

YANGARRA RESOURCES LTD.

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Yangarra Announces Operations Update

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Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) reports that current daily sales production is 3.745 million cubic feet per day of gas and 79 barrels per day of oil and natural gas liquids for a total of 703 boe/d (6-1 conversion) net production to the Company.

Yangarra has entered into Costless Collar arrangements which provide the Company with a price range of \$7 to \$10 per gigajoule (GJ) on 1,000 GJ per day and \$7.25 to \$8.45 per GJ on 1,000 GJ per day of natural gas production for the March to December period of 2007.

Yangarra drilled and completed five wells in Medicine Hat, with the four shallow locations tied into the Company facilities in late December of 2006. The wells are currently producing 100 thousand cubic feet per day per well. The fifth well is currently being evaluated in the Bow Island zone and will be completed as a shallow well if the lower zone is found to be uneconomic. An additional six shallow gas wells are planned for re-completion in Q1/2007.

In Ferrier, the Company drilled one well in Q4/2006 and one well in January of 2007. The Q4 well was tied into production facilities in early January with gross production of 520 thousand cubic feet per day of natural gas and 33 barrels per day of natural gas liquids (Company working interest 31.875%). The well drilled in January of 2007 was deemed uneconomic and was abandoned. One additional well is currently being tied into production facilities and two wells are scheduled for re-completion in Q1/2007.

In Bigstone, one well is back on production after having the entire field shut in for the past eight months due to third party plant constraints. An additional 120 thousand cubic feet of natural gas plus six barrels of natural gas liquids (26 boe/d net to the Company) is expected to be onstream later this quarter.

For further information, please contact James G. Evaskevich, President at (403) 262-9558 or visit our website @ www.yangarra.ca.

Certain information regarding Yangarra set forth in this release, including management's assessment of the Company's 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.

A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy and accuracy of this release. Not for distribution in the United States of America