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Yangarra Releases 2006 Financial Results

April 25, 2007
Calgary, Alberta

Yangarra Resources Ltd. ("Yangarra" or "the Company") (TSX Venture: "YAN") announces it has released its audited financial statements, and related management discussion and analysis ("MD&A"). Yangarra has filed its Statement of Reserves Data and Other Oil and Gas Information for the year ended December 31, 2006, as mandated by National Instrument 51-101, Standards Disclosure for Oil and Gas Activities of the Canadian Securities Administrators. Copies of all of these documents filed by the Company can be viewed on SEDAR (www.sedar.com) or on the Company's website at www.yangarra.ca.

Selected Reserve Highlights

Based on the Reserve Report prepared by Sproule Associates Ltd. ("Sproule"), at December 31, 2006, the Company had:

- Proved gross reserves of 2,700 barrels ("bbls") of light oil, 8,645 billion cubic feet ("Bcf") of natural gas and 149,700 bbls of natural gas liquids for a total of 1.593 million barrels of oil equivalent ("MBOE") compared with 1.833 MBOE of proved reserves at December 31, 2005.
- Proved plus probable gross reserves of 21,200 bbls of light oil, 15.784 Bcf of natural gas and 281,900 bbls of natural gas liquids for a total of 2.934 MBOE, compared with 2.901 MBOE of proved plus probable reserves at December 31, 2005.
- Reserve life index on a proved plus probable basis of 11.9 years.
- Reserve net present value ("NPV"), discounted at 10%, ascribed by the Sproule December 31, 2006 price forecast and before income tax, of $20.78 million for proved reserves and $34.28 million for proved plus probable reserves.

In addition, Yangarra's undeveloped land was valued of $5.1 million by Seaton Jordon & Associates at December 31, 2006. The Company also has seismic data with an estimated value of $1.6 million and approximately $33.6 million in tax pools.

Selected Operating & Financial Highlights

- Average production for 2006 was 597 boe/d compared with 412 boe/d in 2005.
- Petroleum and natural gas revenue for 2006 was $9,439,251 ($43.33 per boe) compared to $8,354,853 ($55.59 per boe) in 2005.

- Cash flow generated from operations was $4,102,713 ($0.08 per share, basic) compared with $4,008,345 ($0.13 per share, basic) in 2005.
- Net loss for the year was $1.9 million ($0.04 per share, basic), compared to a net loss of $0.26 million ($0.01 per share, basic) in 2005.
- Royalties declined to 14% of revenue or $6.13 per boe compared to 17% of revenue or $9.26 per boe in 2005.
- Operating and transportation costs were $8.56 per boe in 2006 compared with $9.51per boe in 2005.
- Net revenue (petroleum and natural gas revenue net of royalties, production and transportation costs) was $28.64 per boe in 2006 compared with $36.81 per boe in 2005.
- General and administrative expenses were $5.91 per boe compared with $7.97 in 2005.
- Interest expense was $3.70 per boe compared with $2.64 per boe in 2005.
- Working capital deficit was $17.6 million at December 31, 2006 compared to $12.2 million at the end of 2005.

Yangarra was in breach of two of its covenants with Toscana Capital Corporation ("Toscana") for which waivers have been provided by Toscana. In addition, Toscana has agreed to extend the mezzanine financing of $5.0 million to the end of April, at which time Toscana will review extending the term to June 30, 2007. Yangarra is exploring several options to repay the Toscana mezzanine financing, including selling existing properties, raising equity, or alternative financings. Yangarra was also in breach of its debt to working capital covenant with National Bank of Canada, for which a waiver has been provided.

With the improvement in natural gas prices in late 2006 and into 2007, the Company's cash flow from operations has improved. The price improvement, strong production, and a partial recovery of joint venture audit amounts and other adjustments from an industry partner, are expected to improve the Company's working capital deficit to a position that enables the Company to meet the working capital covenant for the National Bank loan and other financial convenants for the Toscana facility.

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

Financial Reporting – All numbers are reported in Canadian dollars.

Natural gas volumes have been converted to barrels of oil equivalent ("boe") using six thousand cubic feet ("mcf") equal to one barrel ("bbl) 6 mcf: 1 bbl. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.