

YANGARRA RESOURCES LTD.

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For Immediate Release

Yangarra Announces Toscana Facility Extension

July 3, 2007

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) announces Toscana Capital Corporation has extended the existing \$5.0 million credit facility to December 31, 2007. The terms of the extension include a coupon rate of 9% per annum paid monthly, a reduction of the facility to \$3.5 million by October 31, 2007 and an undertaking by Yangarra to have a Rights Offering and/or Equity financing in the minimum amount of \$2.0 million by September 30, 2007.

In addition, the Company has negotiated terms of the senior debt facility with National Bank of Canada to an \$11.0 million limit with scheduled availability reductions of \$400,000 per month commencing July 31, 2007 subject to updated review by no later than September 30, 2007.

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

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