

For Immediate Release
Calgary, Alberta

Sahara Energy Ltd.-TSX Venture Exchange: SAH
U.S. Quotation: SAHRF
June 5, 2007

**SAHARA ENERGY - ANNOUNCES NON-BROKERED FINANCING
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA, Sahara Energy Ltd. ("Sahara" or the "Company") is pleased to announce that it is proceeding with a non-brokered private placement (the "Private Placement") of up to \$1,000,000 of 10% fixed rate convertible Debentures (the "Debentures") at \$1,000 per Debenture. The minimum subscription for the Debentures is \$10,000 with increased increments of \$1,000. The Debentures shall be convertible into a unit (a "Unit") comprised of common shares (the "Common Shares") and Common Share purchase warrants (the "Warrants") on the basis of \$0.90 per Common Share together with one Warrant for each Common Share issued. Each Warrant shall be convertible into one Common Share of the Company at a price of \$0.90 for two years from the date of closing of the Private Placement. The Debentures are convertible, in whole or in part, at any time prior to June 19, 2009 at the option of the holder.

The net proceeds of the Private Placement will be used for to fund the exploration and development of the Company's oil and gas properties and for general corporate purposes.

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

For further information, please contact:

Peter J. Boswell
President
Sahara Energy Ltd.
800, 510 – 5th Street S.W.
Calgary, Alberta T2P 3S2
Telephone: (403) 232-1359
Email: pete@saharaenergy.ca

Quentin Enns
Vice-President, Exploration
Sahara Energy Ltd.
800, 510 – 5th Street S.W.
Calgary, Alberta T2P 3S2
Telephone: (403) 232-1359
Email: quentin@saharaenergy.ca

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Statements in this press release may contain forward-looking statements including expectations with respect to future events and the actions of third parties. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e. operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, adequate available financing and health, safety and environmental factors), commodity price and exchange rate fluctuation and uncertainties.

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