



## Winstar Earns \$2.1 million on Record Q3 2007 and Earns \$5.3 million on Record Nine Month 2007 Results

**CALGARY, November 14, 2007 – Winstar Resources Ltd.** (“Winstar” or “the Company”) (TSX: WIX) is pleased to report record results for the periods ending September 30, 2007, provide an overview of its plans for the remainder of the year, and offer preliminary guidance for 2008.

Winstar’s rapid growth, which began in Q3 2005 following the merger with Athanor, continues with record three and nine month 2007 production, funds from operations (cash flow) and earnings. In the third quarter of 2007, Winstar realized funds from operations of \$6.78 million, an increase of \$3.69 million from \$3.09 million in the third quarter of 2006. For the nine-month period, the Company recorded a 52% increase in funds from operations to \$18.47 million compared with \$12.14 million for the same period of 2006. Winstar attributes its increased funds from operations to increased sales volumes and higher commodity prices. Commodity prices, on average, increased about 20% during 2007 compared with the three and nine month periods of 2006. Sales volumes increased 32% to 2,015 barrels of oil equivalent per day (boepd) for the nine months and 46% to 1,928 boepd for the three months compared with the equivalent periods of 2006.

Winstar earned \$5.3 million in the first nine months of 2007, an increase of 186% over the \$1.9 million earned during the same period of 2006. In the third quarter, the Company earned \$2.1 million compared with a loss of \$403,000 during the third quarter of 2006.

### Q3 2007 and Nine Month 2007 Operating and Financial Summary

Highlights	Third Quarter			Year over Year		
	Three Months Ended September 30,			First Nine Months		
	2007	2006	% Change	2007	2006	% Change
<b>Sales and Prices</b>						
Oil and NGL sales (boepd)	<b>1,356</b>	681	99	<b>1,337</b>	631	112
Natural gas sales (Mcf/d)	<b>3,435</b>	3,824	(10)	<b>4,069</b>	5,400	(25)
Average daily sales 6:1 (boepd)	<b>1,928</b>	1,319	46	<b>2,015</b>	1,531	32
Average natural gas price (CDN\$/Mcf)	<b>7.13</b>	6.67	7	<b>8.21</b>	6.99	17
Average oil and NGL price (CDN \$/bbl)	<b>75.68</b>	69.45	9	<b>71.56</b>	69.23	3
<b>Financial (CDN \$ thousands)</b>						
Oil and gas revenue	<b>11,696</b>	6,700	75	<b>35,236</b>	22,228	59
Funds from operations	<b>6,779</b>	3,095	119	<b>18,474</b>	12,141	52
Per share, basic	<b>0.22</b>	0.11	103	<b>0.64</b>	0.43	49
Per share, diluted	<b>0.22</b>	0.11	103	<b>0.62</b>	0.43	44
Net (loss)/income	<b>2,092</b>	(403)	-	<b>5,324</b>	1,858	186
Per share, basic and diluted	<b>0.07</b>	(0.01)	-	<b>0.18</b>	0.07	157
Working capital at period end	<b>24,723</b>	15,372	61	<b>24,723</b>	15,372	61
Long term debt at period end	-	-	-	-	-	-
Shareholders' equity at period end	<b>90,693</b>	65,989	37	<b>90,693</b>	65,989	37
<b>Common Shares (thousands)</b>						
Weighted average during the period						
– Basic	<b>29,749</b>	28,564	4	<b>29,081</b>	28,564	2
– Diluted	<b>30,317</b>	28,564	6	<b>29,747</b>	28,564	4
Outstanding at period end	<b>33,843</b>	28,564	18	<b>33,843</b>	28,564	18

## **New Equity Issue**

On August 23, 2007, Winstar raised \$23 million (gross) through the sale of 5,000,200 common shares at \$4.60 per share on a bought-deal basis through a syndicate of Research Capital Corporation, Jennings Capital Inc. and FirstEnergy Capital Corp. The initial portion of the transaction closed on September 12, 2007, and subsequently, the fully exercised 15% over-allotment option closed on September 27, 2007.

The new issue gives Winstar increased financial flexibility. The company now has the financial capability to commit to a number of strategic capital expenditures in Tunisia, such as a large 3D seismic program, and the contracting of a new, highly automated 3,000 meter drilling and service rig (announced on July 19, 2007). The rig, imported from Red Deer, Alberta to Tunisia in September 2007, will be used initially to develop Winstar's Chouech Essaida and Ech Chouech concessions.

## **Production (not equal to sales)**

Winstar realized record average daily oil and gas production in the first nine months of 2007 of 1,882 boepd, a 24% increase over the comparable period of 2006. This amount is different than the Company's sales over the period because oil production in Tunisia is not equal to sales. Tunisian oil is transported to a terminal for periodic off loading into oil tankers. Revenue from tanker sales is recognized only after the oil is loaded. Average daily production in Hungary over the nine-month period declined as anticipated to 297 boepd in 2007 from 475 boepd in 2006 due to both lower demand because of warmer weather and lower well performance. Average daily production in Canada during the same period declined to 419 boepd in 2007 from 498 boepd in 2006.

The Company's drilling and recompletion success in Tunisia resulted in nine month 2007 production that more than offsets natural declines in Hungary and Canada. In Tunisia, third quarter production start up of the new well, Sabria 11 (announced on July 9, 2007) and the rig contract mentioned above, reinforce the Company's Tunisian focused business plan.

<b>PRODUCTION SUMMARY</b>		
<b>Production area (boepd)</b>	<b>Nine months ended</b>	
	<b>2007</b>	<b>2,006</b>
September 30,		
Canada	419	498
Hungary	297	475
Tunisia	1,166	544
<b>Total boepd</b>	<b>1,882</b>	<b>1,517</b>

## **Plans and Perspectives for 2007 and 2008**

### **Tunisia**

The Company's essential focus, for the remainder of 2007 and 2008 will be on Tunisia, where recent successes at Sabria and Chouech Essaida are encouraging.

At Sabria, after four months of production, Winstar's Sabria 11 oil and gas well (45% working interest) continues to flow as anticipated at approximately 900 boepd (400 boepd net). The success of Sabria 11, plus continued geo-scientific advances have resulted in the Company and its partner ETAP (the Tunisian national oil company), planning to drill at least two new development wells plus at least two reentries starting in the first quarter of 2008. In order to accomplish this ambitious capital program, the Company has requested and received tenders for a second, third party drilling rig to possibly commence work in Q1 2008. The type of rig being contemplated would be capable of drilling up to approximately 4,500 meters, allowing Winstar to develop the Ordovician formation at Sabria and the Silurian formation at Chouech Essaida and Ech Chouech upon further definition of prospects within this very prospective zone (known as the Acacus Sandstone)..

At the beginning of November 2007, Winstar began a four-well recompletion program and a one-to-two development well drilling program focused on Triassic oil at Chouech Essaida (100% working interest) and Devonian oil at Ech Chouech (100% working interest). This three to four month program is designed to develop reserves within established field boundaries. Operations will be conducted by the new 3,000 meter rig mentioned above.

Beginning in the last quarter of 2007 or the first quarter of 2008, the Company plans to acquire 3D seismic data coverage over the entire 85,984 net acres of its Chouech Essaida and Ech Chouech concessions. This new data will take four to six months to acquire, process and interpret. With this tool, Winstar expects to further delineate and potentially extend the existing Triassic and Devonian oilfields plus explore the potential of the deeper Silurian formation.

## **Hungary**

The Company's very profitable Hungarian gas operations are expected to continue into the first half of 2008, at which time it is believed the field will reach its economic limit. Recent significant discoveries offsetting Winstar's extensive 568,000 net acre land position in Central Hungary have encouraged the Company to shoot a combined 2D and 3D seismic data program in the area, and drill at least one well by July 2008.

## **Canada**

Low decline production in Alberta generates sustainable cash flows with minimal activity and overhead expense. In the current environment, Winstar believes its best rate of return can be realized by purchasing producing assets versus exploration drilling. Supplementary production of between 500 and 1,000 boepd could be incorporated into the existing corporate structure with little incremental cost.

In 2008, Winstar may selectively drill for oil at Sturgeon Lake and down-space the Company's producing Taber oilfield. In November, the Company received full payment of past capital costs from its joint venture partner in the Strachan 8-10 well (50% working interest). The partners are proceeding to re-complete the well in the Leduc formation prior to year end. Numerous additional gas prone locations are ready to drill on Winstar's 43,768 net acres if and when natural gas prices recover.

Winstar has analyzed the new royalty regime announced by the Alberta government on October 24, 2007. Based on available data, the Company is pleased to report that these changes, which are scheduled to take effect in January 2009, are not expected to have a material impact on Winstar's Canadian netback or net asset value.

## **Outlook**

### **2007**

Winstar is forecasting average net daily production (sales) of between 2,000 and 2,200 boepd in 2007 compared with 1,612 boepd in 2006. The Company's 2007 production is expected to generate funds from operations of \$25 to \$30 million, or \$0.74 to \$0.89 per share, based on current commodity prices and fourth quarter operational success. Capital expenditures for 2007 are expected to total \$30 to \$35 million.

### **2008**

Winstar expects its average net daily production (sales) during 2008 to increase by a third over 2007 to between 2,800 and 3,000 boepd. This guidance for 2008 is preliminary and presumes the Company will invest between 100% and 150% of its projected 2008 funds from operations. A number of material variables, including the anticipated success of all projects, partner consent, equipment availability, timely execution of programs, facility reliability and commodity prices, will have a significant impact on this guidance.

## **Further Information**

For further information, readers are invited to review Winstar's latest Power Point presentation available on the Company's website [www.winstar.ca](http://www.winstar.ca)

## **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.

## **Seasonality**

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

**For further information, please contact:**

Mr. David Monachello  
President  
Phone 403-513-4200  
Email [dmonachello@winstar.ca](mailto:dmonachello@winstar.ca)

or

Mr. Charles de Mestral  
Chief Executive Officer  
Phone: Toll-free (Canada and USA) 1-800-875-1217  
(Note: Mr. de Mestral is based in Europe, in a time zone eight hours ahead of Calgary time)  
Email: [cdemestral@winstar-resources.ch](mailto:cdemestral@winstar-resources.ch)