

Daybreak Completes \$8MM Sale of Louisiana Properties

SPOKANE, Wash., June 16, 2008 -- Daybreak Oil and Gas, Inc. (OTC Bulletin Board: DBRM) ("Daybreak" or the "Company") a Washington Corporation, is pleased to announce that the Company signed the final closing documents on June 12, 2008, completing the sale of its Tuscaloosa Project properties located in Tensas and Franklin Parishes, Louisiana. At this closing, Daybreak received \$5,500,000 in exchange for the balance of its interests, having previously received a total of \$2,500,000 from partial closings in January and April of this year.

President and CEO, Tim Lindsey commented "This completes a significant step forward for Daybreak as we move to re-focus the Company's activities. The Louisiana transaction has been a very rewarding process as we worked closely with the purchaser, Lasso Partners, LLC ("Lasso"), to provide a smooth transfer of operating responsibilities and ownership. We have great respect for Lasso and wish them well in the future. Meanwhile, Daybreak is working to re-direct its resources to the San Joaquin Basin exploration project area in California. Potential drilling locations selected based on the recently acquired 3D seismic data are in various stages of permitting. The timing for drilling, which is anticipated to begin this summer, is dependent upon securing appropriate permits, partner concurrence, and rig availability. The Company's strong cash position affords us the opportunity to continue to pursue an accelerated California drilling program as well as consider other future ventures."

For more information about Daybreak Oil and Gas Inc., please visit its website at www.daybreakoilandgas.com.

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