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For Immediate Release

Yangarra Announces Private Placement Financing

July 31, 2007

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) is pleased to announce that it intends to complete two non-brokered private placements (the “Private Placements”). The first Private Placement will be up to 11,500,000 units (“Units”) at \$0.13 per Unit (the “Offering”) for proceeds of up to \$1,495,000. Each Unit will be comprised of one common share of the Company (a “Share”) and one-half of a Share purchase warrant (a “Warrant”), with each whole Warrant entitling the holder to purchase a Share anytime up to December 31, 2007 at \$0.20 per share. The second Private Placement will consist of up to 3,156,250 flow-through units (“Flow-Through Units”) at \$0.16 per Unit (the “Flow-Through Offering”) for proceeds of up to approximately \$505,000. Each Flow-Through Unit will be comprised of one Share issued on a “flow-through” basis under the Income Tax Act (Canada) (a “Flow-Through Share”) and one-half of a Share Purchase Warrant, with each whole Warrant exercisable anytime up to December 31, 2007 at \$0.20 per share. The Private Placements are subject to approval by the TSX Venture Exchange Inc.

Certain directors, officers and other insiders of the Company have committed to subscribe for a minimum of 25% of the both Offerings.

Yangarra intends to use a portion of the proceeds from the Offering to reduce its working capital deficiency, and a portion for development programs in its Medicine Hat area. Yangarra will use all the proceeds from the Flow-Through Offering to fund qualifying expenditures on the Company’s natural gas properties.

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

Forward-Looking Statements: This news release contains statements about future events that are forward looking in nature and, as a result, are subject to certain risks and uncertainties such as changes in plans or the occurrence of unexpected events. Actual results may differ from the estimates provided by management.

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