



Winstar Announces Record First Half 2007

CALGARY, August 14, 2007 – Winstar Resources Ltd. ("Winstar" or "the Company") (TSX: WIX) is pleased to announce its operating and financial results for the second quarter and first half of 2007 and provide an overview of its plans and perspectives for the remainder of the year and some 2008 preliminary guidance.

Winstar is a junior oil and gas company focused on Tunisia with medium to long term Canadian and Hungarian investments. The Company achieved rapid growth in the first half, with record production and funds from operations.

The second quarter results recorded a \$0.3 million decline in funds from operations from \$3.9 million in Q2 2006 to \$3.6 million in Q2 2007, as the Company's success triggered Tunisian income tax liability (\$1.2 million Q2 2007; zero Q2 2006). For the first six months of 2007 the Company recorded a 29% increase in funds from operations to \$11.7 million compared to \$9.0 million for the comparable period in 2006, after accruing for \$2.1 million of 2007 tax expense associated with the southern Tunisian Concession Chouech Essaida.

First half earnings are approximately 43% higher year over year (earnings \$3.2 million 2007; earnings \$2.3 million 2006) but second quarter earnings are lower than the three month period of Q2, 2006 (loss \$1.3 million 2007, earnings \$0.8 million 2006). Lower year over year earnings reflect lower 2007 gas sales in Hungary as compared to 2006 and the write-down of \$3.4 million of Canadian assets (undeveloped land, seismic and potential reserves).

First Half 2007 Production, Sales, Cash Flow and Earnings

	Six Month Results	% Change over First Half of 2006
Average Production (boepd)	1,854	+ 15%
Average Sales (boepd)	2,059	+ 26%
Funds from Operations (CDN \$ thousands)	11,695	+ 29%
Earnings (CDN \$ thousands)	3,232	+ 43%

First Half 2007 and Q2 2007 Operating and Financial Summary:

Highlights	Second Quarter			Year over Year		
	Three Months Ended June 30,			First	First	
	2007	2006	% Change	Half	Half	% Change
Sales and Prices						
Oil and NGL sales (boepd)	1,109	661	68	1,327	605	119
Natural gas sales (Mcf/d)	2,933	3,830	(23)	4,392	6,201	(29)
Average daily sales 6:1 (boepd)	1,598	1,299	23	2,059	1,639	26
Average natural gas price (CDN\$/Mcf)	8.43	6.83	23	8.64	7.11	22
Average oil and NGL price (CDN \$/bbl)	72.66	71.75	1	69.42	68.88	1

Financial (CDN \$ thousands)						
Oil and gas revenue	9,585	6,697	43	23,540	15,528	52
Funds from operations	3,607	3,857	(6)	11,695	9,046	29
Per share, basic and diluted	0.13	0.14	(7)	0.40	0.32	25
Net (loss)/income	(1,288)	847	(252)	3,232	2,262	43
Per share, basic and diluted	(0.04)	0.03	(233)	0.11	0.08	38
Working capital at period end	1,156	15,945	(93)	1,156	15,945	(93)
Long term debt at period end	-	-	-	-	-	-
Shareholders' equity at period end	69,094	65,888	5	69,094	65,888	5
Common Shares (thousands)						
Weighted average during the period - Basic	28,742	28,564	1	28,741	28,564	1
- Diluted	28,742	28,564	1	29,232	28,564	2
Outstanding at period end	28,780	28,564	1	28,780	28,564	1

Production

Winstar realized record oil and gas production in the first half of 2007 of 1,854 boepd, or a 15% increase over the comparable period in 2006. The Company's drilling and recompletion success in Tunisia more than offset declines in Hungary and Canada.

PRODUCTION SUMMARY		
Production Area (boepd)	Six months ended	
	2007	2006
June 30,		
Canada	424	437
Hungary	367	663
Tunisia	1,063	518
Total boepd	1,854	1,618

Outlook

Second quarter recompletion results at Chouech Essaida (News Released May 1, 2007) and subsequent operational results at Sabria 11 (News Released July 9, 2007) plus the announcement of the new rig contract for Tunisia (press released July 19, 2007) support our confidence and our focus on the Tunisian business plan.

Plans and Perspectives for 2007 and 2008

Tunisia

The Company's primary focus for the remainder of 2007 and for 2008 will be Tunisia, where recent successes are generating substantial growth opportunities. At Sabria, the continued strong performance of our new Sabria 11 oil well has resulted in the Company considering an extensive development program to harvest the recognized large in-place oil reserves. The maximization of this core asset will be one of the Company's primary activities throughout 2008 and beyond. At Chouech Essaida, high productivity recompletions in Q4 2006 and the first half of 2007 have illustrated what the Company believes to be the undeveloped oil potential within existing well bores. During the remainder of 2007 and in 2008, the Company plans a number of new recompletions, the first new development well aimed at extending the established field boundaries, and a 3D seismic program at Chouech Essaida and Ech Chouech to pin point a Silurian exploration well in late 2008. The development of the high impact Triassic oil play and the exploration of the deeper Silurian plays will be a core activity at Winstar.

Hungary

The Company's very profitable Hungarian gas operations will continue for the remainder of 2007 and into the first half of 2008 at which time it is expected our gas wells will reach their economic limit. Gas prices in Hungary remain over \$9 per Mcf, but the Company's gas production is subject to seasonal demand which will remain low until Q4 2007. The Company continues to reprocess its existing seismic and is considering the acquisition of new seismic to identify exploration targets for the first half of 2008.

Canada

Winstar's Canadian production is mature with low decline. Of the roughly 424 boepd produced in the first half of 2007, some 60% is in the form of natural gas. Natural gas is the dominant product anticipated over the majority of our undeveloped lands. Current natural gas prices at \$5 per Mcf, coupled with high drilling costs and moderate initial production rates, generate marginal rates of return. Until circumstances improve, Winstar has little additional drilling planned for Canada in the second half of 2007, with the exception of the oil dominated Sturgeon Lake region, where, subject to obtaining surface rights, one or two wells are planned. At Strachan, subject to receiving partner financial support, the Company will conduct a large Leduc stimulation on its recent well in Q3 or Q4 2007. The company carries over \$6 million of value for the Strachan well on its balance sheet. A successful completion would support the current investment, while a marginal result could trigger an impairment during the last half of 2007.

Continued low North American gas prices make the Canadian properties and goodwill more susceptible to write-downs. At June 30, 2007, all Canadian assets were reviewed, and further to a \$3.4 million write down, no further impairment was indicated at this time.

2007

Winstar is forecasting average net daily production (sales) of between 2,000 and 2,200 boepd in 2007, as compared to 1,612 boepd in 2006. Production, funds from operations and capital expenditure forecast for 2007 has been adjusted downward from our guidance of May 10, 2007 by 25%, with the deferral of the second new well at Sabria (Sabria 12) to Q2 2008 when Winstar's contracted drilling rig is anticipated to be available, and the delay of gas sales from Chouech Essaida until Q3 2007.

The Company's 2007 production is expected to generate funds from operations of \$25 to \$30 million, or \$0.80 to \$1.00 per share, based on Winstar's current commodity prices and second half operational success. Capital expenditures for full year 2007 are expected to be in the order of \$30 to \$35 million (\$16.6 million First Half, 2007), subject to availability of equipment and other factors. This capital budget will be funded through working capital, bank debt, cash flow and other means.

The Company continues to monitor its Canadian assets relative to fair market carrying value. Additional Canadian impairments may develop during the last half of 2007 if ongoing operations in Canada are not successful or if natural gas prices materially decline.

2008

The Company's guidance for 2008 is very preliminary. A number of material variables, including partner consent, equipment availability, facility reliability and commodity prices, will have a significant impact on this guidance. Presuming that the Company invests between 100 and 150% of its projected 2008 funds from operations, it is expected average net daily production (sales) during 2008 will increase by more than a third over 2007.

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," "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 cash flow from operating activities excluding the change in non-cash working capital related to operating activities, geological and geophysical expenses 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 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. 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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