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For Immediate Release

Yangarra Provides Operations Update and Revises 2012 Capital Budget

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Yangarra Resources Ltd. ("Yangarra" or the "Company") (TSX-V:YGR) is pleased to provide an operations update and outline revisions to the 2012 capital budget.

Operations Update

The Company continues to advance its Central Alberta focused capital plan and drilled or participated in 6 gross (2.3 net) horizontal wells in the fourth quarter with two operated and one non-operated drilling rigs active.

Operational highlights include:

- Average production, based on field estimates, for the fourth quarter was approximately 1,600 boe/d (40% Oil & NGL's) a 28% increase from the third quarter and 110% increase over the fourth quarter of 2010. On a per share basis, the production increased by 44% over the fourth quarter of 2010.
- Production averaged 1,900 boe/d for the month of December. Two wells that were flowing at a combined rate of 600 boe/d net to Yangarra were shut-in by the operator for the months of December 2011 and January 2012 to allow for drilling on multi-well pads and for the installation of incremental compression.

2012 Outlook

In response to the weakness in natural gas prices the Company has made the following changes for 2012:

- All dry gas production of approximately 1.2 mmcf/d (200 boe/d) was shut in.
- The planned 2012 capital expenditures have been reduced from \$50 million to \$35 million. With the revised capital budget the Company will drill 16 gross (8.5 net) horizontal wells with an increased focus on wells with high oil and natural gas liquid ("NGL") volumes.
- The company will operate the drilling program with one drilling rig instead of two drilling rigs as originally planned.
- The previously provided 2012 guidance has been revised for shut-in production, reduced capital and a lower natural gas price. The \$35 million of capital spending in 2012 results in a mid-range average production growth of 88% from 2011.

The revised metrics and assumptions for 2012 are summarized below:

Production (boe/d)	
Annual Average	2,000 – 2,500
Exit	2,750
Cash flow from operations (\$millions)	\$25 – \$30
Capital expenditures (\$millions)	\$35
Crude oil – WTI	\$85.00/bbl
Natural Gas Liquids	\$65.00/bbl
Natural Gas	\$2.50/mcf

Current production is approximately 1,700 boe/d with 6 gross (2.05 net) wells (including the two shut in wells) expected on-stream by March 1, 2012 and 2 gross (1.24 net) currently drilling. The Company is forecasting that first quarter production will average between 1,900 boe/d and 2,100 boe/d.

Reserves Information and Year-end Results

The Company's year-end reserve report summary will be released in early March and the year-end financial results will be released in early April.

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.

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