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For Immediate Release

Yangarra Closes Financing

October 28, 2010

Yangarra Resources Ltd. (“Yangarra” or “the Company”) (TSX Venture: “YGR”) is pleased to announce that it has closed the second and final tranche of the previously announced (October 4, 2010) special warrant financing (“Special Warrants”) for gross proceeds of \$13,000,000. The financing consisted of 8,666,667 flow-through special warrants priced at \$0.75 each, issued on a flow through basis under the *Income Tax Act (Canada)* and 10,000,000 common share special warrants priced at \$0.65 each. Each Special Warrant is exercisable into common shares of the Company, and all unexercised warrants will be deemed to be exercised the 5th day after approval by the various securities regulatory authorities of a Prospectus, which the Company expects to file on or about November 1, 2010.

Yangarra is also pleased to announce that it has completed drilling its fourth horizontal well (Glaucinite zone with 68.125% working interest (“w.i.”) plus a 15% sliding scale override on the remaining 31.875% w.i.) in the Willesden Green area of Alberta. The well was drilled to a measured depth of 3,816 meters and fracture stimulation will commence using GASFRAC® Liquid Propane (LPG) fracturing technique on 12 stages. The Company’s third horizontal well (68.125% w.i Cardium plus a 15% sliding scale override on the remaining 31.875% w.i.) which was also fracture stimulated on seven stages using the LPG process, has been onstream for 30 days (IP 30) averaging 324 boe/d (11% natural gas) after recovery of load oil and propane.

The Company has moved the drilling rig to its fifth location where it is currently drilling a Cardium horizontal (100% w.i.) in the Ferrier area of Alberta.

A more detailed operations update will be included upon release of its third quarter results which is expected on or before November 26, 2010.

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.