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**For Immediate Release**

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DISSEMINATION IN THE U.S.**

**Yangarra Announces Pricing and Upsizing of Special Warrant  
Financing**

**October 4, 2010**

**Yangarra Resources Ltd.** ("Yangarra" or the "**Corporation**") (TSX Venture: "YGR") announces that it has agreed to the pricing and an increase in size on its previously announced special warrant financing with Haywood Securities Inc. (the "**Lead Agent**"), as lead agent and on behalf of Canaccord Genuity Corp. and Raymond James Ltd. (together with the Lead Agent, the "**Agents**"). The Corporation will issue and sell, on a commercially reasonable "best efforts" agency basis, up to 10,000,000 common share special warrants (the "**Common Share Special Warrants**") at a price of \$0.65 per Common Share Special Warrant for gross proceeds of up to \$6.5 million and up to 8,666,667 flow-through special warrants issued on a "flow through" basis under the *Income Tax Act* (Canada) at a price of \$0.75 per Flow-Through Special Warrant, for gross proceeds of up to \$6.5 million, such that the aggregate gross proceeds of the offering (the "**Offering**") of Common Share Special Warrants and Flow-Through Special Warrants (collectively the "**Special Warrants**") will be up to \$13 million.

Each Special Warrant will entitle the holder thereof to receive one common share of the Corporation (a "**Common Share**") on the exercise or deemed exercise of the Special Warrant, as applicable, subject to adjustment in certain events. The Special Warrants will be exercisable by the holder at any time after the closing of the Offering for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of (a) four months and a day following the closing of the Offering, and (b) the fifth day after a receipt is issued for a final prospectus by or on behalf of the securities regulatory authorities in each of the provinces of Canada where the Special Warrants are sold qualifying the Common Shares to be issued upon the exercise of the Special Warrants, as applicable. If the principal securities regulator has not issued a receipt for the final prospectus on or before November 30, 2010, the holder of each Common Share Special Warrant shall be entitled to receive 1.1 Common Shares in lieu of one Common Share upon exercise of Common Share Special Warrants. Closing of the Offering is expected to be completed on or before October 25, 2010.

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.*

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

All reference to dollar values are in Canadian funds.

*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.*