

SAHARA ENERGY LTD.

Sahara Energy Ltd. Announces Completion of Bankruptcy Proposal, Issuance of Common Shares for Debt and Provides Operational Update

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Calgary, Alberta – March 22, 2011 – Sahara Energy Ltd. (TSXV: SAH) ("Sahara" or the "Company") today announced the completion of payments pursuant to the bankruptcy proposal approved by creditors of the Company on June 22, 2010 (the "Proposal"). In connection with the Proposal, the Company made cash payments totalling \$580,845.56 and issued 7,424,152 common shares (the "Common Shares") in the capital of the Company to satisfy claims of its secured and unsecured creditors in accordance with the terms of the Proposal.

Sahara has also completed its previously announced issuance of 967,029 Common Shares in full satisfaction of certain debts, including applicable interest, aggregating \$105,164.38 (the "Shares for Debt Transaction"). The Common Shares issued as consideration for cancelling the debt were issued at a deemed price per Common Share of \$0.10875, being the discounted market price as determined by the closing price of the Common Shares on the TSX Venture Exchange ("TSXV") on January 6, 2011, the day before the initial announcement of the Common Share issuance by Sahara.

Following issuance of the Common Shares pursuant to the Proposal and the Shares for Debt Transaction, Sahara will have 72,730,568 Common Shares issued and outstanding.

Operational Update

Sahara has reactivated four 100% owned oil wells at Lloydminster which are currently producing approximately 60 barrels of oil per day ("bopd"). Sahara's current total production is 70 bopd. Sahara owns land in the Lloydminster/Blackfoot area allowing for six 100% oil drilling locations and one 50% oil drilling location.

Sahara has farmed out two 100% owned wellbores, for oil recompletions in the Hayter area of Alberta. The farmout agreement allows for the industry partner to recomplete, equip and put on production the two wellbores by spending up to \$870,000. The operator will be completing the two wellbores using the Penedrill "MaxPerf" technology. Sahara will retain a 5% to 15% sliding scale royalty before payout converting to a 25% working interest after payout. Sahara owns 100% of 120 additional acres at Hayter allowing for 3 more oil drilling locations.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Forward Looking Statements

Certain information regarding Sahara set forth in this news release, including with respect the operations of Sahara, may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Sahara's control, including without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, industry conditions, volatility of commodity prices, environmental risks, the lack of availability of qualified personnel or management, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, stock market volatility, delays resulting from our inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada and the United States, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof. Readers are cautioned that the foregoing list of factors is not exhaustive. 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 that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. 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.

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.