

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 October 10, 2003 at Calgary, Alberta.

4. Summary of Material Change:

Yangarra Resources Inc. (the "Corporation") completed a non-brokered private placement of 5,000,000 common shares in the capital of the Corporation, issued on a "flow-through" basis (the "Shares") at \$0.75 per Share, for gross proceeds to the Corporation of \$3,750,000. The proceeds from the Private Placement will be used by the Corporation to fund qualifying expenditures in relation to exploration, development and production of the Corporation's oil and natural gas properties pursuant to a farmin agreement concerning properties in the Ferrier area of Alberta. The Corporation also granted stock options to acquire up to 500,000 common shares to certain directors and officers. In addition, the Corporation appointed Jake Pronk to the Board of Directors to fill the vacancy left by the resignation of Robert B. Pearson and appointed Don Cameron to the position of Vice-President, Business Development.

5. Full Description of Material Change:

Please refer to the attached News Release dated October 10, 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 14th day of October, 2003.

YANGARRA RESOURCES INC.

Per: "*Douglas M. Stuve*"

Douglas M. Stuve

Director

YANGARRA RESOURCES INC.
Suite 1530, 715 - 5th Avenue S.W.
Calgary, AB T2P 2X6
Tel: 262-9558 Fax: 262-8281

YANGARRA COMPLETES FINANCING AND APPOINTS DIRECTOR AND OFFICER

October 10, 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 5,000,000 common shares issued on a “flow-through” basis (the “Shares”) at a price of \$0.75 per Common Share, for gross proceeds of \$3,750,000.

The proceeds from the Private Placement will be used by the Corporation to fund qualifying expenditures in relation to exploration, development and production of the Corporation’s oil and natural gas properties pursuant to a farmin agreement concerning properties in the Ferrier area of Alberta.

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

The Corporation also announces it has granted stock options to acquire up to 500,000 common shares at an exercise price of \$0.75 per share to certain directors and officers of the Corporation, pursuant to the Corporation’s Stock Option Plan.

The Corporation is also pleased to announce the appointment of Jake Pronk as a director of the Corporation, to fill the vacancy left by the resignation of Robert B. Pearson. Mr. Pronk was the President and C.E.O. of Glacier Ridge Resources Ltd., a private oil & gas company that was recently sold to High Point Resources Inc. Previously, Mr. Pronk held senior exploration positions with Blue Range Resources Ltd., PennWest Petroleum, Natomas Exploration of Canada and Diamond Shamrock Exploration of Canada.

The Corporation has also appointed Don Cameron to the position of Vice-President, Business Development. Most recently, Mr. Cameron was Senior Vice-President, Development for Sobeys Inc. Prior thereto, Mr. Cameron spent 12 years with Westfair Foods (Loblaws) as part of their management team. He began his career as a district Landman for Esso Resources.

For further information, please contact:

James G. Evaskevich, President
Tel: (403) 262-9558 ext. 224
Cel: (403) 803-5161
Fax: (403) 262-8281
Email: jim@yangarra.ca

The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

(Not for dissemination in the United States of America)