



Winstar Reports Record Production, Cash Flow and Net Asset Value in 2006

CALGARY, March 26, 2007 – Winstar Resources Ltd. (“Winstar” or “the Company”) (TSX:WIX) is pleased to announce its operating and financial results for the fourth quarter and year ended December 31, 2006 and provide an overview of its plans and perspectives for 2007.

Winstar, a junior oil and gas company with producing properties in Canada, Tunisia and Hungary, achieved rapid growth in 2006, including record production, cash flow from operations, reserves and net asset value while maintaining an industry average consolidated finding costs during a period of spiraling operational costs.

2006 Highlights	Result	% Change Over 2005
Average Production	1,612 boepd	up 100%
Exit Production	2,651 boepd	up 21%
Average Sales	1,555 boepd	up 91%
Cash Flow From Operations	\$15.8 million (\$0.55 per share)	up 117%
Reserves - Proved and Probable	9.8 million boe	up 3%
Net Asset Value – Dec. 31, 2006 (Before tax, escalated price deck at present value discounted 10%)	\$216.79 million (\$7.03 per share)	up 17%

The achievements of 2006 have resulted in a substantial appreciation in Winstar’s share price. The Company closed 2005 trading at \$1.98 per share on the TSX Venture Exchange, graduated to the Toronto Stock Exchange in December 2006 and exited the year trading at \$4.90 per share, an increase of 147%.

Operating and Financial Summary:

Highlights	Year Ended December 31,			Three Months Ended December 31,		
	2006	2005	% Change	2006	2005	% Change
Production (not sales)						
Average daily production 6:1 (boepd)	1,612	808	100	1,894	1,679	13
Sales and Prices						
Natural gas sales (Mcf/d)	5,564	2,534	120	6,048	6,827	(11)
Oil and NGL sales (bopd)	627	392	60	617 (1)	739	(16)
Average daily sales 6:1 (boepd)	1,555	814	91	1,625 (2)	1877	(13)
Average natural gas price (\$/Mcf)	7.30	7.85	(7)	8.10	8.15	(1)
Average oil and NGL price(\$/bbl)	67.99	59.90	14	64.23	61.65	4
Financial (CDN \$ thousands except per share)						
Oil and gas revenue	30,385	15,822	92	8,156	9,308	(12)
Cash flow from operations	15,812	7,281	117	3,672	5,370	(32)
Per share, basic and diluted	0.55	0.41	34	0.13	0.19	(32)
Net income/(loss)	1,780	(1,483)	-	(79)	(69)	-
Per share, basic and diluted	0.06	(0.08)	-	(0.00)	(0.00)	-
Working capital at period end	7,371	14,865	(50)	7,371	14,865	(50)
Long term debt at period end	-	-	-	-	-	-
Shareholders’ equity at period end	68,237	64,859	5	68,237	64,859	5
Common Shares						
Weighted average during the period – Basic and diluted	28,569,104	17,625,359	62	28,584,983	28,378,731	1
Outstanding at period end	28,676,939	28,563,606	0	28,676,939	28,563,606	0

- (1) Q4 2006 to Q4 2005 oil sales are down. Oil production actually increased, in particular from the Chouech Es Saida Concession in southern Tunisia, but this additional production was not sold until Q1 2007.
- (2) A warmer than normal winter in Hungary resulted in lower natural gas demand and lower gas sales in Q4 2006 compared to Q4 2005.

Production

Winstar realized record oil and gas production in 2006, reflecting better overall performance plus a full year of consolidation. The Company increased its production from an average 808 boepd in 2005 to 1,612 boepd in 2006.

	2006 boepd	2005 boepd (1)
Tunisia	614	420
Hungary	497	214
Canada	501	174
Average Daily Production (boepd)	1,612	808

- (1) In 2005, Tunisian sales were for a period of 12 months; Hungarian production was for a period of approximately seven months and Canadian production was for a period of approximately 4.5 months.

Reserves

Winstar reports a 3% increase in its proved plus probable reserves from 2005 to 2006. Of particular significance is the increase in proved reserves, which increased by 12% year over year. Winstar's reserves, evaluated independently by McDaniel & Associates Consultants Ltd. ("McDaniel") for Alberta and by RPS - APA Petroleum Engineering Inc. ("RPS-APA") for Tunisia and Hungary, are as follows (based on McDaniel's forecast prices and gross before royalty):

	Alberta mboe (1)	Tunisia mboe	Hungary mboe	TOTAL mboe
As of December 31, 2005				
Proved developed reserves	585	1,242	254	2,082
Proved undeveloped reserves	8	1,248	90	1,345
Total proved	593	2,490	344	3,427
Probable reserves	201	5,776	99	6,076
TOTAL proved + probable	794	8,266	443	9,503

As of December 31, 2006				
Proved developed reserves	528	1,321	176	2,025
Proved undeveloped reserves	18	1,809	-	1,827
Total proved	546	3,130	176	3,852
Probable reserves	214	5,669	79	5,962
TOTAL proved + probable	760	8,799	255	9,814

- (1) 1 mboe = 1,000 boe
- (2) The Proved + Probable reserves change is smaller than the increase to Proved reserves due to reclassification of Probable reserves into Proved reserves in Tunisia, and a reduction in Probable reserves at Torokkoppány in Hungary.



2006 Net Asset Value

Based on its independently evaluated reserves and land value and audited financial statements, Winstar's net asset value and net asset value per share as of December 31, 2006 and December 31, 2005 are calculated as follows:

	2006	2005
	\$million (except per share values)	\$million (except per share values)
Proved developed reserves	\$47.08	\$41.14
Proven undeveloped reserves	\$40.21	\$26.23
Probable reserves	\$102.77	\$81.54
Total proved + probable reserves (1)	\$190.06	\$148.91
Land (2)	\$12.80	\$13.53
Working capital	\$7.37	\$14.46
Long-term debt	zero	zero
Proceeds from options	\$6.56	\$5.09
NET ASSET VALUE	\$216.79	\$182.39
NET ASSET VALUE PER DILUTED SHARE (3)	\$7.03	\$6.05
NET ASSET VALUE PER DILUTED SHARE (3) - PROVED ONLY	\$3.69	\$3.35

- (1) As evaluated by McDaniel (Canada) and RPS-APA (Tunisia and Hungary). Discounted at 10%, before tax, using McDaniel forecast prices.
- (2) As independently evaluated by Seaton-Jordan & Associates Ltd. ("Seaton-Jordan"). Value includes only Canadian undeveloped acreage. No value was attributed to non-producing acreage in Tunisia and Hungary.
- (3) Fully diluted shares: 30,831,273, representing all outstanding shares and options as at period end December 31, 2006 (2005: 30,152,274).

2006 Finding, Development and Acquisition Costs

Winstar's capital expenditures in 2006 were \$18.1 million for the purposes of calculating finding and development costs (no expenditures for acquisitions). Based on Winstar's independently evaluated reserves (based on McDaniel's forecast prices) at year-end 2006, the Company's finding and development costs are calculated as follows:

	Total Proved Reserves Added	F&D (1)	Acquisition	FD&A
	(mboe)	\$ per boe	\$ per boe	\$ per boe
Capex program	1,014	24.00	0	24.00
Acquisition	0			
Total	1,014	24.00	0	24.00 (1)

	Total Proved + Probable Reserves Added	F&D (1)	Acquisition	FD&A
	(mboe)	\$ per boe	\$ per boe	\$ per boe
Capex program	901	21.20	0	21.20
Acquisition		0	0	0
Total	901 (2)	21.20	0	21.20 (1)

- (1) Finding & development costs include changes in non-discounted future development capital and do not include \$3.53 million in capital or associated reserves for capital programs (Strachan 13-10, Ferrier 7-15 and Ferrier 2-33 wells) that were initiated but not completed in late 2006.



2006 Reserves Replacement

Winstar's reserves replacement ratio using average production of 1,612 boepd is as follows:

Consolidated 2006 Production	Proved Reserves Replacement Ratio	Proved + Probable Reserves Replacement Ratio
(boe)	(%)	(%)
588,380	173	154

Land Base and Fair Market Value

The majority of Winstar's land base is undeveloped and covered with 2D or 3D seismic data.

	Net Sections (1) as of December 31, 2006	Net Sections (1) as of December 31, 2005
Canada (Alberta – Crown and freehold leases or licenses)	68	92
Tunisia (five concessions)	236	236
Hungary (one concession and one exploration permit)	888	888
TOTAL sections/sq. miles	1,192	1,216
Fair Market Value for Undeveloped Lands (2)	\$12,801,000	\$13,562,000

(1) 1 section = 1 square mile, 640 acres or 259 hectares.

(2) As independently evaluated by Seaton-Jordan. Value includes only Canadian undeveloped acreage. No value was attributed to non-producing acreage in Tunisia and Hungary.

Plans and Perspectives for 2007

Winstar is forecasting an average net daily production (sales) of between 2,600 and 2,900 boepd in 2007 (compared with 494 boepd in 2004, 808 boepd in 2005 and 1,612 boepd in 2006). The 2007 forecast results of potential cash flow from operations of between \$35 and \$40 million (\$1.24 to \$1.40 per share), based on Winstar current price forecast and dependent upon project success.

Winstar's Tunisian subsidiary is a priority for 2007. The focus will be the Winstar-operated Sabria concession (45% working interest), where two major drilling operations are planned, and in the 100% working interest Chouech Es Saida and Ech Chouech concessions where the Company is planning two or three significant well operations (drilling or recompletions).

In addition, subject to ongoing technical work, the Company expects to drill at least two high impact wells and may participate in another five to 10 wells in Alberta, Canada, one possible exploration well in Hungary in late 2007.

Winstar anticipates 2007 capital expenditures to be a minimum of \$40 million and, dependent on program success and the advancement of current opportunities, up to \$60 million. Winstar expects to fund its capital budget through working capital and cash flow, but is likely to supplement the budget through short-term bank debt and/or by farming out certain Alberta prospects.



Tunisia

Recent drilling results in Tunisia have been encouraging. Winstar operates five onshore concessions in this northern African country on 151,040 net acres. The potential being targeted in this area is 500 to 1,000 boepd per well.

Winstar estimates it has four to six years of exploration and development inventory within its existing concessional acreage. After experiencing delays, due in part to a shortage of available equipment, the Company has overcome the initial operational hurdles, strengthened its team on the ground and is optimistic about the prospects on its concessions.

Canada

In 2006, Winstar generated less than expected overall results in Alberta, due to the combination of high costs and low reserve additions. The Company will continue to develop its deep large potential plays.

Although Winstar believes the Canadian federal government's decision to tax the income trust sector starting in 2011 has caused fiscal instability, the announcement is expected to open up new opportunities for junior oil and gas companies. A number of potential acquisitions, which were previously more expensive than the Company thought appropriate, may become attractive targets. Long-life assets that were once acquired mostly by the trusts may now become more available to healthy juniors such as Winstar.

Hungary

The Igal II exploration permit and the Torokkoppany concession are Winstar's lowest cost and thus highest impact exploration opportunity. Although the Company drilled an uneconomic well at Koppanyasztanto 1 in October 2006, it is optimistic it will be able to solve the geological and geophysical puzzle in Hungary to duplicate the success of its Torokkoppany gas field.

Outlook

With three to four years of exploration and development locations, a number of high-impact Tunisian, Canadian and Hungarian drilling opportunities within a medium-risk portfolio and a share price, which is in between three and four times the Company's projected cash flow per share for 2007, Winstar expects continued growth this year and beyond.

Stock Option Grants

Winstar announces that, on March 23, 2007, its Board of Directors approved the grant, effective March 28, 2007 of options to acquire 500,000 common shares at an exercise price of equal to the closing trading price on March 27, 2007 to directors, officers and employees. As of March 23, 2007, Winstar has 28,740,273 common shares issued and outstanding and (further to the approved grants) 2,591,000 common shares issuable pursuant to outstanding stock options.

BOE

References herein to boe mean barrels of oil equivalent derived by converting gas to oil in the ration 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

"Cash flow" and "funds from operations," which are used interchangeably, "cash flow per share," "funds from operations per share" and "netbacks" are not recognized measures under Canadian

generally accepted accounting principles. The Company uses these measures to help evaluate its performance. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices. 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 net earnings plus the addback of non-cash items (stock-based compensation, depletion, depreciation and accretion, impairment on long-lived assets, gain on disposition of property and equipment, expiry of undeveloped land and future income tax recovery) and excludes the change in non-cash working capital related to operating activities 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 shares outstanding consistent with the calculation of earnings per share. Winstar's determination of cash flow and 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, 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.

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 Alberta, Tunisia and Hungary. Winstar's common shares trade on the Toronto Stock Exchange under the symbol WIX.

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