

**For Immediate Release**  
**Calgary, Alberta**

**Thursday, May 18, 2006**  
**TSXV: "SAH"**

**12,116,000 Common Shares Issued and Outstanding**

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## **SAHARA ENERGY LTD. CLOSSES PRIVATE PLACEMENT**

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**CALGARY, ALBERTA.** Thursday, May 18, 2006. Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that it has closed its previously announced non-brokered private placement of Common Shares issued on a "flow-through" basis ("**Flow-Through Shares**") for total gross proceeds of \$1,999,950 with Hesperian Capital Management Ltd., the manager of the Norrep Group of Funds ("Hesperian"). Sahara issued 500,000 Flow-Through Shares at a price of \$1.3333 per share to Norrep Performance 2004 Flow-Through Limited Partnership and 1,000,000 Flow-Through Shares to Norrep Performance 2006 Flow-Through Limited Partnership also at a price of \$1.3333 per share. The shares issued pursuant to the private placement are subject to a four month hold period pursuant to applicable securities legislation and are Canadian Development Expense (CDE) flow-through Common Shares. The proceeds of the private placement will be used for further exploration of the Company's oil and gas properties.

Sahara Energy is a newly formed junior oil and gas company focused on the acquisition, exploration and development of oil and natural gas in western Canada.

Hesperian Capital Management Ltd. is a Calgary-based investment manager that manages the Norrep Group of Funds. They have approximately \$700 million in combined assets.

Sahara also announces that the Board of Directors has approved the granting of stock options to officers and employees of the Company. Options to purchase 225,000 Common Shares of Sahara were issued by the Company with an exercise price of \$1.00 per share. The options are for a term of five years with vesting provisions.

For further information, please contact:

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### **READER ADVISORY**

**The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release and has neither approved nor disapproved the contents of this release.**

**This press release includes forward-looking statements and assumptions respecting the Company's strategies, future operations, expected financial results, financial sources, commodity prices, costs of production and quantum of oil and natural gas reserves and discusses certain issues, risks and uncertainties that can be expected to impact on any of such matters. By their nature, forward-looking statements are subject to**

**numerous risks and uncertainties that can significantly affect future results. Actual future results may differ materially from those assumed or described in such forward-looking statements as a result of the impact of issues, risks and uncertainties whether described herein or not, which the company may not be able to control. The reader is therefore cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any intention or obligation to update or revise these forward-looking statements, as a result of new information future events or otherwise.**