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YANGARRA ANNOUNCES OPERATIONS UPDATE

February 25, 2008
Calgary, Alberta

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) announces the Company exited 2007 with daily net production of 515 boe/d, 90% weighted to natural gas. The Company reports that current daily sales production is approximately 540 boe/d and provides the following operations update of Company activity.

Medicine Hat

Yangarra drilled, completed and tied in two Bow Island wells late in 2007. The wells have performed to management’s expectation and two more Bow Island locations will be drilled in the first quarter of 2008, with a third well planned for the second quarter of 2008. In addition, completion work has commenced on the previously undeveloped Milk River formation in existing well bores with preliminary favorable results. Yangarra plans to complete four standing wells in shallow zones in the Milk River formation, in addition to the Medicine Hat and Second White Specs zones that Yangarra has historically completed in the area. Up to 20 other re-completion candidates in the Milk River formation exist in the Company’s current inventory of producing wells. Management is experimenting with several new fracturing and perforation selection techniques to optimize the completions. Current production in the Medicine Hat field is 1,800 mcf/d with total existing plant compression capacity of 4,000 mcf/d.

Ferrier

Current approximate net production from the Ferrier field is 760 mcf/d plus 45 boe/d of associated Natural Gas Liquids (NGL’s) and light crude oil. The Company has recently re-completed an existing well bore (working interest 31.875%) in the Cardium zone. After fracturing the well and recovery of all of the frac fluids, the well was free flowing at approximately 250 boe/d (light sweet crude) when it was shut in to perform a pressure build up survey. The well is expected to be producing in approximately ten days at an expected rate of 100 boe/d (30 boe/d net to Yangarra).

Jaslan

Yangarra tied in its 100% working interest well with current production of 300 mcf/d to Company facilities in January of 2008. Yangarra has surveyed a new location and plans to drill the well (100% working interest) in the area in the first quarter of 2008. Third party volumes are now being processed at the 45% owned compression facility which will provide additional income to the Company. Current net approximate production in the Jaslan field is 375 mcf/d.

Bigstone

This field has been shut in for most of 2007 due to third party processing constraints and down hole problems with the best of the two wells in the field. This well was recently worked over and a plunger lift installed. Third party capacity has been secured and both wells in the field are now producing. Current net production is 90 mcf/d and plans are in place to install boost compression which should significantly increase production.

Provost

Yangarra has recently entered into a sale agreement with an industry partner for its assets in the Provost area, for \$50,000. The sale includes one well which was producing approximately 15 mcf/d (2 boe/d) net to the Company.

Hedge Program

Yangarra has entered into AECO costless collar swaps for the sale of 2.1 million cubic feet (2,000 GJ/d) of gas per day for the April through December 2008 time period. The swaps have an average floor price of \$7.74/mcf and an average ceiling price of \$8.71/mcf for the pricing period.

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.

1 mcf = 1,000 cubic feet of natural gas

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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