



Winstar releases 2005 first quarter results

CALGARY, May 30 - Winstar Resources Ltd. (WRL: TSX Venture Exchange) today released its financial and operating results for the three month period ending March 31, 2005. During the first quarter of 2005, Winstar engaged in a multi faceted process that has re-defined the company's direction. The "new Winstar" is growth driven through a portfolio of low cost exploration and development properties in Canada, North Africa and Eastern Europe. Implementation of the new business plan resulted in five Q1 2005 initiatives;

- Rationalization and reorganization of 2004 assets: (News Release January 25, 2005, January 26, 2005)
- Merger with a private company owning production and significant undeveloped reserves in Tunisia (March 30, 2005)
- Acquisition of a private company owning fresh gas production and high impact exploration upside in Hungary (March 30, 2005)
- A new board and management team (News Release; November 18, 2004, March 30, 2005, April 4, 2005, April 27, 2005)
- A multi-million dollar equity issue and share consolidation. (News Release; March 30, 2005)

In February 2005, 350 boepd of high cost Saskatchewan production (representing 59% of 2004 production) was sold to an intermediate royalty trust for \$11.75 million plus adjustments. The sale proceeds purchased (\$2.45 million) additional Ferrier Whitecourt mineral rights plus 80 boepd, drilled, or completed 5 gross (2.9 net) wells at Herronton, Ferrier, Williston Green and Brazeau and elimination of year end net debt (\$6.7 million).

The February sale lowered production and cash flow results for the first quarter of 2005 compared to Q1 2004. Production averaged 371 boepd during the three month period ending March 31, 2005, a 44% decline over the equivalent period last year (average 657 boepd Q1 2004). Cash flow was \$445,747, a 30% decline compared to last year (\$633,358 Q1 2004).

Asset rationalization improved the go-forward operating performance of Winstar's 230-250 boepd of residual Alberta production. During Q1 2005, (excluding Saskatchewan production) operating costs per boe decreased by 22% to \$11.28 per boe (\$14.40/boe fiscal 2004) and increased operating income net back by 34% to \$24.69/boe (\$18.41/boe fiscal 2004).

Winstar discovered approximately 300 boepd (or replaced 86% of production sold in February) during the first quarter for approximately \$4,000,000 or 34% of sale proceeds (February 2005). This high net back oil and gas is scheduled to be brought on production between May and August 2005.

HIGHLIGHTS

	Three Months Ended		
	March 31		
	2005	2004	% Change
Production and Prices			
Natural gas sales (Mcf)	801	923	-13
Oil and NGL sales (bpd)	238	501	-52
Average daily sales 6:1 (boe/d)	371	657	-44
Average natural gas price (\$/Mcf)	6.67	6.27	+6
Average oil and NGL price (\$/bbl)	47.53	39.65	+20
Financial (\$)			
Oil and gas revenue	1,628,885	2,284,843	-28
Cash flow from operations	445,747	633,358	-30
Net loss	(143,908)	(86,545)	-66
Per share, basic and diluted	(0.00)	(0.00)	-
Working capital (deficiency) at period end	1,621,333	1,091,693	+49
Long term bank debt at period end	Nil	Nil	-
Shareholders' equity at period end	12,426,139	13,746,228	-10
Common Shares			
Weighted average during the period			
Basic	37,216,590	35,516,686	+5
Diluted	37,983,743	37,047,901	+3
Outstanding at period end	37,221,243	36,607,105	+2

Merger with a private Company with Tunisian production

During the first quarter, the Company negotiated a merger (scheduled to close in July 2005; subject to TSX Venture exchange acceptance and shareholder approval) with Athanor B.V., a private company incorporated in the Netherlands for 56.98 million Winstar common shares. Athanor owns and operates five onshore concessions in Tunisia covering an area of 236 net square miles (four concessions at 100% WI, one at 45% WI) with approximately 570 boepd of high net back production. The Sabria Concession (45% working interest) located in west-central Tunisia is Athanor's core asset with production 775 (350 net) bopd from a fractured Ordovician quartzite at 4000 meters. The Sabria field has an estimated 1.1 million barrels of net proven reserves and an additional 5.3 million barrels of probable reserves (at December 31, 2004: APA Petroleum Engineers-Constant Price Evaluation). The value equation is in converting existing probable reserves to production with infill development wells targeted in early 2006.

Acquisition of private Hungarian production company

The acquisition of a private company with 470 boepd of high net back gas production in Hungary for approximately \$5.8 million (after working capital adjustments, effective January 1, 2005) is a high impact entry into Eastern Europe. Production is derived from a single gas well, in south-western Hungary, completed in a Tertiary Limestone at less than 800 meters, with 2.6 Bcf remaining recoverable reserves (December 31, 2004 APA Petroleum Engineers Constant Price

Evaluation). The Company is optimistic that additional high deliverability shallow gas wells will be discovered using the existing in-house seismic (420 miles) and offset mineral rights (888 sq. miles) included in the purchase.

Reorganized management and Board

Winstar will be managed by a new executive team and a modified Board of Directors. The existing Board of Calgary-based Bruce Libin (Chairman), Russ Duncan (Director), Ken Woolner (Director), and Chris Nixon (Corporate Secretary) will continue to complement management with their extensive Canadian oil and gas industry experience. International strategy will be spearheaded by Charles de Mestral (CEO-Geneva), and augmented by the overseas experience of Bernard de Combret (Director-Geneva), Bryan Lawrence (Director-New York), and Robert Mitchell (Director-Calgary). Technical, Operations and financial reporting will be managed by Calgary based David Monachello (President), Roger McMechan (Executive Vice President), Robert Cowper (Chief Financial Officer), Rick Youell (Land Manager), and Don Umbhaar (Chief Geophysicist). This new management team will also include Mohamed Yaich (General Manager-Tunisia) and Gabor Tihanyi (General Manager-Hungary).

Multi-million new equity issue and consolidation

Winstar's evaluation and exploitation of its inventory of high impact, low to medium risk projects will in part be funded by a multi-million dollar equity issue (subject to TSX Venture exchange acceptance and shareholder approval) scheduled to close in early July. Subject to shareholder approval, common shares will be consolidated (or reverse split) on a basis of 10 existing to 1 new, resulting in approximately 14 million outstanding shares

The Merged Entity

Following the proposed merger, the "new Winstar" will be under new management, debt free with up to \$17 million in cash, producing approximately 1500 boepd with a target of 2000 - 2400 boepd by yearend of 2005.

About Winstar

Winstar advises that its 2005 first quarter report is being mailed to shareholders this week. The interim report, which includes management's discussion and analysis and unaudited financial statements is also being filed today with securities regulators and will be available on www.sedar.com.

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 and Saskatchewan. Winstar's common shares trade on the TSX Venture Exchange under the symbol WRL.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this news release.