



## **Winstar Releases Operational Updates for the wells at Strachan 8-10-38-10W5M in West Central Alberta and Sabria 11 in West Central Tunisia and updates activities at the Chouech Es Saida Concession in Southern Tunisia**

**CALGARY, February 22, 2007 – Winstar Resources Ltd.** ("Winstar" or the "Company") (WIX-TSX) today releases updates on the following operations:

- Operational update from the Winstar Strachan 8-10-38-10W5 well drilled in Central Alberta,
- Operational update from Winstar Sabria 11 well currently drilling within the Sabria Concession of West Central Tunisia, and
- Current production at Winstar Chouech Es Saida Number 5 ("CES No. 5") and Winstar Chouech Es Saida Number 7 ("CES No. 7") located within the Chouech Es Saida Concession of Southern Tunisia.

### **Winstar Strachan 8-10-38-10W5 (70% Working Interest)**

On October 3, 2006, Winstar re-entered the suspended Winstar 13-10-38-10W5 ("13-10") well and initiated a sidetrack with a 1,500 meters ("m") or 4,900 feet ("ft") horizontal displacement, targeting a newly identified, adjacent Leduc structure. The sidetrack operation was successful and entered the Leduc formation at the bottom-hole location 8-10-38-10 W5 ("8-10" or "Strachan well") 30 m or 98 ft structurally higher than the top of the producing zone at 13-10. Open-hole logs indicate that the 8-10 location has 18 m or 59 ft of Leduc gas pay with porosities of 3-15%. The drilling rig was released on January 20, 2007 after production tubing was installed.

Completion operations commenced February 11, 2007. The well was stimulated using two acid matrix and fracturing type stimulations. The well has been subsequently flowed back at gas rates varying between 30 thousand cubic meters per day of natural gas ("e3m3/d") to 130 e3m3/d (or 1,060 thousand cubic feet per day ("mcf/d") to 4,590 mcf/d), containing up to 4.5% Hydrogen Sulfide Gas ("H2S gas") and was still recovering stimulation fluids pumped during the treatments. The well has been shut-in as of February 21, 2007 to release all service company equipment and re-install the surface production facilities in preparation for an "in-line" production test and eventual permanent production of the well. The above stated flow rates are unstable and very preliminary in nature as there is still over 100 cubic meters ("m3") or 630 barrels of stimulation fluid left in the well to recover. This amount of fluid can have a significant effect on the early performance of the well. The production test is expected to commence in approximately two weeks time. Winstar operates and has a 70% working interest in the production of the Strachan well.

### **Winstar Sabria 11 (45% Working Interest)**

On October 24, 2006, Winstar and its 55% partner ETAP (the Tunisian State Oil Company) spud Sabria 11, to develop the crude oil and solution gas reserves within the Ordovician Hamra Sandstone found at a true vertical depth of approximately 3,750 m or 13,100 ft. Sabria 11 is designed to drill two, 500 to 700 m (1,640 to 2,300 ft) horizontal drains from the same wellbore using an under-balanced mud system. The Company is pleased to announce that the first horizontal drain has been drilled with the following encouraging flow results:

- A total 700 m of horizontal section was drilled encountering and evaluating both the established Hamra Sandstone and the underlying El Atchane Sandstone.

- During February 16 to 17, 2007, Sabria 11 flowed for 34 hours at variable rates and variable pressures. Final flow rates are 59 cubic meters of oil per day (or 370 bopd) with an associated 30 to 35 e3m3/d or (1,060 to 1,240 mcf/d) of natural gas or approximately 550 barrels of oil equivalent per day ("boepd") plus approximately 775 m3/d or 4,600 barrels of water per day.

During final completion operations, the Company intends to place a mechanical packer in this first drain to isolate the water bearing, lower El Atchane formation which is expected to result in improved oil production and reduce or totally eliminate water production.

The drilling of the second 500 to 750 m (or 1,640 to 2,460 ft) horizontal at Sabria 11 will commence this week and is expected to be completed by the end of March 2007.

Sabria 11 is currently being tied into the existing central production facilities and will be brought on production immediately following the demobilization of the rig expected in April 2007.

Winstar operates and has a 45 % working interest in the Sabria 11 well.

### **Chouech Es Saida Number 5 (100% Working Interest)**

From December 19, 2006 to January 7, 2007, Chouech Es Saida Number 5 ("CES No. 5") produced, through an 18/64 inch choke, at an average rate of 160 m3/d of crude oil (or 1,005 bopd). During that period, associated natural gas gradually increased from 29 to 37 e3m3/d (or 1,000 to 1,300 mcf/d).

From January 7 to 9, 2007, the well's oil production declined to 140 m3/d (or 880 bopd) and associated flared natural gas rapidly increased to 42 e3m3/d (or 1,500 mcf/d). In order to re-stabilize the flow and to conserve the natural gas until a gas contract could be effected, the Company reduced the choke size to 14/64 inch.

Since reducing the choke, CES No. 5's production characteristics appear to have stabilized at an average rate of 70 m3/d (or 440 bopd) plus 37 to 42 e3m3/d (or 1,300 to 1,500 mcf/d) of associated gas.

The Company is hopeful that by the end of March 2007 it will have all the regulatory and field requirements in place to sell the natural gas from CES No. 5. It expects, at that time, it will continue to sell 70 to 80 m3/d of oil (450 to 500 bopd) plus initiate the sale of 1,300 to 1,500 mcf/d of solution gas, for total sales of 665 to 750 boepd.

The Company is pleased with the performance of CES No. 5 and is grateful for the co-operation of the Tunisian Authorities and local gas utility in rapidly approving gas sales agreements.

### **Chouech Es Saida Number 7 (100% Working Interest)**

Chouech Es Saida Number 7 production has not increased as expected after the December 2006 installation of a larger pump and is still producing at its original 150 bopd (or 24 m3/d) of crude oil. The Company speculates that the producing formation was damaged through the process of 'killing' the well using heavy brine during the workover operation. Winstar is hopeful that the damage will remediate itself overtime and the well will eventually perform as had been expected.

### **Exit 2006 Production and 2007 Guidance**

The recent results at Strachan, Sabria 11, plus the advent of gas sales at Chouech Es Saida No. 5 continue to give the Company confidence in projecting average production for 2007 of between 2,700 and 3,000 boepd. Subject to commodity price shifts and the timing of production start ups at its new wells, the Company projects \$35 to \$40 million in cash flow during fiscal 2007

The Company exited 2006 at 2650 boepd.

Production, during the early part of the first quarter of 2007, has been somewhat lower due to a warmer than usual winter in Eastern Europe resulting in lower than anticipated sales from Hungary, and the production curtailment of CES No. 5. Sales during Q1 2007 are expected to be between 2,200 and 2,400 boepd.

## **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.

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 Exchange under the symbol WIX.

## **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, goal, 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.

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