

Daybreak Announces Louisiana Well Update and Release of Financial Statements

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SPOKANE, Wash., Sept. 25 /PRNewswire-FirstCall/ -- Daybreak Oil and Gas, Inc. (Pink Sheets: [DBRM.PK](#) - [News](#)) a Washington Corporation, today announced that the Tensas Farms et al "A-1" well located in Tensas Parish, Louisiana, has reached total depth and will be completed as a potential oil well. Open-hole well logs and side wall core data indicate a significant oil pay interval in the target zone at a depth between 8,094 and 8,118 feet; mud log "shows" were observed while drilling this reservoir. The "A-1" well has been cased and will be production tested in the near future. The well was spudded on August 27, and drilled to total depth of 8,200 feet on September 19, 2007. Daybreak has a 28.5% working interest in the well before payout, increasing to 34.75% after payout.

The "A-1" is located approximately 2 miles northwest of the Tensas Farms et al "F-1" discovery well, which was completed and placed on production in 2006. The current well is the fourth in Daybreak's Basal Tuscaloosa play and is located within the Company's leasehold of over 20,000 acres in Tensas and Franklin Parishes. The targets for drilling are based on a 55,000 acre 3-D seismic survey which encompasses the entire leasehold area.

Daybreak expects to spud the next well, Tensas Farms et al "F-2" in the next few weeks depending upon rig availability. The "F-2" drill-site has been constructed and conductor casing previously set.

In other news, Daybreak announces that it has filed its 10-KSB report for the year ended February 28, 2007 as well as its 10-QSB report for the first quarter ended May 31, 2007. Daybreak is now current in its SEC filings following the restatement of certain non-cash transactions for the fiscal years ended February 28, 2006 and February 28, 2007. These reports may be viewed through either Daybreak's web site <http://www.daybreakoilandgas.com> or at the SEC web site <http://www.sec.gov>.

Safe Harbor Statement

"Safe Harbor" Statement under Private Securities Litigation Reform Act of 1995: Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Information contained herein contains "forward-looking statements" which can be identified by the use of forward-looking terminology such as "believe", "expect", "may", "should", "up to", "approximately", "likely", or "anticipates" or the negative thereof or given that the future results covered by such forward looking statements will be achieved. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

