FORM 27

MATERIAL CHANGE REPORT

UNDER SECTION 146(1) OF THE *SECURITIES ACT* (ALBERTA),
SECTION 85(1) OF THE *SECURITIES ACT* (BRITISH COLUMBIA) AND
SECTION 75(2) OF THE *SECURITIES ACT* (ONTARIO)

1. Reporting Issuer:

Yangarra Resources Inc.
Suite 1530, 715 - 5th Avenue SW
Calgary, Alberta T2P 2X6

2. Date of Material Change:

September 10, 2003

3. News Release:

A news release relating to the material change described herein was issued and disseminated through CCN Matthews on September 12, 2003 at Calgary, Alberta.

4. Summary of Material Change:

Yangarra Resources Inc. (the "Corporation") completed a non-brokered private placement of 2,500,000 Units of the Corporation at $0.42 per share, for gross proceeds to the Corporation of $1,050,000. The proceeds to the Corporation will be used to fund a Birchill Farmin well and related expenditures. The Corporation also granted stock options to acquire up to 250,000 Common Shares to certain directors and officers.

5. Full Description of Material Change:

Please refer to the attached News Release dated September 12, 2003.

6. Reliance on confidentiality provisions of the securities laws:

Not applicable.

7. Omitted Information:

None.

8. Senior Officers:

For further information, contact:

James G. Evaskevich, President
Yangarra Resources Inc.
Suite 1530, 715 - 5th Avenue SW
Calgary, Alberta T2P 2X6

Tel: (403) 262-9558 Ext. 224
Fax: (403) 262-8281

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta as of the 16th day of September, 2003.

YANGARRA RESOURCES INC.

Per: *"James G. Evaskevich"*`
James G. Evaskevich
President

YANGARRA RESOURCES INC.
Suite 1530, 715 - 5th Avenue S.W.
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YANGARRA COMPLETES FINANCING

September 12, 2003

YANGARRA RESOURCES INC. (the "Corporation") (TSX Venture: "AYX") is pleased to announce that it has completed its previously announced non-brokered private placement (the "Private Placement") of 2,500,000 common shares (the "Common Shares") at a price of $0.42 per Common Share, for gross proceeds of $1,050,000.

The proceeds from the Private Placement will be used by the Corporation to fund expenditures associated with its farmin agreement with Birchill Resources Partnership (the "Birchill Farmin") including the spudding of a Birchill Farmin well, as referenced in the Corporation's September 11, 2003 news release.

The Common Shares issued under the Private Placement are restricted from trading and will be subject to a hold period expiring on January 11, 2004.

The Corporation also announces it has granted stock options to acquire up to 250,000 Common Shares at an exercise price of $0.42 per share to certain directors and officers of the Corporation, pursuant to the Corporation's Stock Option Plan.

For further information, please contact:

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