

For Immediate Release
Calgary, Alberta

Wednesday, May 31, 2006
TSXV: 'SAH'
13,356,000 Common Shares Issued

SAHARA ENERGY RELEASES FIRST QUARTER RESULTS

CALGARY, ALBERTA – May 31, 2006. Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce its financial and operating results for the quarter ended March 31, 2006. As at March 31, 2006, the Company reported cash of \$2,488,360, a working capital position of \$2,436,130 and net revenues of \$62,099. The Company spent \$1,050,812 on capital expenditures in the quarter which included \$569,021 on undeveloped lands and the balance on the drilling and equipping of six wells.

During the first quarter of 2006, Sahara was very busy securing land through farm-in arrangements with industry partners and through land acquisitions. This resulted in Sahara securing 57 drilling locations and six of these wells have been drilled resulting in four gas wells and two oil wells. Currently, Sahara's production is 75 BOEPD with 80 BOEPD behind pipe, awaiting tie in and completion.

Sahara has an additional 51 wells to drill with an average working interest of 40%. Sahara has identified these 51 drilling locations through seismic and has acquired surface leases on the majority of the locations. Sahara has commenced its drilling program and will operate 14 wells. Industry partners will operate the remaining 37 wells. Sahara and partners have contracted rigs and drilling started in late May on the Czar and Malmo prospects. Drilling will soon begin in western Saskatchewan at Dee Valley, Buzzard and Soda Lake and at Lloydminster, Alberta. Additional Sahara operated locations at Tangent, Gold Creek and Pembina in central Alberta will be drilled this summer.

With equipment and services in place, management is confident that Sahara will be successful in drilling the remaining 51 locations prior to year end. This will bring the total well count for 2006 to 68 wells with an average working interest of 40% for a net 27 wells. Sahara is also identifying drilling locations on the treaty (TLE) lands with the Company's joint venture partner, the Mosquito First Nations Band, in western Saskatchewan.

Sahara now has the qualified technical, land and accounting staff in place to execute its drilling plans. With recent financings and warrants being exercised, Sahara has raised total equity to June, 2006 of \$9.0 million with a current cash balance of \$6.0 million.

The Company reported that it has filed its quarterly financial statements and related Management's Discussion and Analysis for the period ended March 31, 2006 with Canadian securities regulatory authorities on SEDAR. This information may be accessed electronically at www.sedar.com.

The Company also announced that the Board of Directors approved the granting of stock options to officers and key employees of the Company in May, 2006. Options to purchase 275,000 Common Shares of the Company were issued with an exercise price of \$1.00 per share. The options are for a term of five years with standard vesting provisions.

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

For further information please contact:

Peter Boswell

President and CEO of Sahara Energy Ltd.

1440, 700 – 4th Avenue SW

Calgary, Alberta T2P 3J4

Telephone: (403) 232-1359

Fax: (403) 232-1307 or by email at

pete@saharaenergy.ca

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, completion from other producers and ability to assess sufficient capital from internal and external sources. 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.