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For Immediate Release

Yangarra Provides Operations Update

January 20, 2014

Yangarra Resources Ltd. ("Yangarra" or the "Company") (TSX-V:YGR) provides 2013 operations summary, December 2013 exit production, 2014 operations update, and current production.

2013 Operations Summary

The Company has successfully drilled and completed 15 gross (10.6 net) wells during 2013, in addition to completing 2 gross (0.6 net) wells that were drilled in 2012. All of the wells drilled in 2013 were completed by December 31, 2013, with the last 3 wells (2.75 net) tied in the last week of December 2013.

In January 2013 Yangarra began construction of an 11 mmcf/d gas processing facility in the Ferrier area (100% working interest) that was put in service April 10, 2013 which provided for the tie-in of 8.0 gross (2.4 net) standing wells, six of which had been drilled in 2011 and 2012.

In September 2013 Yangarra entered into a farm-in agreement with an industry major adding 61 gross (37 net) Cardium locations. Yangarra has drilled 7 gross (5.35 net) wells (4 of which were earning wells) which exceeded its initial drilling obligation under the terms of the farm-in agreement, to drill 2 earning wells by the end of March 31, 2014.

Late in 2013 Yangarra negotiated a swap with an industry partner to concentrate their respective interests in the Ferrier area. In the swap arrangements Yangarra exchanged its Glauconite interest in 2 wells and 3 sections (average 17% working interest) for Cardium interests in 4 wells and 1.5 sections (average 30.6% working interest).

Yangarra acquired 1,760 acres (1,760 net) of land in Central Alberta during 2013 at crown land sales spending approximately \$2.1 million.

The Company's December 2013 production averaged approximately 3,000 boe/d.

2014 Operations Update

Yangarra's contracted drilling rig commenced operations after the Christmas break on a two well pad (1.75 net Cardium wells) in Willesden Green on December 28th, with the first well now drilled and the second well on the pad expected to be rig released January 23, 2014. Completion operations will commence on January 24th with a frac date booked for January 28, 2014. The Company expects to drill 4 gross (4.0 net) additional wells prior to breakup and with an additional two well pad ready (2.0 net wells) in the event that breakup is later than expected.

Yangarra has identified 30 Cardium and Glauconite locations that could be developed with long reach (1.5 mile & 2 mile) horizontal wells. Yangarra plans to drill its first long-reach horizontal well after spring breakup in 2014.

The Company's current production is approximately 3,300 boe/d.

2014/2015 Hedging Program

The Company has 1,200 bbl/d of oil hedged at \$95.02/bbl, 100 bbl/d of propane hedged at \$45.99/bbl and 5.25 mmcf/d of natural gas hedged at \$4.20/mcf for calendar 2014.

The Company has hedged 900 bbl/d of oil at \$90.59/bbl for calendar 2015.

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

Natural gas has been converted to a barrel of oil equivalent (Boe) using 6,000 cubic feet (6 Mcf) of natural gas equal to one barrel of oil (6:1), unless otherwise stated. The Boe conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore Boe's may be misleading if used in isolation. References to natural gas liquids ("NGLs") in this news release include condensate, propane, butane and ethane and one barrel of NGLs is considered to be equivalent to one barrel of crude oil equivalent (Boe). One ("BCF") equals one billion cubic feet of natural gas. One ("Mcf") equals one million cubic feet of natural gas. Operating netbacks are calculated as revenue from all products less operating costs.

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

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