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YANGARRA ANNOUNCES OPERATIONS UPDATE

December 24, 2007

Calgary, Alberta

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) is pleased to announce the successful drilling and completion of a second Bow Island gas well in the Company’s core (100% working interest) Medicine Hat area. The well is on production and is currently producing at a rate of 500 mcf per day. Two additional well sites have been surveyed for drilling in January of 2008 targeting the same zone.

Yangarra is also pleased to announce that it has entered into an agreement with Toscana Capital Corporation to extend its mezzanine credit facility for one year. The terms of the agreement renew the current \$4.5 million facility from January 1, 2008 to December 31, 2008 with a payment of \$1.5 million required by June 30, 2008. The facility has a coupon rate of 12% annually in addition to customary fees. In connection with the existing facility which matures December 31, 2007, Toscana has agreed to have Yangarra issue 450,000 common shares at a deemed value of \$0.10 per share, in lieu of one half of the deferred fee, subject to TSX Venture Exchange approval.

For more information please contact James Evaskevich President and CEO at 403-262-9558.

BOE Presentation – The term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. 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. All BOE conversions in this report are derived by converting gas to oil in the ratio of six mcf of gas to one bbl of oil.

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.

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