

Daybreak Initiates Drilling of F-2 Well; and, Updates A-1 Production-Testing Operations in Louisiana

Spokane, Washington – November 28, 2007 - Daybreak Oil and Gas, Inc. (OTC Pink Sheets: DBRM. PK) a Washington Corporation, is pleased to announce that over the past week, a drilling rig was contracted and moved on location in Tensas Parish, Louisiana to spud the Tensas Farms et al "F-2" well. Drilling is now underway at a current depth of 3,875 feet. This well is located approximately $\frac{3}{4}$ of a mile south of the "F-1" discovery and will be drilled to a total depth of approximately 8,300 feet. The primary objective of the "F-2" well is to test the oil leg of the Basal Tuscaloosa Formation that Daybreak encountered in each of the initial three wells drilled in this field; and, which has been productive in both the "F-1" and "F-3" wells.

Also, Daybreak reports that the "A-1" well, located approximately three miles northwest of the "F-2", is scheduled to be production-tested this week following final hook-up of the surface facilities. Completion equipment and down-hole perforating guns have previously been installed.

The current "F-2" well is the fifth in the Company's Basal Tuscaloosa play and is located within Daybreak'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 Oil and Gas is currently the Operator of this project and controls pipeline infrastructure in the immediate area for hookup into local sales lines.

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