



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)

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**For Immediate Release**

**Yangarra Announces \$10 million Bought Deal Private Placement Financing**

**June 2, 2011**

**Yangarra Resources Ltd.** ("Yangarra" or the "Corporation") (TSX Venture: "YGR") is pleased to announce that it has entered into a private placement financing agreement, on a bought deal basis, with AltaCorp Capital Inc., as lead underwriter, Haywood Securities Inc., GMP Securities L.P. , Raymond James Ltd., and Acumen Capital Finance Partners Limited (collectively, the "Underwriters"). Under the terms of the agreement, Yangarra will issue by way of a private placement 12,500,000 common shares on a flow-through basis ("Flow-Through Shares") at \$0.80 per share for gross proceeds of \$10,000,000. Yangarra will use the proceeds from the sale of the Flow-Through Shares on eligible Canadian Exploration Expenses which will be renounced to subscribers effective on or before December 31, 2011.

The private placement is expected to close on or about June 23, 2011 and is subject to approval of the TSX Venture Exchange, receipt of all necessary regulatory approvals and other customary conditions

Proceeds of the offering will be used by Yangarra to accelerate its drilling and land acquisition program in Central Alberta. Yangarra has a current drilling inventory of 131 gross (78 net) horizontal locations in the Central Alberta area and this financing will allow us to capitalize on numerous opportunities to increase this drilling inventory and drill additional high impact wells.

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 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.*