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## **Yangarra Announces 2024 First Quarter Financial and Operating Results**

**April 30, 2024**

**Yangarra Resources Ltd.** ("Yangarra" or the "Company") (TSX:YGR) announces its financial and operating results for the three months ended March 31, 2024.

During the quarter, Yangarra successfully executed a high-graded capital program resulting in promising results at West Ferrier and Chambers. The initial Belly River well was followed up with two additional Belly River wells. As a result of the high-grade capital program, the liquids weighting increased from 39% in Q4 2023 to 43% in Q1 2024, which was all driven by oil volumes.

Yangarra completed eleven stimulations during the quarter with continued positive results, the chemical mix continues to evolve, and the Company expects to continue to conduct ten stimulations a quarter.

Yangarra remains committed to its primary goal of reducing its bank debt to \$80 million and reaffirms its capital program of \$20 – \$25 million for the first half of 2024. Yangarra is not currently drilling and expects to re-commence the drilling program in June.

The Company has completed its annual borrowing base review, and the syndicated senior credit facility has been confirmed at \$130 million. The term out date has been extended to May 30, 2025, and the maturity date has been extended to May 30, 2026. The mandatory quarterly repayments of \$5 million have been removed.

### First Quarter Highlights

- Funds flow from operations of \$24.3 million (\$0.24 per share – fully diluted), a decrease of 19% from the same period in 2023
- \$9.5 million of adjusted net debt was repaid during the first quarter
- Oil and gas sales were \$40.4 million, a decrease of 18% from the same period in 2023
- Adjusted EBITDA was \$26.3 million (\$0.26 per share - fully diluted)
- Net income of \$9.0 million (\$0.09 per share – fully diluted, \$12.1 million before tax), a decrease of 39% from the same period in 2023
- Average production of 11,183 boe/d (43% liquids) during the quarter, a 10% decrease from the same period in 2023
- Operating costs were \$7.95/boe (including \$1.70/boe of transportation costs)
- Field operating netbacks were \$29.18/boe
- Operating netbacks, which include the impact of commodity contracts, were \$28.53/boe
- Operating margins were 72% and funds flow from operations margins were 60%

- G&A costs of \$1.85/boe
- Royalties were 7% of oil and gas revenue
- All in cash costs were \$15.97/boe
- Capital expenditures were \$16.0 million
- Adjusted net debt was \$109.1 million
- Adjusted net debt to first quarter annualized funds flow from operations was 1.1 : 1
- Retained earnings of \$320.8 million
- Decommissioning liabilities of \$16.1 million (discounted)

### Annual General Meeting of Shareholders

The Company's Annual General Meeting of Shareholders is scheduled for 10:00 AM on Wednesday May 1, 2024 in the Tillyard Management Conference Centre, Main Floor, 715 5th Avenue SW, Calgary, AB.

### Financial Summary

	2024		2023	
	Q1	Q4	Q1	Q1
<b>Statements of Income and Comprehensive Income</b>				
Petroleum & natural gas sales	\$ 40,425	\$ 33,651	\$ 49,055	
Income before tax	\$ 12,092	\$ 16,106	\$ 19,459	
Net income	\$ 9,030	\$ 12,435	\$ 14,909	
Net income per share - basic	\$ 0.09	\$ 0.13	\$ 0.17	
Net income per share - diluted	\$ 0.09	\$ 0.12	\$ 0.16	
<b>Statements of Cash Flow</b>				
Funds flow from operations	\$ 24,260	\$ 17,552	\$ 30,068	
Funds flow from operations per share - basic	\$ 0.25	\$ 0.19	\$ 0.34	
Funds flow from operations per share - diluted	\$ 0.24	\$ 0.18	\$ 0.32	
Cash flow from operating activities	\$ 22,124	\$ 16,798	\$ 33,948	
Weighted average number of shares - basic	96,169	94,801	88,287	
Weighted average number of shares - diluted	102,720	99,534	94,110	

	March 31, 2024	December 31, 2023
<b>Statements of Financial Position</b>		
Property and equipment	\$ 766,605	\$ 759,967
Total assets	\$ 846,617	\$ 835,217
Working capital surplus (deficit)	\$ 5,204	\$ (735)
Adjusted net debt	\$ 109,148	\$ 118,646
Shareholders equity	\$ 548,954	\$ 536,598

Company Netbacks (\$/boe)

	2024		2023	
	Q1	Q4	Q1	Q1
Sales price	\$ 39.72	\$ 32.85	\$ 43.91	
Royalty expense	(2.59)	(2.47)	(4.68)	
Production costs	(6.25)	(6.70)	(7.00)	
Transportation costs	(1.70)	(1.70)	(1.35)	
<b>Field operating netback</b>	<b>29.18</b>	<b>21.99</b>	<b>30.88</b>	
Realized gain (loss) on commodity contract settlement	(0.65)	(0.45)	(0.04)	
<b>Operating netback</b>	<b>28.53</b>	<b>21.54</b>	<b>30.84</b>	
G&A	(1.85)	(1.55)	(1.41)	
Cash finance expenses	(2.93)	(2.90)	(2.56)	
Depletion and depreciation	(9.53)	(9.16)	(8.85)	
Non Cash - finance expenses	(0.59)	(0.31)	(0.16)	
Gain on settlement of lawsuit	-	6.79	-	
Stock-based compensation	(0.85)	(0.39)	(0.41)	
Unrealized gain (loss) on financial instruments	(0.90)	1.71	(0.02)	
Deferred income tax	(3.01)	(3.58)	(4.07)	
<b>Net income netback</b>	<b>\$ 8.87</b>	<b>\$ 12.14</b>	<b>\$ 13.36</b>	

Business Environment

	2024		2023	
	Q1	Q4	Q1	Q1
<b>Realized Pricing (Including realized commodity contracts)</b>				
Light Crude Oil (\$/bbl)	\$ 93.50	\$ 101.92	\$ 100.12	
NGL (\$/bbl)	\$ 48.17	\$ 32.97	\$ 49.85	
Natural Gas (\$/mcf)	\$ 2.50	\$ 2.36	\$ 3.46	
<b>Realized Pricing (Excluding commodity contracts)</b>				
Light Crude Oil (\$/bbl)	\$ 95.28	\$ 103.51	\$ 100.12	
NGL (\$/bbl)	\$ 48.17	\$ 32.96	\$ 49.92	
Natural Gas (\$/mcf)	\$ 2.57	\$ 2.41	\$ 3.45	
<b>Oil Price Benchmarks</b>				
West Texas Intermediate ("WTI") (US\$/bbl)	\$ 78.19	\$ 78.48	\$ 77.45	
Edmonton Par (\$/bbl)	\$ 91.01	\$ 94.77	\$ 100.88	
Edmonton Par to WTI differential (US\$/bbl)	\$ (10.72)	\$ (8.35)	\$ (2.82)	
<b>Natural Gas Price Benchmarks</b>				
AECO gas (\$/mcf)	\$ 2.36	\$ 2.18	\$ 3.32	
<b>Foreign Exchange</b>				
Canadian Dollar/U.S. Exchange	0.74	0.74	0.74	

## Operations Summary

Net petroleum and natural gas production, pricing and revenue are summarized below:

	2024		2023
	Q1	Q4	Q1
<b>Daily production volumes</b>			
Natural Gas (mcf/d)	38,445	41,283	43,180
Light Crude Oil (bbl/d)	2,470	1,913	2,709
NGL's (bbl/d)	2,306	2,339	2,506
Combined (BOE/d 6:1)	11,183	11,133	12,412
<b>Revenue</b>			
Petroleum & natural gas sales	\$ 40,425	\$ 33,651	\$ 49,055
Realized gain (loss) on commodity contract settlement	(665)	(460)	(40)
Total sales	39,760	33,191	49,015
Royalty expense	(2,632)	(2,529)	(5,228)
Total Revenue - Net of royalties	\$ 37,128	\$ 30,662	\$ 43,787

## Working Capital Summary

The following table summarizes the change in adjusted net debt during the three months ended March 31, 2024 and year December 31, 2023:

	Three Months ended	Year ended
	March 31, 2024	December 31, 2023
Adjusted net debt - beginning of period	\$ (118,646)	\$ (134,364)
Funds flow from operations	\$ 24,260	99,024
Additions to property and equipment	\$ (16,011)	(93,950)
Decommissioning costs incurred	\$ -	(488)
Additions to E&E Assets	\$ -	(353)
Issuance of shares	\$ 2,093	15,988
Lease obligation repayment	\$ (565)	(1,525)
Other	\$ (279)	(2,978)
Adjusted net debt - end of period	\$ (109,148)	\$ (118,646)
Credit facility limit	\$ 130,000	\$ 135,000

## Capital Spending

Capital spending is summarized as follows:

	2024		2023	
Cash additions	Q1	Q4	Q1	Q1
Land, acquisitions and lease rentals	\$ 68	\$ 72	\$ 128	
Drilling and completion	14,148	14,670	25,805	
Geological and geophysical	323	2	423	
Equipment	739	947	5,893	
Other asset additions	733	246	241	
	\$ 16,011	\$ 15,937	\$ 32,490	
Exploration & evaluation assets	\$ -	\$ 89	\$ 264	

## Quarter End Disclosure

The Company's March 31, 2024 unaudited condensed interim consolidated financial statements and management's discussion and analysis will be filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) and are available on the Company's website ([www.yangarra.ca](http://www.yangarra.ca)).

For further information, please contact James Evaskevich, CEO 403-262-9558.

## Oil and Gas Advisories

*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. Figures that are presented on a boe basis herein are calculated as the total aggregate amount for the period divided by boe production volumes for the period. 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.*

*This press release contains metrics commonly used in the oil and natural gas industry which have been prepared by management, such as "operating netback" and "operating margins". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. For additional information regarding netbacks and operating margins, see "Non-IFRS Financial Measures".*

*Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Yangarra's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from metrics presented in this press release, should not be relied upon for investment or other purposes.*

## Non-IFRS Financial Measures

*This press release contains various specified financial measures that do not have standardized meanings as prescribed by International Financial Reporting Standards ("IFRS"). These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Readers are cautioned that such financial measures should not be construed as alternatives to or more meaningful than the most*

directly comparable IFRS measures as indicators of the Company's performance. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations and should not be considered in isolation.

#### Funds flow from operations

Funds flow from operations ("FFO") should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net income as determined in accordance with IFRS, as an indicator of Yangarra's performance or liquidity. Management uses FFO to analyze operating performance and leverage and considers FFO to be a key measure as it demonstrates the Company's ability to generate cash flow necessary to fund future capital investments and to repay debt, if applicable. FFO is calculated using cash flow from operating activities before changes in non-cash working capital and decommissioning costs incurred.

The following table reconciles FFO to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	2024		2023	
	Q1	Q4	Q1	Q1
Cash flow from operating activities	\$ 22,124	\$ 16,798	\$ 33,948	
Decommissioning costs incurred	-	488	-	
Changes in non-cash working capital	2,136	266	(3,880)	
Funds flow from operations	\$ 24,260	\$ 17,552	\$ 30,068	

Yangarra presents FFO per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of net income per share.

Funds from operations netback is calculated on a per boe basis.

#### Adjusted EBITDA

Yangarra defines Adjusted EBITDA as **earnings** before interest, taxes, depletion and depreciation, which represents EBITDA, excluding changes in the fair value of commodity contracts. Management believes that Adjusted EBITDA is a useful measure, which provides an indication of the results generated by the Yangarra's primary business activities prior to consideration of how those activities are financed, amortized or taxed. The most directly comparable IFRS financial measure to Adjusted EBITDA is net income (loss). The following table provides a reconciliation of Adjusted EBITDA to net income (loss).

	2024		2023	
	Q1	Q4	Q1	Q1
Net income for the Period	\$ 9,030	\$ 12,435	\$ 14,909	
Finance	3,580	3,293	3,044	
Deferred tax expense	3,062	3,671	4,550	
Depletion and depreciation	9,701	9,385	9,891	
Change in fair value of commodity contracts	914	(1,755)	22	
Gain on settlement of lawsuit	-	(6,957)	-	
Adjusted EBITDA	\$ 26,287	\$ 20,072	\$ 32,416	

### Adjusted Net Debt

Yangarra defines Adjusted net debt as the sum of our existing credit facilities, trade and other payables, and trade receivables and prepaids. Yangarra uses Adjusted net debt to assess efficiency, liquidity and the general financial strength of the Company. The most directly comparable IFRS financial measure to Adjusted net debt is Bank Debt. The following table provides a calculation of adjusted net debt.

	Mar 31, 2024	Dec 31, 2023
Bank Debt	\$ 117,337	\$ 121,057
Accounts receivable	(34,929)	(30,092)
Prepaid expenses and inventory	(9,415)	(8,918)
Accounts payable and accrued liabilities	36,155	36,599
Adjusted net Debt	\$ 109,148	\$ 118,646

### Adjusted net debt to third quarter annualized FFO

Adjusted net debt to third quarter annualized FFO is a non-GAAP financial ratio calculated as adjusted net debt divided by third quarter annualized FFO.

### Netbacks

The Company considers corporate netbacks to be a key measure that demonstrates Yangarra's profitability relative to current commodity prices. Corporate netbacks are comprised of operating, field operating, FFO and net income (loss) netbacks.

Yangarra calculates Field Operating netback as the average sales price of its commodities (including realized gains (losses) on financial instruments) less royalties, operating costs and transportation expenses. Operating netback starts with Field Operating netback and subtracts realized gains (losses) on financial instruments. FFO netback starts with the Operating netback and further deducts general and administrative costs, finance expense and adds finance income. To calculate the net income (loss) netback, Yangarra takes the Operating netback and deducts share-based compensation expense as well as depletion and depreciation charges, accretion expense, unrealized gains (losses) on financial instruments, any impairment or exploration and evaluation expense and deferred income taxes.

### FFO margins and operating margins

FFO margins and operating margins are calculated as the ratio of FFO netbacks to sales price and operating netback to sales price, respectively.

Please refer to the management discussion and analysis for the three months ended March 31, 2024, for further discussion on the Non-IFRS financial measures presented in this press release.

### **Forward Looking Information**

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including, but not limited to, statements on potential completion techniques being considered.

*Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.*

*The forward-looking information is based on certain key expectations and assumptions made by our management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; benefits to shareholders of our programs and initiatives, the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, ability to market oil and natural gas successfully and our ability to access capital.*

*Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Yangarra can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.*

*Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).*

*These forward-looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.*

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

*Neither the TSX nor its Regulation Service Provider (as that term is defined in the Policies of the TSX) accepts responsibility for the adequacy and accuracy of this release.*