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For Immediate Release

Yangarra Announces Completion of Athabaska Acquisition

December 31, 2009

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) announces that it has completed the acquisition of Athabaska Energy Ltd. (Athabaska) acquisition (see press releases dated December 4th & 17th, 2009).

Yangarra will issue 50,000,004 shares, at a deemed price of \$0.05, in exchange for all of the outstanding shares of Athabaska. The Yangarra common shares issued to the Athabaska shareholders will be free trading.

The acquisition was part of the Proposal to Restructure (see press release October 8, 2009) Yangarra has relied on the exemption found in section 5.7 (1) (e) of Multilateral Instrument 61-101, the *Financial Hardship Exemption*; and therefore, were not required to obtain minority shareholder approval and formal valuation with respect to this acquisition.

The assets of Athabaska consist of approximately 175 boe/d of Natural Gas production in the Jaslan area of Alberta together with an interest in three sections of land. The assets produce into Yangarra facilities and Yangarra is a partner in the respective assets.

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 or to U.S. persons.