

SAHARA ENERGY LTD.

SAHARA ENERGY LTD. TO AMEND OPTION EXERCISE PRICE

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Calgary, Alberta, Canada – July 25, 2011 – Sahara Energy Ltd. (TSXV: "SAH") ("**Sahara**" or the "**Company**") today announces that it will, subject to approval by the TSX Venture Exchange ("**TSXV**") and the shareholders of the Company ("**Shareholders**"), amend the exercise price of options ("**Options**") to acquire common shares ("**Common Shares**") in the capital of the Company, which were previously granted to certain officers, directors, employees and consultants of the Company on January 24, 2011, in accordance with the Company's stock option plan dated January 24, 2011 (the "**Option Plan**").

The Options will be amended, effective July 25, 2011, to amend the exercise price of the Options from \$0.21 to \$0.10, being the current Market Price of the Common Shares (as defined in the Option Plan). All other provisions of the Options will remain the same.

Sahara will seek TSXV and Shareholder approval to amend the exercise price of the Options.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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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.

Forward Looking Statements

Certain information regarding Sahara set forth in this news release may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties. These forward-looking statements relate to approval of the amendment of the exercise price of the Options by shareholders of Sahara and by the TSXV. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Sahara's control, including the failure of the shareholders of Sahara and the TSXV to approve the amendment of the exercise price of the Options. Sahara's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional information on these and other factors that could affect Sahara's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements contained in this document are made as at the date of this news release and Sahara does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.