

For Immediate Release
Calgary, Alberta

Tuesday, October 24, 2006
TSXV: "SAH"

**SAHARA ENERGY ANNOUNCES NEW EMPLOYEES AND
PRIVATE PLACEMENT
FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA – October 24, 2006. Sahara Energy Ltd. ("Sahara" or the "Company") announced today that it has entered into an agreement with The Norrep Group of Funds through Hesperian Capital Management (the "Private Placement") to purchase 1,000,000 flow-through shares to be issued and renounced as "Canadian Development Expense" ("CDE Flow-Through Shares") at an issue price of \$1.20 per CDE Flow-Through Share and 1,000,000 flow-through shares to be issued and renounced as "Canadian Exploration Expense" ("CEE Flow-Through Shares") at an issue price of \$1.33 per CEE Flow-Through Share (the "Offering") for a total of \$2.53 million. The private placement is expected to close later this month and is subject to regulatory approval and completion of definitive documentation

Sahara also announces the hiring of Wynona Brady as Land Manager and Randall J. Hammond as Consulting Geologist and Prospect Generator.

Ms. Brady joins Sahara with over 25 years in the oil and gas industry. For the past 20 years, Ms. Brady has consulted at numerous companies in a variety of positions. Since 1996, Ms. Brady has been president of her own consulting firm, NUEnergies Ltd. Some of the companies Ms. Brady has worked with over the years include Wave Energy Ltd., Encana Corporation, BG Canada, Peyto Exploration, Progress Energy, Fletcher/Apache, Grey Wolf Exploration, LandRite, Poco Petroleum Ltd., Rife Resources Ltd. and Norcen Energy Resources Ltd.

Mr. Hammond brings over 32 years of industry experience in the Western Canadian Basin and holds a Bachelor of Science Degree in Geology and a Masters of Science Degree in Petroleum Geology from Imperial College, London, England. Mr. Hammond is owner of Sunbird Investments Ltd., an oil & gas exploration company. He also was Founder, President and COO of Eclipse Exploration Ltd. (1999 to 2002), and Founder and President of Ironwood Petroleum Ltd. (1994 to 1998). Starting his career in 1974 as an Exploration Geologist with Texaco Exploration Ltd, he has played key roles in the growth and success of companies such as First Guardian Petroleum Corporation (1986 to 1993 as President), Corvair Ltd. (1985 to 1986 as Vice-President Exploration) and Drummond Petroleum Ltd. (1982 to 1985 as Chief Geologist).

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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FORWARD-LOOKING STATEMENTS Certain information set forth in this document, including management's assessment of Sahara's future plans and operations, contain forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond these parties' control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Sahara's actual results, performance or achievements 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 benefits that Sahara will derive therefrom. Sahara disclaims any intention or obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

Note: Boe means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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