

The logo for Yangarra Resources Ltd. features a large, stylized letter 'Y' in a dark brown, textured font. The 'Y' is positioned centrally, with the word 'yangarra' in a smaller, lowercase, bold, black sans-serif font to its left and the word 'resources ltd.' in the same font to its right.

**yangarra resources ltd.**

Suite 1530, 715 – 5 Avenue S.W. Calgary, Alberta T2P 2X6

Phone: (403) 262-9558 Fax: (403) 262-8281

Webpage: [www.yangarra.ca](http://www.yangarra.ca)

Email: [info@yangarra.ca](mailto:info@yangarra.ca)

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**For Immediate Release**

## **Yangarra Increases Credit Facility to \$14.5 million**

**December 20, 2010**

**Yangarra Resources Ltd.** (“Yangarra” or “the Company”) (TSX Venture: “YGR”) is pleased to announce that it has increased its existing credit facility agreement with Alberta Treasury Branches (“ATB”) to \$14,500,000. The facility will be increased to \$12 million immediately and planned monthly increases based on production levels will move the facility to \$14.5 million by March 2011.

The additional credit facility space further strengthens our balance sheet and will provide increased flexibility as the Company advances the drilling program in the Willesden Green / Ferrier area of Alberta.

James Glessing, Chief Financial Officer, commented “Yangarra will be advancing a significant capital program in 2011 and continues to add new drilling locations. The increase in the credit facility adds to the already strong financial position that will form the base as the Company continues to grow.”

The credit facility is subject to a May 31, 2011 review unless the Company requests an earlier review date and is currently drawn down for approximately \$2 million.

For further information, please contact James Glessing, Chief Financial Officer, at (403) 262-9558.

*Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the Policies of the TSX Venture Exchange) accepts responsibility for the adequacy and accuracy of this release.*