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For Immediate Release

**Yangarra Announces Closing of Bought Deal Financing and
Provides Operations Update**

December 12, 2013

Yangarra Resources Ltd. ("Yangarra" or the "Corporation") (TSX Venture: "YGR") announces the closing of its recently announced "bought deal" financing, completed by way of a short form prospectus, for the sale of 12,048,148 common shares of the Corporation (the "**Common Shares**") at a price of \$0.54 per share, 3,394,915 common shares of the Corporation (the "**CDE Flow-through Shares**") issued on a "flow through" basis with respect to "Canadian development expenses" within the meaning of the *Income Tax Act* (Canada) at a price of \$0.59 per share and 7,755,000 common shares of the Corporation (the "**CEE Flow-through Shares**") issued on a "flow through" basis with respect to "Canadian exploration expenses" within the meaning of the *Income Tax Act* (Canada) at a price of \$0.645 per share, together with an additional 1,807,222 Common Shares at a price of \$0.54 per share issued pursuant to the full exercise of an over-allotment option granted to the underwriters, for aggregate gross proceeds of approximately \$14.5 million (the "**Offering**"). The Offering was underwritten by a syndicate of underwriters led by AltaCorp Capital Inc. and including Dundee Securities Ltd., Paradigm Capital Inc., Acumen Capital Finance Partners Limited and MGI Securities Inc.

Proceeds raised from the offering of Common Shares will be used by Yangarra to reduce its current net debt position initially, to fund its capital budget and to provide funding for potential opportunities that are in the market place currently. Proceeds raised from the offering of CDE Flow-through Shares will be used for drilling and completion operations in 2013. Proceeds raised from the offering of CEE Flow-through Shares will be used to fund a strata-graphic vertical test well into the Duvernay formation during 2014.

All common shares of the Corporation issued pursuant to the Offering are, subject to certain exceptions in limited circumstances, freely tradable under applicable securities laws in force in Canada.

Operations Update

Production guidance for 2013 remains at 2,200 boe/d with cash flow forecast at \$27 million. Current production is approximately 3,000 boe/d with 2 gross (1.75 net) standing Cardium wells scheduled to be completed during December. The drilling rig is currently preparing to move to

the next Cardium well (0.75 net) to commence drilling. With the financing, 2013 year-end debt is revised to \$36.0 million and debt to annualized fourth quarter debt is now forecasted to be 1.0 to 1.

With the addition of a Duvernay strata-graphic ("**Strat**") vertical test well, 2014 capital spending is now forecasted to be \$50.0 million. 2014 production guidance remains at 3,200 boe/d with cash flow from operations estimated at \$40 million. Year-end 2014 debt is now forecasted to be \$46.0 million resulting in an annual debt to cash flow of 1.2 to 1.

For further information, please contact James Evaskevich, President and Chief Executive Officer at (403) 262-9558.

This press release contains forward-looking statements regarding the business and operations of Yangarra. All statements other than statements of historical fact contained herein are forward-looking statements under applicable securities laws. In particular, statements in this press release regarding anticipated uses of proceeds are forward-looking statements. Such forward-looking statements are based upon various assumptions made by Yangarra, including assumptions relating to future well production rates, the performance of existing wells, success rates of future well drilling, the availability of capital to undertake planned activities, the availability and cost of labour and services and market conditions. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. In addition, all such forward-looking statements necessarily involve risks associated with oil and gas exploration, production, marketing and transportation, such as loss of market, volatility of prices, currency fluctuations, imprecision of reserves estimates, environmental risks, competition from other producers, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. The forward-looking statements contained herein are made as of the date hereof. Yangarra undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

All reference to \$ (funds) are in Canadian dollars.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the Policies of the TSX Venture Exchange) accepts responsibility for the adequacy and accuracy of this release.