



Winstar Resources Releases Record 2006 Second Quarter and First Half Results

CALGARY, August 14, 2006 – Winstar Resources Ltd. ("Winstar" or "the Company") (WIX: TSX Venture Exchange) today released its financial and operating results for the three and six-month periods ended June 30, 2006.

The Company

Winstar Resources Ltd., a junior oil and gas company, was reorganized, and recapitalized into a Canadian based domestic and international oil and gas exploration and production company in August 2005. Run by an experienced domestic and international team, Winstar's business plan is to combine Canadian geosciences and engineering with local operating expertise to develop high impact, high netback production platforms in Canada, Tunisia and Hungary.

Diverse Production Platforms:

- Q2 2006 Netback \$31.86/boe
During Q2 the Company sold an average of 1,300 boepd. With its product and geographic mix, approximately 75% of the Company's sales were not affected by the natural gas commodity price corrections within North America. Netbacks are calculated by subtracting net royalties, operating costs, transportation costs and general and administrative costs from revenue.

Strong Balance Sheet

- Q2 Working Capital Surplus \$15,945,335
Winstar enters the second half of 2006 with a strong working capital surplus (\$16 million), projected second half funds (cash flow) from operations (\$11 million) and unused bank lines (\$3 million).

Record Capital Program

- Approved 2006 Capital Program \$26.7 million
As of June 30, 2006, the Company had spent approximately \$7.0 million or 25% of its approved 2006 capital budget. The Company is pleased with results to date and looks forward to the period from August to December 2006 when field operations are scheduled to commence on its high potential Canadian, Tunisian and Hungarian assets.

High Impact Drilling

- Final plans for (six) high impact wells/recompletions finished during Q2
During Q2 Winstar finished its planning for two high impact wells in Canada (Strachan and Sturgeon Lake), three high impact wells or recompletions in Tunisia (Sabria and Chouech Es Saida) and a Hungarian exploration well near Torokkoppany. All operations are scheduled to either be completed or initiated during the last half of 2006. Management believes each of the six high impact, development or exploratory wells or recompletions, using earlier drilling results, have the potential to add meaningful high netback production to Winstar.

2006 Year End Guidance

- Q2 Operating and Financial Results project to Record Year
Winstar is pleased with its second quarter 2006 results. The Company continues to forecast Q3 and Q4 2006 production rates of 1,300 and 1,900 boepd respectively, with average production for 2006 of 1,600 to 1,800 boepd. Winstar expects to exit 2006 producing more than 2,500 boepd.

Funds (cash flow) from operations for the first half of 2006 (\$9.0 million) was on target and Winstar continues to maintain its cash flow guidance for 2006 of \$20 million plus or minus 10 percent.

Q2 HIGHLIGHTS

- **Production sales:** Up 172 percent to 1,299 boepd (478 boepd Q2 2005)
- **Oil and gas sales revenue:** Up 166 percent to \$6.7 million (\$2.5 million Q2 2005)
- **Funds (cash flow) from operations:** Up 250 percent to \$3.9 million or \$0.14/share (\$1.1 million Q2 2005)
- **Net income:** Up 65 percent to \$847,523 or \$0.03/share (\$514,219 Q2 2005)

HIGHLIGHTS	Six Months Ended June 30			Three Months Ended June 30		
	H1 2006	H1 2005	% Chg.	Q2 2006	Q2 2005	% Chg.
Sales and Prices						
Natural gas sales (Mcf/d)	6,201	696	791	3,830	793	383
Oil and NGL sales (boepd)	605	332	82	661	346	91
Average daily sales 6:1 (boepd)	1,639	448	266	1,299	478	172
Average natural gas price (\$/Mcf)	7.11	5.33	33	6.83	5.63	21
Average oil and NGL price(\$/bbl)	68.88	63.59	8	71.75	67.09	7
Financial (\$)						
Oil and gas revenue	15,528,218	4,491,371	246	6,697,205	2,519,680	166
Funds (cash flow) from operations	9,046,532	1,577,021	474	3,856,726	1,100,717	250
Per share, basic and diluted	0.32	0.14	129	0.14	0.10	40
Net income/(loss)	2,261,571	431,419	424	847,523	514,219	65
Per share, basic and diluted	0.08	0.04	100	0.03	0.05	(40)
Working capital at period end	15,945,335	2,392,176	567	15,945,335	2,392,176	567
Long term debt at period end	-	-	-	-	-	-
Common Shares						
Weighted average during the period – Basic and diluted	28,563,606	11,395,177	151	28,563,606	11,395,177	151
Outstanding at period end	28,563,606	11,395,177	151	28,563,606	11,395,177	151

Q2 2006 OPERATIONAL HIGHLIGHTS

Canada

During the second quarter, Winstar participated in re-completing one (1.0 net) gas well that had a final test rate of 3.5 million cubic feet per day ("MMcf/d") plus condensate. This well was subsequently tied-in during July and is currently producing more than 1.25 MMcf/d (240 boepd) net to Winstar. One (0.25 net) well from the first quarter drilling program was completed but failed to produce gas in commercial quantities. One (0.5 net) new well, completed late in the first quarter, was brought on stream in mid-May at an initial 30-day average rate of 1.6 MMcf/d gross (135 boepd net). The turnaround at the Strachan plant negatively impacted approximately 50 boepd of net production for 23 days during the second quarter.

Average monthly Canadian production for the quarter improved by 22 percent over Q1 2006, averaging 474 boepd, with the second quarter exit production at 510 boepd. August 2006 production is expected to average 700 boepd.

Winstar's drilling program in Canada for the remainder of 2006 is in the process of being finalized. The Company expects to drill up to 11 (5.5 net) new wells or reactivations from August to December 2006. Winstar plans to spud its high-impact location on the Strachan prospect (55 percent net) in September and the Leduc, light oil prospect at Sturgeon Lake. (55 percent net) is scheduled to spud in October.

Tunisia

Production during the second quarter, improved by more than 56 percent, to an average of 631 boepd (617 boepd sales) as a result of further workovers at Chouech Essaida and Sanrhar. High volume pumps have now been installed in three wells generating strong production gains. June 2006 production averaged almost 700 boepd, with a monthly exit rate of more than 680 boepd. There are four workovers left to complete this year. Two existing wells are expected to be perforated and put on production. Two others, which have been shut-in for a number of years due to mechanical problems, are expected to be reactivated. August 2006 production is expected to average from 625 to 650 boepd.

The drilling programs for the two (0.9 net) new high-impact multi-lateral wells in Sabria have been finalized and all the equipment and services have been sourced. Construction of the first surface lease is now complete and ready for the arrival of the drilling rig. The first well (45 percent net) is expected to spud in early September.

Hungary

There were no significant operations in Hungary during the second quarter as Winstar focused on planning for its fourth quarter drilling program. Production from Hungary during the second quarter averaged 208 boepd as demand dropped with the end of the winter heating season. August 2006 production is expected to be approximately 100 boepd.

Reprocessing of key seismic lines using AVO (amplitude versus offset) has enabled a re-interpretation of the Igal II Permit and the Torokkoppány Concession leading to the identification of a high-impact, prospective location to be drilled in October 2006. This well will explore for new gas reserves in an anomaly adjacent to Winstar's producing (net 100 percent) Torokkoppány field. The location is close enough that a successful well could be tied into existing facilities prior to year-end. The anomaly being drilled is one of a number of AVO locations currently recognized on Winstar's block.

Work toward the installation of compression at the Torokkoppány Gas Plant is ongoing. It is anticipated that the compression will be on site and operational by November of this year.

Total production

The Company produced an average of 1,618 boepd (sales of 1,639 boepd) during the first six months of 2006, compared to 466 boepd during the comparable period in 2005.

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

In this press release Winstar uses the terms "funds from operations" and "cash flow" as indicators of financial performance. "Funds from operations" and "cash flow" are non-GAAP financial measures that do not have any standardized meaning prescribed by Canadian Generally Accepted Accounting Principles ("GAAP") and are therefore unlikely to be comparable to similar measures presented by other reporting issuers. Management believes these terms are useful indicators of the Company's ability to fund future capital expenditures however readers are cautioned that "funds from operations" and "cash flow" should not be construed as an alternative to net earnings, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP. Funds from operations is calculated before changes in non-cash working capital.

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 vary 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
- Winstar's capital expenditure program.

With respect to forward-looking statements in this press release, Winstar has made assumptions, regarding, among other things:

- estimated volumes and timing of future production;
- business plans for drilling, exploration and development; and
- other expectations, beliefs, plans, goal, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance.

Winstar's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in Winstar's interim report for the three and six months ended June 30, 2006:

- the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas, and market demand;
- risks and uncertainties involving geology of oil and gas deposits
- general economic conditions;
- volatility in global market prices for oil and natural gas;
- 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.

About Winstar

Winstar advises that its 2006 second quarter interim report is anticipated to be mailed to shareholders on or about the last week of August 2006. The second quarter interim report, which includes management's discussion and analysis and unaudited comparative financial statements for the three and six months ended June 30, 2006 and 2005 is also being filed today with applicable securities regulators and will be available on www.sedar.com.

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 (Alberta) Canada, Tunisia and Hungary. Winstar's common shares trade on the TSX Venture Exchange under the symbol "WIX".

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