 73.3 million Common Shares outstanding.

The Corporation does not propose to change its name in conjunction with the Share Consolidation.

“Neither the TSX Venture Exchange nor its Regulation Services Provided (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:

Peter J. Boswell
President
Sahara Energy Ltd.
Telephone: (403) 232-1359
Fax: (403) 232-1307
E-mail: pete@Saharaenergy.ca