Daybreak Leases Interest on 28,000 Acres in Louisiana

Spokane, Washington – March 8, 2006 --- Daybreak Oil and Gas, Inc. (OTC Bulletin Board: DBRM.OB) a Washington Corporation, has entered into an agreement to lease a 50% interest on 28,000 acres in Louisiana. This agreement gives Daybreak a significant interest in an intriguing project located in the Mississippi River Valley. The land is located within a 55,000 acre AMI that has already largely been covered by 3D seismic survey.

Robert Martin, Petroleum Geologist and President of Daybreak Oil and Gas, Inc, is quoted as saying, "The addition of this land to the 2,200 acres already leased by Daybreak in Louisiana will permit the Company to carry out additional drilling on a number of interesting plays within the leasehold."

In another development, the Company has made a down payment on a drilling rig in Abilene, Texas. This rig is capable of drilling to 16,000 feet and will allow the Company to pursue its drilling plans in Texas and Louisiana. The rig will be available for use in about 10 weeks. With this drilling rig Daybreak will be in control of its own drilling program and not have to contend with the delays associated with using third party contractors."

Daybreak Oil and Gas, Inc. is a junior oil and gas company with lease prospects in Louisiana, the San Joaquin Basin of California and the Gulf Coast area of Texas.

For further information about Daybreak Oil and Gas, Inc., visit our website at www.daybreakoilandgas.com or contact:

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