



Winstar Reports
First Quarter 2011 Operational and Financial Results

CALGARY, Alberta, May 12, 2011 – Winstar Resources Ltd. (“Winstar” or the “Company”) (TSX: WIX) is pleased to announce its operating and financial results for the first quarter of 2011. All dollar values are expressed in US dollars unless otherwise stated.

Highlights for 3 months ending March 31, 2011

- Realized oil and gas revenues per boe were \$92.26 an 23% increase over Q1 2010 due to realized oil prices of \$103.45/bbl and realized natural gas prices of \$10.95/mcf
- Field operating netback in Tunisia was \$67.95 per boe; a 28% increase as compared with Q1, 2010.
- Funds from continuing operations were \$9.2 million (\$0.26 per share); 53% higher than that reported in Q1 2010.
- Net earnings from continuing operations was \$2.2 million (\$0.06 per share); as compared to a \$1.2 million in Q1 2010.

The first quarter of 2011 (“Q1”) was strategically very important for Winstar as the Company announced strong test results from its first Silurian Exploration well in Southern Tunisia. The first quarter also was a period of significant political change in Tunisia, which subsequently spread to other countries in the North Africa and Middle East.

It is as a result of the dedication and professionalism of our Tunisian colleagues, that the drilling and day-to-day operations of the Company in Q1 were largely unaffected by these changes, including, in particular, the continuation of gas sales to the Tunisian domestic market.

Investor Conference Call

A conference call to discuss the results will be held on Friday May 13, 2011;

Time: 8:00 a.m. Mountain Daylight Time (10:00 a.m. Eastern Daylight Time)

Dial-in: North American participants (toll free) 1-866-544-4631

Participants outside North America 1-416-849-5571

Shortly after the conclusion of the call, a replay will be available by dialing 1-866-245-6755 or 1-416-915-1035. The pass code is 480174. The replay will be available until June 27, 2011. Thereafter, a copy of the call can be accessed through a link on Winstar’s website at www.winstar.ca

Testing Operations at Chouech Essaida Silurian #1 (CS Sil #1)

Operational activities during Q1 2011 were focused on the testing of Chouech Essaida Silurian #1 (“CS Sil #1”), the results of which were announced on February 22, 2011. The testing of 3,379 boepd from the Silurian Acacus and Silurian Tannezuft aged reservoirs are of strategic importance as it:

- Proved the approximate 25 kilometer western extension of the Silurian play onto Winstar’s two contiguous Southern Tunisia concessions of Chouech Essaida and Ech Chouech, and significantly lowered the exploration risk associated with the approximately ten additional Silurian leads and prospects identified on these concessions; and
- Materially increased the Company’s proved and probable reserves by 1.2 million boe and net asset value by US \$43.5 million (net present value, after tax, discounted at 10%) as evaluated, subsequently to December 31st, 2010, by our independent evaluator, RPS Energy.

Due to the significant high flowing wellhead pressure (1,130 psi) associated with the 2,683 boepd test from the lowest most zone in CS SIL #1, it was determined that a large scale gas and liquids separation plant would be required to place the zone on sustained production. Fortunately this plant was sourced from Winstar’s 100% owned operations in Hungary saving both time and money and cost is being prepared to be moved to the Chouech Essaida Concession. The gas plant has a capacity to treat 7-10 mmscf/d and approximately 800 – 1,000 bbl/d of fluid and it is expected to be commissioned sometime during Q3 2011.

First Quarter Financial Results

The financial and operating results for Q1 2011 are Winstar's first set of financial statements presented in accordance with International Financial Reporting Standards ("IFRS"). As reported and discussed in our Management Discussion and Analysis for the period ended March 31, 2011, the transition to IFRS is highlighted by the following items:

- The operations, strategic decisions and reporting of funds from operations have not been impacted; and
- The Company's depreciable base is now proved and probable reserves for those assets depreciated on a unit of production (as opposed to proved developed producing under the previous Canadian GAAP).

In addition the Company has changed its reporting currency from Canadian dollars to US dollars as the US dollar better reflects the business drivers of the Company's operations.

The financial and operating results for Q1 2011 show a marked improvement compared with Q1 2010 reflecting stronger commodity prices, a corresponding increase in field operating netbacks and increased production from Tunisia:

- Realized oil and gas revenues per boe were \$92.26 an 23% increase over Q1 2010;
- Field operating netback in Tunisia was \$67.95 per boe; a 28% increase as compared with Q1, 2010;
- Funds from continuing operations were \$9.2 million (\$0.26 per share); 63% higher than that reported in Q1 2010; and
- Net income from continuing operations was \$2.2 million (\$0.06 per share); as compared to a \$1.2 million in Q1 2010.

Winstar produced an average of 1,737 boepd during Q1 2011 from its operations in Tunisia, compared to 1,482 boepd in Q1 2010. Production has been impeded due to downhole mechanical problems at two oil wells that are or were shut in at Choueche Essaida. Current production, subsequent to the end of the first quarter, remains at approximately 1,700 boepd as there has not been any significant well operational issues and natural gas sales from the Choueche Essaida concession have continued to average approximately 2,800 mcf/d.

Financial and operating results summary from continuing operations (excluding Canada and Hungary)

(\$ thousands)	Three months ended March 31,		
	2011	2010	% change
Sales and Prices			
Oil and liquid sales (bopd)	1,222	1,312	(7)
Natural gas sales (mcf/d)	3,088	1,017	204
Average daily boe sales 6:1 (boepd)	1,737	1,482	17
Average oil and liquid price (\$/BBL)	103.45	77.21	34
Average natural gas price (\$/mcf)	10.95	9.48	16
Financial (\$ thousands except for unit amounts)			
Oil and gas revenue	14,421	9,988	44
Funds from continuing operations	9,226	5,650	63
Per share- basic & diluted	0.26	0.17	53
Net earnings from continuing	2,238	1,197	87
Per share- basic & diluted	0.06	0.03	100
Field operating netback (\$/boe)	67.95	53.24	28
Capital expenditures	6,686	7,424	(10)
Working capital at period end	6,389	3,354	90
Common Shares (thousands)			
Weighted average during period - basic	35,298	34,237	3
- diluted	35,524	34,538	3
Outstanding at period end	35,478	34,233	4

2011 Capital Program

Winstar continues to secure the equipment and services required to execute its US \$41 million capital program in 2011 of which US \$6.7 million was incurred during the first quarter. As noted above, the day-to-day operations of the Company have been relatively unaffected by the political change but delays in availability of equipment has been a recent challenge because of peaceful and limited, but nevertheless existing, public demonstrations. Subject to availability of the necessary equipment in Tunisia, the drilling campaign is expected to begin in the third quarter of 2011 while drilling in Romania is expected to commence in the summer.

The 2011 capital program will include a mixture of low risk Triassic development wells capable of incremental oil production, high impact Silurian exploration wells targeting both oil and natural gas with condensate and one or two exploration wells in Romania. The capital expenditures are expected to be funded through existing working capital and funds from operations generated from its existing production base as well as the utilization of our CAD \$10 million line of credit to provide short term financial flexibility.

Annual Special and General Meeting

The Annual Special and General Meeting will be held, in Calgary, on May 18, 2011, at 3 pm, at the Calgary Petroleum Club, Viking Room.

BOE

References herein to boe mean barrels of oil equivalent derived by converting gas to oil in the ratio of 6,000 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 necessarily represent a value equivalency at the wellhead.

Non-GAAP Measures

Funds from operations are a non-GAAP measure, defined by the Company as cash flow from operating activities excluding:

- The change in non-cash working capital related to continuing and discontinued operations, which is eliminated to show the net cash effect on income;
- Geological and geophysical expenses from continuing and discontinued operations, which are costs incurred for the purpose of generating future investment opportunities and are therefore not indicative of operational performance; and
- Expenditures on asset retirement obligations and reclamation, which are also not indicative of operational performance.

The Company also presents:

- Funds from operations per share, whereby amounts per share are calculated using weighted average common shares outstanding.

Management uses funds from operations to analyze performance and considers it to be a key measure as they demonstrate the Company's ability to generate the cash necessary to fund future capital investments. 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 IFRS.

Field operating netback is a non-GAAP measure defined by the Company as revenue, plus international royalty income less royalty, operating expense and current income tax. 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.

Forward-looking Statements

This press release contains certain forward-looking statements. These statements relate to future events or future performance of the Company. 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 a number of risks,

uncertainties and assumptions. Many factors could cause Winstar'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 other public disclosures made by the Company or 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 the Company 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 fields and 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 declaration. 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 a Calgary-based junior oil and gas Company, which explores for, develops, produces, and sells crude oil, natural gas liquids and natural gas in Tunisia and Romania. Winstar's common shares trade on The Toronto Stock Exchange under the symbol WIX.

Winstar's Interim Consolidated Financial Statements and Management Discussion and Analysis for the three month period ended March 31, 2011 can be obtained at www.winstar.ca

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