yangarra resources ltd.
Suite 1530, 715 – 5 Avenue S.W. Calgary, Alberta T2P 2X6
Phone: (403) 262-9558 Fax: (403) 262-8281
Webpage: www.yangarra.ca Email: info@yangarra.ca

Yangarra Announces 2015 Year End Corporate Reserves Information

February 16, 2016

Yangarra Resources Ltd. ("**Yangarra**" or the "**Company**") (TSX:YGR) releases the results of its 2015 year end oil and gas reserves evaluation.

<u>Reserve Report Highlights:</u>

Yangarra's 2015 capital program was designed to take advantage of cemented liner technology and extended reach wells with strategic selection of wells to demonstrate the strength of the inventory. These advances were incorporated in the independent reserves report prepared by Deloitte dated February 12, 2016 and effective as of December 31, 2015 ("2015 Reserve Report"), resulting in significantly improved economics throughout our central Alberta land base despite a 40% decrease in Deloitte's US$ WTI forecast in 2016.

The financial and operational information below is based on estimates and are unaudited.

Developed producing reserves ("PDP")

- 5.6 million boe
- Net present value before tax discounted at 10% ("NPV10") of $97.9 million
- NPV10 less estimated year end debt per share ("NAV per Share") of $0.56

Total Proved reserves ("1P")

- 24.7 million boe
- NPV10 of $315.9 million
- Finding and development costs including changes in future development capital ("FDC") of $6.79/boe resulting in a recycle ratio of 2.7 times
- NAV per Share of $3.78

Proved plus probable reserves ("2P")

- 40.6 million boe
- NPV10 of $499.5 million
- Finding and development costs including changes in FDC of $2.83/boe resulting in a recycle ratio of 6.5 times
- NAV per Share of $6.59

Other Information

- The Company booked 140 future Cardium locations (107 proved undeveloped and 33 probable) in the reserve report
- Future development costs ("2P") of $267 million, which is a 10% decrease from 2014
- 2P Reserve Life Index ("RLI") based on current production of 37 years which is an 8% increase from 2014
- 90 Cardium future locations ready to drill from existing pads

Oil and Gas Reserves

The following tables summarize certain information contained in the 2015 Reserve Report. The 2015 Reserve Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

AJM Deloitte is using a price forecast of US$42.00/bbl WTI and US$48.45/bbl WTI for light oil for 2016 and 2017, respectively, and $2.45/mcf and $2.85/mcf for AECO natural gas in 2016 and 2017, respectively.

Summary of Oil and Gas Reserves
(Company Share Gross volumes based on forecast price and costs)

Reserves Category

	Light and Medium Oil (Mbbl)	**Natural Gas Liquids (Mbbl)**	**Natural Gas (MMcf)**	**Total BOE 2015 (Mboe)**	**Total BOE 2014 (Mboe)**
Proved Developed Producing	1,500	1,010	18,696	5,626	5,849
Proved Developed Non-Producing	64	51	2,497	531	406
Proved Undeveloped	5,992	3,023	57,238	18,555	14,210
Total Proved	**7,557**	**4,084**	**78,431**	**24,712**	**20,465**
Probable	4,280	2,670	53,664	15,895	16,971
Total Proved Plus Probable	**11,837**	**6,754**	**132,095**	**40,607**	**37,435**

Notes to table:

(1) Total values may not add due to rounding.
(2) BOEs are derived by converting gas to oil equivalent in the ratio of six thousand cubic feet of gas to one barrel of oil (6 Mcf:1 bbl).
(3) "Company Share Gross" reserves are the Company's working interest (operating or non-operating) share and before deducting royalty obligations but including any royalty interests of the Company.

Summary of Net Present Values of Future Net Revenue (Before Tax)
(based on forecast price and costs)

Reserves Category	As At December 31, 2015[(2)] 0.0% (M$)	5.0% (M$)	10.0% (M$)	15.0% (M$)	20.0% (M$)	As At December 31, 2014 [(3)] 10% (M$)
Proved Developed Producing	158,514	121,798	97,909	81,575	69,915	99,586
Proved Developed Non-Producing	9,242	7,278	5,941	4,986	4,277	3,561
Proved Undeveloped	492,411	315,715	212,040	146,919	103,755	122,234
Total Proved	**660,168**	**444,791**	**315,890**	**233,480**	**177,947**	**225,380**
Probable	600,071	314,002	183,590	116,265	77,863	169,747
Total Proved Plus Probable	**1,260,239**	**758,793**	**499,480**	**349,745**	**255,811**	**395,128**

<u>Notes to table:</u>

(1) Total values may not add due to rounding.
(2) Forecast pricing used is based on Deloitte published price forecasts effective December 31, 2015.
(3) Forecast pricing used is based on Deloitte published price forecasts effective December 31, 2014.
(4) Cash flows include the effects of the current Alberta Royalty Framework. The estimated future net reserves are stated before deducting future estimated site restoration costs and are reduced for future abandonment costs and estimated capital for future development associated with the reserves.
(5) It should not be assumed that the net present values of future net revenues estimated by Deloitte represent fair market value of the reserves. There is no assurance that the forecast price and cost assumptions will be attained and variances could be material.

<u>Reserve Definitions:</u>

(a) "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
(b) "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
(c) "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
(d) "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
(e) "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
(f) "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.
(g) The Net Present Value (NPV) is based on Deloitte Forecast Pricing and costs. The estimated NPV does not necessarily represent the fair market value of our reserves. There is no assurance that forecast prices and costs assumed in the Deloitte evaluations will be attained, and variances could be material.

Finding and Development Costs ("F&D")

Yangarra's F&D costs for 2015, 2014 and the three year average are presented in the tables below. The costs used in the F&D calculation are the capital costs related to: land acquisition and retention; drilling; completions; tangible well site; tie-ins; and facilities, plus the change in estimated future development costs as per the independent reserve report. Acquisition costs are net of any proceeds from dispositions of properties. Due to the timing of capital costs and the subjectivity in the estimation of future costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year. The reserves used in this calculation are Company net reserve additions, including revisions.

Proved Finding & Development Costs ($ millions)

	2015	2014	2013 - 2015
Capital expenditures	**42.0**	78.0	167.0
Change in future capital	**(7.2)**	133.7	133.6
Total capital for F&D	**34.8**	211.7	300.6
Reserve additions, net production (Mboe)	**5,123**	12,084	20,289
Proved F&D costs – including future capital ($/boe)	**6.79**	17.52	14.82
Proved F&D costs – excluding future capital ($/boe)	**8.20**	6.46	8.23
Proved Recycle Ratio			
Including future capital	**2.69**	2.42	
Excluding future capital	**2.23**	6.56	

Proved plus Probable Finding & Development Costs ($ millions)

	2015	2014	2013 - 2015
Capital expenditures	**42.0**	78.0	167.0
Change in future capital	**(30.5)**	172.6	175.9
Total capital for F&D	**11.5**	250.6	342.9
Reserve additions, net production (Mboe)	**4,048**	21,031	30,828
Proved plus Probable F&D costs – including future capital ($/boe)	**2.83**	11.92	11.12
Proved plus Probable F&D costs – excluding future capital ($/boe)	**10.38**	3.71	5.42
Proved plus Probable Recycle Ratio			
Including future capital	**6.45**	3.55	
Excluding future capital	**1.76**	11.41	

Net Asset Value ("NAV")

As at December 31, 2015	PDP	Total Proved	Proved + Probable
Present Value Reserves, before tax (discounted at 10%) ($ million)	$ 97.9	$ 315.9	$ 499.5
Total Net Debt ($ million)	(60.0)	(60.0)	(60.0)
Net Asset Value	**$ 37.9**	**$ 255.9**	**$ 439.5**
Common shares outstanding at year end (million)	67.7	67.7	67.7
Net asset value per share	**$ 0.56**	**$ 3.78**	**$ 6.49**

Notes to tables:

(1) The preceding table shows what is customarily referred to as a "produce out" net asset value calculation under which the current value of Yangarra's reserves would be produced at the Deloitte forecast future prices and costs. The value is a snapshot in time as at December 31, 2015 and is based on various assumptions including commodity prices and foreign exchange rates that vary over time. In this analysis, the present value of the proved and probable reserves is calculated at a before tax 10 percent discount rate.

Year End Disclosure

Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR by March 31, 2016.

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 ("Mmcf") equals one million cubic feet of natural gas.

Certain information regarding Yangarra set forth in this news release, including management's assessment of future plans, operations and operational results may constitute forward-looking statements under applicable securities law and 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 and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

The initial production rates discussed in this press release are not necessarily indicative of long-term performance or of ultimate recovery due to high initial decline rates.

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