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### **For Immediate Release**

## **YANGARRA ANNOUNCES OPERATIONS UPDATE ASSET ACQUISITION AND FINANCING**

**September 23, 2010**

**Yangarra Resources Ltd.** (“Yangarra” or “the Company”) (TSX Venture: “YGR”) is pleased to announce the results of the drilling of three (3) horizontal wells, Willesden Green/Ferrier asset acquisition and reasonable commercial efforts financing.

### **Operations Update**

The Company’s most recent well, Yangarra operated, located at 7-20-41-7W5 (68.125% working interest plus 15% override royalty on 31.875%) was drilled in Q3’ 2010 targeting the Cardium formation and completed in a 725 meter horizontal section. The well was fracture stimulated using a liquid propane fracture system with a total of seven zones fracture stimulated. A five (5) day flow test was conducted free flowing up the 3 ½” fracture string, with an average oil flow rate after recovery of load oil of 800 bbls/d, together with approximately 800 mcf/d of associated gas and residual propane. The well has produced a total of 2,300 bbls of new oil while on test and is expected to be placed on permanent production into Company owned facilities by the end of September 2010.

In addition to the Company’s previous announcements (Aug 26<sup>th</sup>, 2010, June 15<sup>th</sup>, 2010, and May 26<sup>th</sup>, 2010), Yangarra provides the following operations update:

- The first Yangarra operated well, located at 6-3-41-7W5 (100% working interest) was drilled in Q1’ 2010 on the developing Hoadley Glauconite horizontal play. A 701 meter horizontal section was completed using an eight (8) stage, liquid propane fracture stimulation. The well was placed on production August 3, 2010 into Company owned facilities and averaged 600 boe/d for the first 30 calendar days weighted 58% to oil and Natural Gas Liquids (NGL’s).
- The second well Yangarra participated in (non-operated) located at 9-20-41-7W5 (31.875% working interest plus 15% override on 68.125%) was drilled in Q2’ 2010 by an industry partner targeting the Cardium formation. A 695 meter horizontal section was completed using a six stage conventional fracture and tied into Company owned facilities to conserve the associated gas and NGL’s. The well was placed on stream August 3, 2010 and averaged approximately 100 boe/d (gross) weighted 95% to oil and NGL’s for the first 30 producing days according to field estimates provided by the operator.

Yangarra has also secured a drilling rig until spring breakup 2011 and plans to drill approximately 2-3 horizontal Glauconite locations and 3-4 horizontal Cardium locations in the Willesden Green/Ferrier area prior to breakup. The Company intends to increase the

length of the horizontal sections in the new wells to more than 1000 meters through the use of a modified mud system and new packer system.

### **Asset Acquisition**

Yangarra is also pleased to announce that it has entered into a purchase and sales agreement ("PSA") to acquire assets in the Willesden Green/Ferrier Area of Alberta. The assets include 31 sections of land (12.3 net), ten (10) gross producing wells (4.25 net) and nine (9) gross standing wells (4.8 net). The purchase price is \$4.0 million with an effective date of July 1, 2010 and is expected to close on or before October 25, 2010. Current production from this property is approximately 50 boe/d, 90% weighted to oil, valued at \$15.03 per boe of proved plus probable reserves, based on a major reserves evaluator report prepared as of February 28, 2010. The purchase price, assuming no value for undeveloped land is approximately \$80,000 per producing boe. Three individual parcels of land contained in the acquisition are subject to Right of First Refusal (ROFR); however, they are not lands with Cardium potential and are valued such that exercise by the third parties will simply result in a reduced acquisition cost for Yangarra.

With the addition of these lands, together with current lands Yangarra already owned, Yangarra has identified a total of 15 gross horizontal Glauconite (8.2 net) and 25 gross horizontal Cardium (13.0 net) locations in the Willesden Green/Ferrier area. Yangarra intends to drill a 100% Cardium location on the newly acquired land in Q4 of 2010.

### **Financing**

The Company announces that it has entered into an agreement with Haywood Securities to act as lead agent on behalf of a syndicate of investment dealers including Canaccord Genuity Corp. and Raymond James with respect to the private placement, on a commercially reasonable best efforts basis, of special warrants exchangeable for common shares and flow-through share special warrants exchangeable for common shares, issued on a flow-through basis pursuant to the Income Tax Act (Canada) for gross proceeds of a minimum of \$7 million and a maximum of \$10 million of which no more than \$5 million will be flow-through special warrants. The issue prices of the special warrants have not yet been established. Yangarra intends to use the proceeds from the flow-through special warrants to fund qualifying expenditures in relation to the exploration, development and production of the Company's Willesden Green area property.

For further information, please contact James Evaskevich, President 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.

All reference to dollar values are in Canadian funds.

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