

For Immediate Release  
Calgary, Alberta

Wednesday, May 3, 2006  
TSXV: "SAH"  
11,956,000 Common Shares Issued

## SAHARA ENERGY RELEASES 2005 ANNUAL RESULTS

**CALGARY, ALBERTA** – May 3, 2006. Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce its financial results for fiscal 2005. The following are some of the highlights for the Company's first partial year of operation.

### 2005 Highlights

- Completed RTO transaction in November, 2005 with new management team and Board
- Commenced trading on the TSX Venture as Sahara Energy Ltd.
- Completed financings to raise initial capital of \$3,686,064
- Drilled and cased 11 oil and gas wells
- Secured farmin and land acquisitions with industry partners for drilling and exploration in Alberta and Saskatchewan which provided 57 drilling locations for the Company's 2006 drilling program

Peter Boswell, President and Chief Executive Officer, commented, "We are pleased with the start-up of our oil and gas exploration company. Following commencement of the Company in November, 2005, we raised initial capital of \$3,700,000, successfully drilled 11 (3.5 net) wells and increased our land position and inventory of drilling locations through various farmin and land transactions. Our 2006 drilling program is underway with an \$8,000,000 capital expenditure program which will be expended on the 57 (25 net) drilling locations that we have identified in Alberta and Saskatchewan. "

As at December 31, 2005, the Company reported a cash and working capital position of \$1,915,099. The Company spent \$1,819,761 on capital expenditures in the last six weeks of 2005 which included \$678,000 on undeveloped lands and the balance on the drilling of 11 wells. Of those wells drilled in 2005, 11 were completed and 6 were put on production in early 2006. The Company spent \$1,000,000 of its \$3,058,000 flow-through share commitment in 2005, leaving the remaining \$2,058,000 of exploratory expenditures to be spent in 2006.

The Company reported that it has filed its audited financial statements and related Management Discussion and Analysis for the year ended December 31, 2005 with Canadian securities regulatory authorities on SEDAR. This information may be accessed electronically at [www.sedar.com](http://www.sedar.com).

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

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***ADVISORY: Certain information regarding the Company including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities laws and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environment risks, competition from other producers and ability to assess sufficient capital from internal and external source. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.***

**The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.**