



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

Webpage: www.yangarra.ca

Email: info@yangarra.ca

Yangarra Provides Further Update of Restructuring Progress

December 4, 2009

Yangarra Resources Ltd. (“Yangarra” or the “Company”) (TSX Venture: “YAN”) announces further details on its acquisition of Athabaska Energy Ltd. and the accompanying private placement as contemplated in the proposal which was previously announced October 8, 2009 (the “**Proposal**”).

Athabaska Acquisition

The Proposal contemplates, among other things, the merger of the Company with, or take-over by the Company of, Athabaska Energy Ltd. (“**Athabaska**”). The Company anticipates entering into a share purchase agreement with the shareholders of Athabaska to acquire all of the issued and outstanding shares of Athabaska in exchange for 50,000,044 shares of Yangarra, such number of Yangarra shares being based on the current net asset value of the Company and Athabaska as determined by a qualified third party valuation expert. Each one share of Athabaska will be exchanged for 50.813 shares of Yangarra. Yangarra entered into a farm out arrangement, on normal commercial terms, with Athabaska in June 2009 to allow Athabaska to continue operating and one director of Yangarra is also a director of Athabaska, holding approximately 18.0% of the issued and outstanding shares of Athabaska. Relying on exemptions found in sections 5.5(b) and 5.7(1)(a) of Multilateral Instrument 61-101, Yangarra will not be required to obtain a formal valuation or minority shareholder approval, respectively, with respect to this acquisition. The acquisition by Yangarra of the shares of Athabaska has been approved by the board of directors of Yangarra and Athabaska, respectively, with the director sitting on the board of directors of both companies having abstained from voting, but remains subject to the approval of the shareholders of Athabaska and of the TSX Venture Exchange. Provided such shareholder and TSX Venture Exchange approval is obtained, Yangarra will enter into the share purchase agreement prior to the closing of the proposal, which is expected to occur on or about December 10, 2009.

Private Placement

The Proposal also contemplates, among other things, that the Company will raise new equity in the amount of \$500,000. The Company intends to conduct a non-brokered private placement of up to 10,000,000 flow-through units (each, a “**Flow-Through Unit**”) of the Company at \$0.05 per Flow-Through Unit for aggregate gross proceeds of \$500,000. Each Flow-Through Unit will consist of one flow-through common share (“**Flow-Through Share**”) of the Company and one Share purchase flow-through warrant (“**Flow-Through Warrant**”), both issued on a “Flow-through” basis under the *Income Tax Act (Canada)*. Each whole Flow-Through Warrant represents the right to purchase one common share of the Company (“**Common Share**”) at the exercise price of \$0.05 per share anytime up to December 31, 2011. Certain directors, officers and other insiders of the Company have committed to subscribe for a minimum of 25% of the private placement.

Both the Athabaska Acquisition and the Private Placement will take place concurrently with the shares for debt transaction of the Company which was previously announced on November 27, 2009. The completion of the Proposal is subject to each of the shares for debt, Athabaska Acquisition and Private Placement transactions contemplated thereby receiving the necessary approvals, specifically that of the TSX Venture Exchange, and closing.

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

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

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 forward looking statements include, but are not limited to, statements regarding the transactions contemplated herein including the debt conversion the anticipated acquisition of Athabaska, the entering into of a share purchase agreement between Yangarra and the shareholders of Athabaska, the anticipated private placement on the terms set out herein. Actual results may differ from the estimates provided by management. There can be no guarantee that the necessary TSX Venture Exchange and shareholder approvals will be obtained, that the transactions referred to herein will be completed in accordance with the foregoing timeline, if at all, that the desired amount will be raised under the Private Placement, or any amount at all, or that all conditions to complete the Proposal will be satisfied. Further, there can be no guarantee that the Proposal, including the anticipated debt conversion, the anticipated acquisition of Athabaska and the anticipated Private Placement, will be implemented as set forth above or at all. The Proposal, including the anticipated debt conversion, the anticipated acquisition of Athabaska and the anticipated Private Placement or any part thereof, if implemented, may be amended or supplemented prior to implementation and such amendments or supplements may be material. Any forward-looking statement is made as of the date hereof and, except as required by law, Yangarra assumes no obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

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