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For Immediate Release

Yangarra Announces \$10 million Bought Deal Financing

May 5, 2016

Yangarra Resources Ltd. ("Yangarra" or the "Corporation") (TSX:YGR) announces it has entered into an equity financing agreement, on a bought deal basis, with AltaCorp Capital Inc., as lead underwriter and including Acumen Capital Finance Partners Limited, Clarus Securities Inc., Dundee Capital Markets, Industrial Alliance Securities Inc., Paradigm Capital Inc. and Raymond James Ltd (collectively, the "Underwriters").

Under the terms of the agreement, Yangarra will issue 10,000,000 common shares ("Common Shares") at a price of \$1.00 per Common Share for gross proceeds of \$10,000,000. The Underwriters will also have the option, exercisable in whole or in part, to acquire up to an additional 1,500,000 Common Shares at a price of \$1.00 per Common Share at any time from closing of the Offering and ending 30 days following the closing date for additional gross proceeds of up to \$1,500,000.

The current price environment has presented Yangarra with a number of opportunities including farm-ins, land acquisitions, drilling opportunities, infrastructure initiatives and equipment purchases. The financing will allow Yangarra to take advantage of more of these opportunities and set the stage for an exponential increase in the value of the Corporation in a recovery.

The financing is expected to close on or about May 24, 2016 and is subject to approval of the TSX, receipt of all necessary regulatory approvals and other customary conditions.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, the common shares in any jurisdiction, including the United States, or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of the common shares in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. The common shares being offered will not be, and have not been, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person, absent U.S. registration or an applicable exemption therefrom.

For further information, please contact James Evaskevich, President and CEO 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.

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

Neither the TSX nor its Regulation Service Provider (as that term is defined in the Policies of the TSX) accepts responsibility for the adequacy and accuracy of this release.