

Daybreak Announces Operational Update at its East Slopes Project, Kern County California

SPOKANE, Washington, October 29, 2009 -- Daybreak Oil and Gas, Inc., (OTCBB:DBRM) (“Daybreak” or the “Company”) a Washington Corporation, is pleased to announce the following operational updates for its East Slopes Project in the San Joaquin Valley in California.

Construction Update

The Company’s production facilities at its East Slopes Project in Kern County, California has been substantially completed. Some electrical work is remaining, but the facilities are operational. The oil from the Company’s Sunday and Bear locations will be produced into this central facility.

Drilling Update

The Company plans to begin its development drilling program at its Bear location in its East Slopes Project in Kern County, California during November 2009, with several wells expected to be drilled before year-end. Several exploration wells are also being planned and will be drilled in the upcoming months.

James F. Westmoreland, President and Chief Executive Officer stated, “Getting the production facilities completed is a major milestone in the development of our Sunday and Bear locations. The ability to process our own oil at these facilities will substantially lower our operating cost now that we do not have to rely on rental equipment and temporary electrical power. We will also be able to continue the development of the Sunday and Bear locations now that we can process and store the additional production. This event will pave the way for us to get closer to profitability.”

Daybreak Oil and Gas, Inc. is an independent oil and gas company engaged in the exploration, development and production of oil and gas, with participating interests in projects located in California and Alabama.

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

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