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## Yangarra Releases 2nd Quarter Results

August 26, 2010

**Yangarra Resources Ltd.** (“Yangarra” or “the Company”) (TSX Venture: “YGR”) announces it has released its unaudited interim consolidated financial statements and related management’s discussion and analysis for the second quarter ended June 30, 2010. The Company’s financial statements can be viewed on SEDAR [www.sedar.com](http://www.sedar.com) or the Company’s website at [www.yangarra.ca](http://www.yangarra.ca).

### **Key accomplishments for the quarter were:**

- Completed \$3,974,000 financing of capital in the Company.
- Completed and tested the first horizontal Glauconite well with a test rate of 1,000 boe/d.
- Participated in the drill and completion of the Company’s first horizontal Cardium well in the Willesden Green Area.

### **The operational and financial highlights for the quarter are as follows:**

For the three months ended June 30, 2010 revenue was \$839,054 on sales of 354 boe/d with an average price of \$26.03/ boe. Net royalties amounted to 3% of the gross sales, while production and transportation costs were \$11.52 boe/d, with field netback for the quarter was \$13.64 boe/d.

Cash flow from operations for the second quarter was \$59,390 with a net loss of \$1,637,373 and net working capital deficiency including bank debt of \$5,530,595. The Company was in compliance with its banking covenants.

The Company’s current production is 850 boe/d, consisting of approximately 35% oil and NGL, and 65% natural gas. Yangarra will provide an operational update within the next couple of weeks.

For further information, please contact James Evaskovich, President and CEO at (403) 262-9558.

Natural gas has been converted to a barrel of oil equivalent (Boe) using 6,000 cubic feet (6 Mcf) of natural gas equal to one barrel of oil (6:1), unless otherwise stated. The Boe conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore Boe's may be misleading if used in isolation. References to natural gas liquids (“NGLs”) in this news release include condensate, propane, butane and ethane and one barrel of NGLs is considered to be equivalent to one barrel of crude oil equivalent (Boe). One (“BCF”) equals one billion cubic feet of natural gas. One (“Mmcf”) equals one million cubic feet of natural gas.

Certain information regarding Yangarra set forth in this news release, including management's assessment of future plans, operations and operational results may constitute forward-looking statements under applicable securities law and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserves estimates, environmental risks, competition from other producers and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

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