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Yangarra Closes Private Placement

December 31, 2009

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YAN”) announces that it has closed its previously announced non-brokered Private Placement of 10,000,000 Flow Through Share Units of the Company at an issue price of \$0.05 per unit, for aggregate gross proceeds of \$500,000. Each Flow-Through Share Unit is comprised of one common share in the capital of the Company issued on a “flow through” basis and one “flow-through” common share purchase warrant. Each warrant issued under the private placement is exercisable into one common share of the Company at any time until December 31, 2014 at an exercise price of \$0.10. Each flow through share and flow through warrant is issued on a “flow through” basis under the *Income Tax Act* (Canada). The common shares and warrants issued pursuant to the Private Placement are subject to a hold period expiring May 1, 2010.

Insiders of the Company participated for 100% of the Flow-Through Share Units Private Placement, with one independent director not participating.

The Company is relying on exemptions from the formal valuation and minority approval requirements as set forth in Multilateral Instrument 61-101 section 5.4 and 5.7, the *Financial Hardship* exemption.

Upon completion of the Private Placement all conditions of the Proposal to restructure (see press release dated October 8, 2009) will have been satisfied. The Company has 186,940,030 common shares issued and outstanding. The Company also announces that it has granted options to purchase 12,350,000 common shares to employees, directors and consultants at a price of \$0.10 (Cdn funds) per share, pursuant to its stock option plan. The options will vest immediately and will expire December 31, 2014.

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.

All reference to dollar values are in Canadian funds.

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.