

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 company name 'yangarra resources ltd.' written in a bold, black, sans-serif font across its base.

**yangarra resources ltd.**

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**For Immediate Release**

## **Yangarra Closes Asset Acquisition**

**October 25, 2010**

**Yangarra Resources Ltd.** (“Yangarra” or “the Company”) (TSX Venture: “YGR”) is pleased to announce that it has closed the previously announced (see press release dated September 23, 2010) asset acquisition in the Ferrier/Willesden Green area of Alberta. The assets include 31 sections of land (12.3 net), 10 gross producing wells (4.25 net) and 9 gross standing wells (4.8 net). The purchase price was \$4.0 million with current production of approximately 50 boe/d, 90% weighted to oil. According to the independent reserve report presented by the vendor, with an effective date of February 28, 2010, the assets included reserves of 266,134 boe on a proved plus probable basis.

The Company is also pleased to announce that it has closed the first tranche of \$4.5 million related to the previously announced \$13.0 million special warrant financing (see press release dated October 4, 2010), and further advises that it expects to close the final \$8.5 million tranche on Thursday, October 28, 2010.

Yangarra is also pleased to announce that it has recently appointed Mr. Jeffrey Dyck, of Gowling Lafleur Henderson LLP, as Corporate Secretary of the Company.

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.

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.

*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.*