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For Immediate Release

Yangarra Announces Closing of Bought Deal Financing

May 25, 2016

Yangarra Resources Ltd. ("Yangarra" or the "**Corporation**") (TSX:YGR) announces the closing of its recently announced "bought deal" financing, completed by way of a short form prospectus, for the sale of 10,000,000 Common Shares of the Corporation (the "**Common Shares**") at a price of \$1.00 per Common Share, together with an additional 1,500,000 Common Shares at a price of \$1.00 per Common Share issued pursuant to the full exercise of the over-allotment option granted to the underwriters, for aggregate gross proceeds of \$11,500,000 (the "**Offering**").

The Offering was underwritten by a syndicate of underwriters led by AltaCorp Capital Inc., and including Acumen Capital Finance Partners Limited, Clarus Securities Inc., Dundee Capital Markets, Industrial Alliance Securities Inc., Paradigm Capital Inc. and Raymond James Ltd. .

The Corporation intends to use the net proceeds from the Offering to reduce its current outstanding indebtedness and thereafter subsequently draw on its available credit thereunder to fund a number of opportunities including farm-ins, land acquisitions, drilling opportunities, infrastructure initiatives and equipment purchases. Yangarra has recently added 15 sections of Cardium land and has started preliminary work on a truck terminal to aggregate and treat oil production in central Alberta.

All Common Shares of the Corporation issued pursuant to the Offering are, subject to certain exceptions in limited circumstances, freely tradable under applicable securities laws in force in Canada.

This news release is not an offer of the common shares for sale in the United States. The common shares may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. Yangarra has not registered and will not register the common shares under the U.S. Securities Act of 1933, as amended. Yangarra does not intend to engage in a public offering of common shares in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale in any state in which such offer, solicitation or sale would be unlawful,

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

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. The forward-looking statements contained in this press release are made as of the date hereof and Yangarra undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

All references to \$ (funds) are in Canadian dollars.