



Suite 1530, 715 – 5 Avenue S.W. Calgary, Alberta T2P 2X6  
Phone: (403) 262-9558 Fax: (403) 262-8281

Webpage: [www.yangarra.ca](http://www.yangarra.ca) Email: [info@yangarra.ca](mailto:info@yangarra.ca)

---

## **Yangarra Releases 1st Quarter Results and Announces Operations Update**

May 28, 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 first quarter ended March 31, 2010 and provides an operational update. 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:**

- Identified 18 Glauconite horizontal locations in the Willesden Green Area
- Identified 23 Cardium horizontal locations in the Willesden Green Area
- Purchased an Overriding Royalty covering 11 sections in the Willesden Green Area
- Launched the Company’s Glauconite play in the Company’s Willesden Green Area by drilling a 100% working interest horizontal well, with tested rate of 1,100 boe/d
- Completed \$6,000,000 financing of capital in the Company

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

For the three months ended March 31, 2010 revenue was \$1,009,188 on sales of 358 boe/d with an average price of \$31.30/ boe. Net royalties amounted to 4% of the gross sales, while production and transportation costs were lower at \$9.98 boe/d primarily due to reduction in labour and trucking costs in the Medicine Hat area. The field netback for the quarter was \$20.06 boe/d.

Cash flow from operations for the first quarter was \$410,168 with a net loss of \$570,892 and net working capital deficiency including bank debt of \$5,498,563. The Company was in compliance with its banking covenants.

### **Subsequent Events**

Yangarra advises the horizontal Cardium well, which the Company has 31.875% working interest and 15% overriding interest in, has been drilled and cased, with completion operations to follow. The Company is proceeding with the tie-in of its Glauconite well expected to be completed and on production by early July 2010. The Company raised an additional \$2,060,000 by a flow-through financing in May, 2010.

For further information, please contact James Evaskevich, 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.

*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.*