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Yangarra Announces 2026 Third Quarter Financial and Operating Results

October 29, 2026

Yangarra Resources Ltd. ("**Yangarra**" or the "**Company**") (TSX:YGR) announces its financial and operating results for the three and nine months ended September 30, 2026.

Third Quarter Highlights [1]

- Funds flow from operations of $23.1 million ($0.20 per share – fully diluted), an increase of 75% from the same period in 2025
- Oil and gas revenue of $37.5 million, an increase of 54% from the same period in 2025
- Adjusted EBITDA of $24.5 million ($0.22 per share – fully diluted), an increase of 69% from the same period in 2025
- Net income of $8.3 million ($0.07 per share – fully diluted), an increase of 262% from the same period in 2025
- Average production of 10,111 boe/d (45% liquids), a 6% increase from the same period in 2025
- Operating costs of $9.57/boe (including $3.36/boe of transportation costs)
- Operating netback of $28.92/boe
- Operating margin of 72% and funds flow from operations margin of 62%
- G&A costs of $1.64/boe
- Royalties at 8% of oil and gas revenue
- All in cash costs of $16.72/boe
- Capital expenditures of $22.7 million
- Adjusted net debt to third quarter annualized funds flow from operations of 1.2 : 1
- Adjusted net debt of $111.2 million
- Retained earnings of $378.1 million
- Decommissioning liabilities of $18.2 million (discounted)

[1] There are references to "funds flow from operations", "Adjusted EBITDA", "adjusted net debt", "Adjusted net debt to annualized funds flow from operations", "netbacks" and "operating margins" in this press release, which are non-IFRS measures or non-IFRS ratios. Yangarra's method for calculating non-IFRS measures and non-IFRS ratios may differ from other reporting issuers' methods and accordingly may not be comparable. See accompanying note under the heading "Non-IFRS Financial Measures and Ratios" for an explanation of the composition of these non-IFRS measures and non-IFRS ratios.

Operations Update

Yangarra drilled seven wells in Q3 2026 and completed four, leaving three wells drilled but uncompleted at quarter-end. Year-to-date, the Company has drilled 19 wells and completed 16. Of these wells, ten were in the Belly River formation and nine were Cardium wells. With the 2026 Cardium drilling program complete, all farm-in commitments have been satisfied, and the Company has earned all rights in the Cardium and Belly River in Chambers.

The Company plans to focus on Belly River development for the winter program. Throughout the year, the Belly River well design has continued to evolve and Yangarra continues to assess the long-term impact on production from different well designs. The fourth quarter program will include three Belly River wells on the same pad utilizing three different well designs.

Financial Summary

	2026		2025	Nine Months Ended	
	Q3	Q2	Q3	2026	2025
Statements of Income and Comprehensive Income					
Petroleum & natural gas sales	$ 37,479	$ 43,198	$ 24,401	$ 110,151	$ 88,055
Income before tax	$ 11,058	$ 15,816	$ 3,343	$ 33,415	$ 19,766
Net income	$ 8,303	$ 11,965	$ 2,294	$ 25,172	$ 14,455
Net income per share - basic	$ 0.08	$ 0.11	$ 0.02	$ 0.24	$ 0.14
Net income per share - diluted	$ 0.07	$ 0.11	$ 0.02	$ 0.22	$ 0.13
Statements of Cash Flow					
Funds flow from operations	$ 23,060	$ 26,047	$ 13,181	$ 65,946	$ 48,682
Funds flow from operations per share - basic	$ 0.22	$ 0.25	$ 0.13	$ 0.62	$ 0.48
Funds flow from operations per share - diluted	$ 0.20	$ 0.23	$ 0.12	$ 0.59	$ 0.44
Cash flow from operating activities	$ 20,868	$ 23,856	$ 14,254	$ 65,886	$ 47,874
Weighted average number of shares - basic	105,595	105,595	101,276	105,570	101,039
Weighted average number of shares - diluted	112,499	112,499	109,736	112,474	109,487

	September 30, 2026	December 31, 2025
Statements of Financial Position		
Property and equipment	$ 849,968	$ 810,189
Total assets	$ 940,741	$ 894,405
Working capital surplus (deficit)	$ 16,708	$ 20,537
Adjusted net debt	$ 111,235	$ 106,719
Shareholders equity	$ 618,286	$ 590,468

Company Netbacks ($/boe)

	2026		2025	Nine Months Ended	
	Q3	Q2	Q3	2026	2025
Sales price	$ 40.29	$ 47.10	$ 27.76	$ 40.58	$ 31.79
Royalty expense	(3.18)	(5.20)	(1.27)	(3.38)	(1.89)
Production costs	(6.21)	(5.76)	(5.47)	(5.87)	(5.33)
Transportation costs	(3.36)	(3.43)	(3.18)	(3.40)	(3.30)
Field operating netback	27.54	32.71	17.84	27.93	21.27
Realized gain (loss) on commodity contract settlement	1.38	(0.59)	1.65	0.24	0.20
Operating netback	28.92	32.12	19.49	28.17	21.47
G&A	(1.64)	(1.31)	(1.62)	(1.45)	(1.39)
Cash finance expenses	(2.33)	(2.42)	(2.63)	(2.37)	(2.45)
Depletion and depreciation	(11.11)	(11.18)	(9.96)	(11.17)	(10.02)
Non Cash - finance expenses	(0.85)	(0.60)	(0.36)	(0.66)	(0.36)
Abandonment Expenses	(0.18)	-	(0.27)	(0.06)	(0.08)
Stock-based compensation	(0.78)	(0.79)	(1.15)	(0.80)	(1.10)
Unrealized gain (loss) on financial instruments	(0.15)	1.44	0.30	0.66	1.06
Deferred income tax	(2.96)	(4.20)	(1.19)	(3.04)	(1.92)
Net income netback	$ 8.92	$ 13.06	$ 2.61	$ 9.28	$ 5.21

Business Environment

	2026		2025	Nine Months Ended	
	Q3	Q2	Q3	2026	2025
Realized Pricing (Including realized commodity contracts)					
Light Crude Oil ($/bbl)	$ 115.49	$ 134.78	$ 90.72	$ 113.75	$ 89.79
NGL ($/bbl)	$ 43.94	$ 53.88	$ 38.66	$ 46.04	$ 40.80
Natural Gas ($/mcf)	$ 2.19	$ 2.00	$ 1.26	$ 2.23	$ 1.78
Realized Pricing (Excluding commodity contracts)					
Light Crude Oil ($/bbl)	$ 117.03	$ 142.94	$ 90.72	$ 118.70	$ 90.42
NGL ($/bbl)	$ 43.94	$ 53.88	$ 38.26	$ 46.04	$ 41.22
Natural Gas ($/mcf)	$ 1.68	$ 1.69	$ 0.81	$ 1.87	$ 1.66
Oil Price Benchmarks					
West Texas Intermediate ("WTI") (US$/bbl)	$ 85.79	$ 95.75	$ 65.74	$ 84.51	$ 67.40
Edmonton Par ($/bbl)	$ 115.65	$ 126.59	$ 85.29	$ 110.46	$ 87.87
Edmonton Par to WTI differential (US$/bbl)	$ (3.11)	$ (3.46)	$ (3.82)	$ (4.50)	$ (4.36)
Natural Gas Price Benchmarks					
AECO (5A - daily) gas ($/mcf)	$ 1.48	$ 1.88	$ 0.60	$ 1.75	$ 1.42
Foreign Exchange					
Canadian Dollar/U.S. Exchange	0.71	0.73	0.73	0.72	0.72

Operations Summary

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

	2026		2025	Nine Months Ended	
	Q3	Q2	Q3	2026	2025
Daily production volumes					
Natural Gas (mcf/d)	33,475	33,844	33,435	33,845	35,668
Light Crude Oil (bbl/d)	2,085	2,005	1,641	1,954	1,833
NGL's (bbl/d)	2,447	2,432	2,340	2,350	2,368
Combined (BOE/d 6:1)	10,111	10,078	9,554	9,945	10,146
Revenue					
Petroleum & natural gas sales	$ 37,479	$ 43,198	$ 24,401	$ 110,151	$ 88,055
Realized gain (loss) on commodity contract settlement	1,285	(545)	1,452	638	559
Total sales	38,764	42,653	25,853	110,789	88,614
Royalty expense	(2,958)	(4,765)	(1,116)	(9,188)	(5,226)
Total Revenue - Net of royalties	$ 35,806	$ 37,888	$ 24,737	$ 101,601	$ 83,388

Adjusted Net Debt

The following table summarizes the change in adjusted net debt during the nine months ended September 30, 2026 and year ended December 31, 2025:

	Nine Months ended September 30, 2026	Year ended December 31, 2025
Adjusted net debt - beginning of period	$ (106,719)	$ (103,147)
Funds flow from operations	$ 65,946	62,805
Additions to property and equipment	$ (67,960)	(57,947)
Decommissioning costs incurred	$ (163)	(799)
Additions to E&E Assets	$ -	(6,123)
Issuance of shares	$ -	882
Lease obligation repayment	$ (849)	(1,438)
Other	$ (1,490)	(952)
Adjusted net debt - end of period	$ (111,235)	$ (106,719)
Credit facility limit	$ 160,000	$ 140,000

Capital Spending

Capital spending is summarized as follows:

	2026		2025	Nine Months Ended	
Cash additions	Q3	Q2	Q3	2026	2025
Land, acquisitions and lease rentals	$ (27)	$ (1,618)	$ 3,052	$ (562)	$ 3,844
Drilling and completion	$ 20,091	21,100	7,695	$ 58,886	30,629
Geological and geophysical	$ -	-	-	$ 124	105
Equipment	$ 2,509	3,359	1,480	$ 8,819	9,596
Other asset additions	$ 174	330	213	$ 693	660
	$ 22,747	$ 23,171	$ 12,440	$ 67,960	$ 44,834
Exploration & evaluation assets	$ -	$ -	$ -	$ -	$ -

Quarter End Disclosure

The Company's September 30, 2026 unaudited condensed interim consolidated financial statements and management's discussion and analysis has been filed on SEDAR+ (www.sedarplus.ca) and are available on the Company's website (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 margin". 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 and Ratios".

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 and Ratios

*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:

	2026		2025	Nine Months Ended	
	Q3	Q2	Q3	2026	2025
Cash flow from operating activities	$ 20,868	$ 23,856	$ 14,254	$ 65,886	$ 47,874
Decommissioning costs incurred	163	-	357	163	357
Changes in non-cash working capital	2,029	2,191	(1,430)	(103)	451
Funds flow from operations	$ 23,060	$ 26,047	$ 13,181	$ 65,946	$ 48,682

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.

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).

	2026		2025	Nine Months Ended	
	Q3	Q2	Q3	2026	2025
Net income for the Period	$ 8,303	$ 11,965	$ 2,294	$ 25,172	$ 14,455
Finance	2,961	2,774	2,627	8,233	7,794
Deferred tax expense	2,755	3,851	1,049	8,243	5,311
Depletion and depreciation	10,330	10,257	8,756	30,320	27,744
Change in fair value of commodity contracts	137	(1,318)	(262)	(1,800)	(2,949)
Adjusted EBITDA	$ 24,486	$ 27,529	$ 14,464	$ 70,168	$ 52,355

Adjusted Net Debt

Yangarra defines Adjusted net debt as the sum of our existing credit facilities and accounts payable and accrued liabilities less accounts receivable, prepaid expenses and inventory. 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.

	Sep 30, 2026	Jun 30, 2026	Dec 31, 2025
Bank Debt	$ 126,052	$ 124,586	$ 127,666
Accounts receivable	(35,192)	(32,166)	(31,748)
Prepaid expenses and inventory	(10,731)	(8,506)	(9,425)
Accounts payable and accrued liabilities	31,106	26,525	20,226
Adjusted net Debt	$ 111,235	$ 110,439	$ 106,719

Adjusted net debt to the relevant quarter annualized FFO

Adjusted net debt to third quarter annualized FFO is a non-IFRS financial ratio calculated as adjusted net debt divided by the relevant 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 and net income (loss) netbacks.

Yangarra calculates Field Operating netback as the average sales price of its commodities less royalties, operating costs and transportation expenses. Operating netback starts with Field Operating netback and subtracts realized gains (losses) on commodity contract settlements. To calculate the Net Income (Loss) netback, Yangarra takes the Operating netback and deducts general and administrative costs, cash and non-cash finance expenses, 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.

All in cash costs

All in cash costs is calculated as royalties, operating, transportation, general and administrative and cash finance expenses, per boe.

FFO margin and operating margin

FFO margin is calculated as the ratio of FFO per boe to sales price and operating margin is calculated as the ratio of operating netback to sales price.

Please refer to the management discussion and analysis for the three and nine months ended September 30, 2026, 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. Forward-looking information in this release includes information relating to, among other things, the Company's drilling and completion plans; the timing of wells being brought onstream; anticipated production levels, expected well performance and payback; and the Company's future drilling, completion, development and capital expenditure plans.

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.sedarplus.ca).

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.