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For Immediate Release

Yangarra Announces Closing of Bought Deal Financing

May 21, 2015

Yangarra Resources Ltd. ("**Yangarra**" or the "**Corporation**") (TSX:YGR) announces the closing of its previously announced "bought deal" financing, completed by way of a short form prospectus, for the sale of 3,333,500 common shares of the Corporation (the "**Common Shares**") at a price of \$1.80 per share, 1,010,500 common shares of the Corporation (the "**CDE FT Shares**") issued on a "flow through" basis in respect of "Canadian development expenses" within the meaning of the *Income Tax Act* (Canada) at a price of \$1.98 per share and 5,582,000 common shares of the Corporation (the "**CEE FT Shares**") issued on a "flow through" basis in respect of "Canadian exploration expenses" within the meaning of the *Income Tax Act* (Canada) at a price of \$2.15 per share, for aggregate gross proceeds of approximately \$20 million (the "**Offering**").

The Offering was underwritten by a syndicate of underwriters led by AltaCorp Capital Inc. and included Acumen Capital Finance Partners Limited, Industrial Alliance Securities Inc., Clarus Securities Inc., Dundee Capital Markets and Paradigm Capital Inc.

The Corporation intends to use the net proceeds from the issuance of Common Shares to reduce its current outstanding indebtedness and thereafter subsequently draw on its available credit thereunder to fund its capital budget. The proceeds of the CEE FT Shares are expected to be used by Yangarra to drill three strata-graphic vertical test wells in the North block of the Corporation's Duvernay lands which are expected to continue all 54 sections. The remaining CEE funds are expected to be used to complete the existing horizontal Duvernay well in South block. The proceeds of the CDE FT Shares and the Common Shares are expected to be used to earn the majority of the remaining sections on the Corporation's various farm-in's.

With the closing of the financing, Yangarra is now in an ideal position to benefit from the current price environment, putting our suppliers back to work drilling low-cost wells. The farm-in wells and the Duvernay completion are not reflected in the 2014 reserve report and therefore have the potential to increase both Yangarra's developed producing reserves and our proved plus probable reserves for 2015 at a low finding and development multiple.

All common shares of the Corporation issued pursuant to the Offering are, subject to certain exceptions in limited circumstances, freely tradable under applicable securities laws in force in Canada.

This news release is not an offer of the common shares for sale in the United States. The common shares may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. Yangarra has not registered and will not register the common shares under the U.S. Securities Act of 1933, as amended. Yangarra does not intend to engage in a public offering of common shares in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale in any state in which such offer, solicitation or sale would be unlawful,

For further information, please contact James Evaskevich, President and Chief Executive Officer 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. The forward-looking statements contained in this press release are made as of the date hereof and Yangarra undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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