



Winstar Reports Q2 2009 Results

CALGARY, August 13, 2009 – Winstar Resources Ltd. (“Winstar” or “the Company”) (TSX: WIX) releases its operating and financial results for Q2 2009.

Winstar’s funds from operations improved significantly during Q2 2009, relative to the first quarter, essentially because of improved commodity prices and lower operating costs, as production for the full quarter was comparable to the quarter before. However production results started to improve by the end of the second quarter and reached between 2,000 and 2,200 boepd in July and early August.

On August 11, 2009, the Company announced the execution of a Purchase and Sale Agreement with a private Canadian company to sell substantially all of Winstar’s Canadian assets for cash consideration of \$9.5 million. The sale is effective September 1, 2009, and is scheduled to close on or about September 2, 2009.

As at June 30, 2009, Winstar reclassified the Canadian assets as held for sale. Accordingly, these assets will be reported as discontinued operations in the second quarter’s consolidated interim financial statements. Winstar has recorded an impairment provision of approximately \$2.2 million, primarily related to the carrying value of the undeveloped land held in Canada. In addition, Winstar has recorded a future income tax expense of approximately \$5 million, which relates primarily to the tax pools which were transferred with the assets.

The following table illustrates the difference quarter over quarter in production, revenue and expenses:

	Q2 2009	Q1 2009	Variance Q2/09 vs Q1/09
Production and sales	1,553 boepd	1,581 boepd	Decreased 28 boepd
Average sales price	\$58.00	\$54.00	Increased \$7.00
	\$ 000s Cdn	\$ 000s Cdn	\$ 000s Cdn
Oil and gas revenue	7,265	6,688	Increased 577
Royalty (net of International royalty income)	(698)	(648)	Increased 49
Operating cost	(1,903)	(2,212)	Decreased 309
General and administrative (excluding non-cash stock based compensation)	(1,170)	(1,222)	Decreased 53
Cash income tax	(485)	(212)	Increased 273
Other	460	(36)	Increased 496
Funds from continuing operations	3,471	2,357	
Funds from discontinued operations	117	219	
Funds from Operations	3,588	2,577	Increased 1,011

Winstar reported a Q2 loss of \$8.1 million, as compared to a loss of \$1.0 million for Q1 2009. The Q2 loss is primarily a result of the \$7.8 million loss for discontinued operations. As of June 30, 2009, the Company recorded a negative working capital of \$4.8 million, which is an improvement over the negative working capital of \$6.2 million reported as at March 31, 2009. Further to the anticipated close of the Canadian asset disposition in September 2009, the Company expects to have a positive working capital of at least \$7.0 million.

During Q2 2009, the Company spent \$2.3 million on capital expenditures (all in Tunisia), as compared to \$10.4 million (all in Tunisia) in Q1 2009. Future capital expenditures will be dependent on internally generated cash flow from operations, continued improvement of the Company’s working capital position, the sale of non-core assets and/or the successful farming out of a select number of properties where Winstar has a 100% working interest ownership.

Financial and Operating Summary:

Financial and Operating Results from Continuing and Discontinued Operations

	Three months ended June 30,			Six months ended June 30,		
	2009	2008	% change	2009	2008	% change
Sales and Prices						
Oil and NGL sales (boepd)	1,127	1,634	(31)	1,189	1,346	(12)
Natural gas sales (mcf/d)	2,556	2,112	21	2,269	2,802	(19)
Average daily sales 6:1 (boepd)	1,553	1,986	(22)	1,567	1,813	(14)
Average oil and NGL price (\$/bbl)	64.41	119.03	(46)	59.09	110.58	(47)
Average natural gas price (\$/mcf)	6.95	11.16	(38)	7.71	9.44	(18)
Financial from Continuing and Discontinued Operations (\$ thousands, except as otherwise indicated)						
Oil and gas revenue	8,221	19,847	(59)	15,882	31,911	(50)
Funds from operations	3,591	11,829	(70)	6,169	19,120	(68)
Per share - basic and diluted	0.10	0.35	(70)	0.18	0.56	(68)
Net (loss)/income	(7,855)	(780)	907	(8,888)	588	(1,612)
Per share - basic and diluted	(0.23)	(0.02)	1,048	(0.26)	0.02	(1,398)
Capital expenditures	2,295	4,798	(52)	12,704	15,665	(19)
Working capital at period end	(4,847)	23,044	(123)	(4,847)	23,044	(123)
Common Shares (thousands)						
Weighted average during period						
basic	34,223	34,074	-	34,223	34,048	-
diluted	34,223	34,744	(1)	34,223	34,726	(1)
Outstanding at period end	34,223	34,079	-	34,223	34,079	-

Financial and Operating Results – Continuing Operations (excludes Canadian Operations)

	Three months ended June 30,			Six months ended June 30,		
	2009	2008	% change	2009	2008	% change
Sales and Prices						
Oil and NGL sales (boepd)	1,014	1,507	(33)	1,078	1,216	(11)
Natural gas sales (mcf/d)	1,507	960	57	1,202	1,616	(26)
Average daily sales 6:1 (boepd)	1,265	1,667	(24)	1,278	1,485	(14)
Average oil and NGL price (\$/bbl)	64.98	119.43	(46)	59.92	111.79	(46)
Average natural gas price (\$/mcf)	9.25	10.72	(14)	10.41	8.98	16
Financial from Continuing Operations (\$ thousands, except as otherwise indicated)						
Funds from operations	3,563	10,791	(67)	6,159	17,528	(65)
Per share - basic and diluted	0.10	0.31	(66)	0.18	0.50	(64)
Net (loss)/income	(94)	(575)	(52)	(868)	1,517	(151)
Per share - basic and diluted	-	(0.02)	-	(0.03)	0.04	(190)
Capital expenditures	2,296	4,524	(49)	12,677	14,095	(10)

Production:

	Q2 2009			Q1 2009		
	Oil and Liquid (bbl/d)	Gas (mcf/d)	Total (boepd)	Oil and Liquid (bbl/d)	Gas (mcf/d)	Total (boepd)
Hungary	-	294	49	-	453	75
Tunisia						
Chouech Essaida/Ech Chouech	689	802	823	827	-	827
Sabria	237	411	306	209	441	283
Zinnia/Sanrhar	88	-	88	106	-	106
Tunisia Total	1,014	1,213	1,216	1,142	441	1,216
Production from Continuing Operations	1,014	1,507	1,265	1,142	894	1,291
Canada	113	1,050	288	109	1,084	290
Total Production	1,127	2,556	1,553	1,251	1,978	1,581

Production during Q2 2009, as expected, was consistent with Q1 2009 but lower than the 1,719 produced during Q2 2008.

Production from Winstar's properties in Tunisia during both the first and second quarters of 2009 averaged 1,216 boepd. Current production of 1,750 to 1,900 boepd is the result of improved gas sales from Chouech Essaida, and better well performance and reliability.

Production from Winstar's properties in Alberta during both the first and second quarters of 2009 was approximately 290 boepd compared with 325 boepd during Q2 2008.

Production in Hungary during Q2 2009 averaged 49 boepd compared to 95 boepd in Q2 2008. The propane gas enrichment system installed early in the first quarter continued to function well. Production continued until June 20 and then it was shut-in during the summer months. Re-starting production by Q4 2009 is subject to reservoir conditions improving and gas prices stabilizing.

Results, Plans and Perspectives for 2009:**Tunisia**

During Q2 2009, Winstar's capital investment program was lower as the Company cancelled any discretionary spending in response to continuing and deepening weakness in natural gas prices. Funds were spent to complete the Chouech Essaida gas sales pipeline and the associated compression and sales measurement facilities in April 2009 and the installation of an electrical submersible pump at Chouech Essaida #9 well (CS#9).

The interpretation of the 400 square kilometers of new, high quality 3D seismic acquired over Winstar's 100% working interest Chouech Essaida and Ech Chouech concessions has continued to yield excitement and optimism. Today Winstar has identified over 12 leads and prospects, including the Silurian Acacus, which are significantly more than was hoped for originally. The Company has made the strategic decision to find partner(s) for the Ech Chouech concession to help fund the required drilling campaign to prove up the potential targets identified by the seismic program.

Canada

Further to the close of the sale of the Canadian assets, Winstar (with the exception of retaining varying ownership in six gross sections of land in the Sturgeon Lake area of north central Alberta, with three wells capable of production) will be exclusively an international production and exploration company.

Hungary

In Hungary, Winstar has identified new and potentially significant exploration targets within its Igal II exploration permit. The Igal II acreage is in the same geologic setting and trend as numerous proven gas and oil fields directly to the west. Given the large acreage position Winstar holds in the area, the Company is seeking partners to jointly conduct this exploration effort.

Romania

There were no field operations in the Satu Mare Exploration Permit during Q2 2009. The Company is actively pursuing the accumulation and interpretation of available technical data with the intent to be ready for seismic and drilling operations in 2010.

Other Matters:

Stock Option Grant

On August 13, 2009, the Board of Directors approved the issuance of 355,000 options to employees, officers and directors. The granting and pricing of the options will be in accordance with the Company's stock option policy and the requirements of the Toronto Stock Exchange.

BOE

References herein to boe mean barrels of oil equivalent derived by converting gas to oil in the ratio of six thousand cubic feet (mcf) of gas to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based upon an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Non-GAAP Measures

The Company uses the terms "funds from operations," "funds from operations per share" and "field operating netbacks" which are not recognized measures under Canadian generally accepted accounting principles. The Company uses these measures to help evaluate its performance. Management considers field operating netbacks an important measure as they demonstrate the Company's profitability from field operations, before general and administrative costs, relative to current commodity prices. Field operating netbacks are calculated as revenue plus international royalty income net of royalties, operating and current tax expenses. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations have been defined by the Company as cash flow from operating activities excluding the change in non-cash working capital related to operating activities, geological and geophysical expenses and expenditures on asset retirement obligations and reclamation. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average common shares outstanding consistent with the calculation of earnings per share. Winstar's determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP.

Sales and Seasonality

Oil and natural gas production is not necessarily equal to sales. Tunisian oil is transported or pipelined to a terminal for periodic offloading onto oil tankers. Revenue from tanker sales is recognized only when the sale occurs. Production during the period is carried in inventory until sold. Hungarian natural gas is sold on a monthly basis into the local market. Monthly sales are subject to local market product demand which increases during the heating seasons of fall and winter and curtails over the warmer spring and summer seasons.

Forward-looking Statements

This press release contains forward-looking statements. These statements relate to future events or future performance of Winstar. When used in this press release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions, are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance, or achievements to materially differ from those described in this press release. Should one or more of these risks or uncertainties materialize, or should

assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated, or expected. Specific forward-looking statements in this press release include, among others, statements pertaining to the following: factors upon which Winstar will decide whether or not to undertake a specific course of action; and estimated volumes and timing of future production; business plans for drilling, exploration and development; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. The risks to which Winstar is subject include those of the oil and gas industry in general, including operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits; volatility in global market prices for oil and natural gas; general economic conditions; competition; liabilities and risks, including environmental liability and risks, inherent in oil and gas operations; uncertainties as to the availability and cost of financing and changes in capital markets; alternatives to and changing demand for petroleum products; and changes in legislation and the regulatory environment, including uncertainties with respect to the Kyoto Protocol. Furthermore, statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be produced profitably in the future. The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement. These statements speak only as of the date of this press release. The Company does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

Winstar Resources Ltd. is Calgary-based junior oil and gas company, which explores for, develops, produces, and sells crude oil, natural gas liquids and natural gas in Tunisia, Canada, Hungary and Romania. Winstar's common shares trade on the Toronto Stock Exchange under the symbol WIX.

Winstar's second quarter management discussion and analysis and unaudited financial statements and notes can be obtained at www.winstar.ca

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