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For Immediate Release

Yangarra Provides Operations Update

June 12, 2017 - Yangarra Resources Ltd. ("Yangarra" or the "Company") (TSX:YGR) provides the following updates.

New Cardium 2-mile Type Curve

Yangarra has analyzed the results from its most recent 10 well program to develop a type curve for future 2-mile Cardium wells on the Company's land base. The wells drilled in the bioturbated zone exhibit better initial flow rates, higher pressures and lower than expected declines.

The type curve has IP30 rates of 490 boe/d (390 bbl/d of oil), IP90 rates of 425 boe/d (295 bbl/d of oil) and twelve month declines of 48% on a boe basis. At US$47.50/bbl WTI pricing, the type curve generates a half cycle internal rate of return of 132%, has a payout of 10 months and an NPV10 of $5.5 million (the full assumption list and sensitivities can be found in the updated corporate presentation).

Using the new type curve the Company projects annual production per share growth for 2017 of 85% when compared to 2016.

Capital Budget & Guidance

The Company's Board of Directors has approved an increased 2017 capital budget of $70 million. The revised capital budget projects drilling an additional 12 extended reach horizontal Cardium wells, annual 2017 production of 5,500 – 6,000 boe/d and cash flow from operations of $47.5 to $52.5 million.

The Company expects year-end 2017 net debt of $77.5 – $82.5 million resulting in a debt to annual cash flow ratio of 1.5x – 1.7x and fourth quarter annualized debt to cash flow approaching 1.1x. The budget assumes an average price of US$47.50/bbl for WTI crude oil (down from US$55.00/bbl in the previous budget), C$61.65/bbl Edmonton par and an average price of $2.75/GJ for AECO natural gas (down from $3.00/GJ in the previous budget).

Operations Update

Five new 2-mile Cardium wells have been licensed and two multi-well pads have been constructed. The Company plans to spud the first well as soon as weather permits. Yangarra continues its strategy of building multi-well pads, completing a tie-in at that location to facilities to handle the associated gas, while drilling only a single well on the pad. In a future development phase these locations will allow the Company to drill several additional from the existing pad with minimal additional cost.

Based on previous performance, Yangarra expects to execute the balance of the 2017 drilling program with one rig.

The Company plans to commence construction at its 2-4 oil handling facility to connect an oil sales pipeline, as well as add to storage and blending facilities in the third quarter.

The Company's hedge position for the balance of 2017 provides coverage for 40% of projected oil volumes at an average price of C$72.75/bbl and 30% of projected natural gas volumes at an average price of $3.07/GJ.

Corporate Presentation

An updated corporate presentation is available on the Company's website *www.yangarra.ca*

For further information, please contact Jim Evaskevich, President and Chief Executive Officer at (403) 262-9558.

Forward looking information

This press release contains forward-looking statements. More particularly, this press release contains statements concerning planned exploration and development activities, the anticipated daily production average during 2017, the anticipated profitability of the Company if commodity prices were to future decline from the current levels and the planned corporate strategy during the current commodity environment.

The forward-looking statements in this press release are based on certain key expectations and assumptions made by Yangarra, including expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the successful application of technology, prevailing weather conditions, commodity prices, royalty regimes and exchange rates and the availability of capital, labour and services.

Although Yangarra believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Yangarra can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), uncertainty as to the availability of labour and services, commodity price and exchange rate fluctuations, unexpected adverse weather conditions, general business, economic, competitive, political and social uncertainties, capital market conditions and market prices for securities and changes to existing laws and regulations. Certain of these risks are set out in more detail in Yangarra's current Annual Information Form, which is available on Yangarra's SEDAR profile at www.sedar.com.

Forward-looking statements are based on estimates and opinions of management of Yangarra at the time the statements are presented. Yangarra may, as considered necessary in the circumstances, update or revise such forward-looking statements, whether as a result of new information, future events or otherwise, but Yangarra undertakes no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.

Any references in this press release to initial and/or final raw test or production rates and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not necessarily determinative of the rates at which such wells will commence production and decline *thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation. The initial production rate may be estimated based on other third party estimates or limited data available at this time. In all cases in this press release, initial production or test are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.*

Barrels of Oil Equivalent

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated using a conversion ratio of six thousand cubic feet (6 mcf) of natural gas to one barrel (1 Bbl) of crude oil. The boe conversion ratio of 6 mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

All reference to $ (funds) are in Canadian dollars, unless otherwise indicated.