



Winstar Updates Operations and Results

CALGARY, October 16, 2006 – Winstar Resources Ltd. Winstar Resources Ltd. ("Winstar" or the "Company") (WIX-TSX-V) updates its third quarter fundamentals and fourth quarter drilling program.

Based upon preliminary numbers Winstar's third quarter performance was on budget, producing (selling) approximately 1,200 boepd and generating approximately \$3.0 million of cash flow. Production by the end of October 2006 is expected to be 1,800 to 2,000 boepd, subject to the completion of workovers in Tunisia and gas demand in Hungary.

In Hungary, the Company drilled to 870 meters, tested and abandoned its Koppanyzanto (100% working interest) \$1.2 million exploratory well. The well encountered porous and permeable Miocene Badenian Limestone at anticipated depths and thickness. Further to the results of 2 drill-stem tests, which recovered drilling mud or water with immaterial gas in solution, the well was abandoned. The Company, through innovative measures, managed to complete the project approximately 20% less than budgeted. While Winstar is disappointed with its drilling, it remains optimistic about the hydrocarbon potential on the balance of its 568,320 net acre concession and permit.

Winstar expects to produce up to 650 (net) boepd from its Torokkoppány gas field in south central Hungary during the coldest months of the up coming winter. Production is being optimized by the installation of a new compressor to be commissioned in early November. Currently Winstar is selling its natural gas for the equivalent of \$8.40 per Mcf subject, to an aggregate 15% royalty.

In Alberta, Winstar expects to spud its \$3.0 million gross (\$1.5 million net) Strachan 8-10-38-10W5, Leduc (4200 meters) new pool wildcat on or about October 25, 2006. The 8-10 location will be drilled by re-entering Winstar's offset 13-10 well bore and sidetracking a 1000 meter directional well. Winstar believes the 8-10 location may yield an adjacent Leduc structure filled with additional gas reserves. The well is anticipated to take 60 days to drill and test. The Company retains operatorship at a 70% working interest in any production, while assuming 50% of the cost of the well.

Winstar expects to produce between 550 and 800 boepd during the fourth quarter from its Canadian assets. In Alberta production is approximately 30% oil (24 degree API) and 70% high b.t.u natural gas.

In Tunisia, the Company anticipates to spud its \$12.2 million gross (\$5.5 million net) Sabria No. 11 Hamra development well on or about October 15, 2006. This 3,750 meter vertical well, with two 500 meter horizontal legs, will be drilled under-balanced and is expected to take 90 days to drill and complete. The well if successful will be the fourth producing well in the Sabria Oil Field. The Sabria Field to date has produced approximately 2.5 million barrels of oil or (1%) one percent of the Original Oil In Place volumetrically estimated as of December 31, 2005 by APA Petroleum Engineering to be 230 million barrels of oil (P 90). The well is operated by Winstar (45% working interest), and is the first of 2 wells expected to be drilled consecutively at Sabria.

Additionally, the Company has improved its daily production, through enhanced artificial lift, at its southern Tunisian concessions of Sanhar and Chouech Es Saida. As a result, Tunisian production has improved from approximately 400 boepd during Q1 2006 to more than 600 boepd currently. In Tunisia the Company is currently selling natural gas at approximately \$6.20 per Mcf and receiving world price for its crude oil. Winstar's Tunisian production is approximately 30% natural gas and 70% crude oil and is subject to state royalties between 2-15%.

Winstar has continued to enjoy relatively strong international oil prices and very competitive gas prices, which have considerably mitigated the relatively low prices obtained for natural gas in Alberta recently. Winstar is projecting 2006 production to average 1600 to 1800 boepd and, subject to commodity price stability, 2006 cash flow of \$20 million (plus or minus 10%). Preliminary numbers indicate that the Company should approximately generate Q3'06 cash flow netbacks similar to first half 2006, being approximately \$30 per boe. Where cash flow net back per boe is equal to total oil and gas revenue minus royalties, less operating costs, less transportation costs, less general and administrative costs divided by the number of boe's sold.

The Company today announces the resignation of Mr. Robert Cowper, effective October 31, 2006, as Chief Financial Officer and Manager of Investment Relations. Mr. Cowper will be pursuing other business ventures and the Winstar team wishes him continued success. The Company is actively recruiting for a replacement; in the interim, David Monachello, President of Winstar, will fulfill the necessary duties.

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.

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

"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 this term is useful as an indicator of the Company's ability to fund future capital expenditures. Funds from operations are 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 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 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.

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