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For Immediate Release

**Yangarra Announces \$15.0 million Bought Deal Financing
and Revised Capital Budget of \$50.0 million for 2011**

February 14, 2011

Yangarra Resources Ltd. ("**Yangarra**" or the "**Corporation**") (TSX Venture: "YGR") is pleased to announce that it has entered into an agreement with Haywood Securities Inc., as lead underwriter, GMP Securities L.P. and Acumen Capital Finance Partners Limited (collectively, the "**Underwriters**") for a "bought deal" financing to be completed by way of a short form prospectus, for the sale of 20,550,000 common shares of the Corporation at a price of \$0.73 per share (the "**Offering Price**") for gross proceeds of \$15,001,500 (the "**Offering**"). The Corporation has granted the Underwriters an over-allotment option to purchase, at the Offering Price, that number of additional common shares equal to 15% of the number of common shares sold pursuant to the Offering. The Corporation has agreed to pay a fee equal to 6% of the gross proceeds of the Offering to the Underwriters, other than in respect of 2,740,000 common shares of the Offering (the "**President's List**") for sale to insiders, directors, officers, employees and consultants at a reduced commission of 2% for such President's List shares.

The Offering is expected to close on or before March 8, 2011 and is subject to regulatory and exchange approvals and satisfactory due diligence on the Corporation by the Underwriters. Proceeds of the Offering will be used by Yangarra to increase its 2011 capital budget to \$50.0 million and is designed to accelerate its drilling and land acquisition program in the Willesden Green/Ferrier area of Alberta. According to the revised budget, the Corporation will drill 31 horizontal (13.7 net) wells during 2011 with a significant allocation for land acquisitions. Yangarra's land acquisition program in 2010 resulted in the addition of approximately three locations into the drilling inventory for each location drilled during the year. The budget also maintains a disciplined debt-to-cash flow ratio of less than one-to-one.

Yangarra has a current drilling inventory of 103 gross (45 net) horizontal locations in the Willesden Green/Ferrier area on its existing land base. This represents a substantial increase from the previously announced drilling inventory, and such increase is a result of additional locations in the Viking, Second White Specks and Rock Creek horizons. The Corporation provides 2011 guidance that it will exit 2011 with approximately 2,500 boe/d of production weighted 50/50 for Natural Gas and Oil/NGL's.

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.

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.

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.