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Yangarra Announces Release of First Quarter 2007 Financials

May 28, 2007

Calgary, Alberta

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) announces the release of its unaudited financial statements and related management discussion and analysis (MD&A) for the first quarter months ended March 31, 2007.

Selected financial highlights

- Petroleum and natural gas sales of \$2,606,074 on average daily production of 623 boe per day compared with \$3,086,261 on average daily production of 719 boe per day in the first quarter of 2006.
- Operating costs of \$6.29 per boe compared with \$7.21 per boe in the same 2006 period.
- Royalties of \$6.49 per boe (14% of revenue) compared with \$9.03 per boe (19% of revenue) in the first quarter of 2006.
- Net petroleum and natural gas revenues of \$1,889,356 (\$33.71 per boe) compared with \$2,035,418 (\$31.46 per boe) in the same period of 2006.
- Net loss for the quarter of \$868,562 compared with a loss of \$295,158 in the first quarter of 2006.
- Funds flow from operations of \$1,281,607 compared with \$1,620,312 in the same quarter last year.

Yangarra’s focus has been on reducing operating costs and general and administrative expenses for the past two quarters. The efforts have been rewarded with substantial reductions in field operating costs and administrative cost-savings. Management continues to work on reducing the Company’s debt levels and expects a reduction in the second quarter of 2007 as the Company has had very little capital expenditure activity in the field and funds flow from operations continues to be strong. The Company is working with its lenders and maintaining strong relationships as management pursues alternative financing opportunities.

Additional information regarding financial statements and management’s discussion and analysis of operations results may be obtained on SEDAR (www.sedar.com) as well on the Company’s website at www.yangarra.ca.

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

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.
Financial Reporting – All numbers are reported in Canadian dollars.

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