

Daybreak Oil and Gas, Inc. Provides an Operational Update

SPOKANE, Washington, November 27, 2012 -- Daybreak Oil and Gas, Inc. (OTCBB:DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to give an operational update on its drilling plans for the East Slopes Project in Kern County, California. As part of the long-term oil development plan for this project area, the Company plans to drill five development wells and one exploration well. A drilling rig will arrive on location by the middle of December 2012. All six wells will be drilled consecutively with this rig.

Bear Location

The Company plans to drill three development oil wells in the currently producing Vedder sandstone reservoir. Daybreak has already constructed the locations, laid the flow lines and installed electrical service; which, will allow the wells to be put on production immediately after completion.

Black Location

The Company plans to drill one development oil well in this currently producing Vedder reservoir. The location has been constructed and is ready for the drilling rig.

Sunday Location

The Company plans to drill one development well in this currently oil-producing Vedder reservoir.

Chimney Prospect

The Company also plans to drill an exploration well to approximately 4,000 feet on the Chimney Prospect. This well will test the Vedder and the deeper Eocene sands. The well location is in the southern portion of the Company’s acreage position.

James. F. Westmoreland, President and Chief Executive Officer commented, “We are pleased to get started on our oil development program at East Slopes. Since we already have the infrastructure in place, the five development wells will immediately generate new cash flow as soon as the wells are completed. The Chimney exploratory well, if successful, will open up a new area for our future expansion as we continue to develop our proven acreage. With the information we get from these new wells, an additional development program will be planned for the near future.”

Daybreak Oil and Gas, Inc. is an independent oil and gas company engaged in the exploration, development and production of oil in California. The Company is headquartered in Spokane, Washington with an operations office in Friendswood, Texas. Daybreak owns a 3-D seismic survey that encompasses 20,000 acres over 32 square miles with approximately 13,000 acres under lease in the San Joaquin Valley of California.

For more information about Daybreak Oil and Gas, Inc., please visit the Company’s website at www.daybreakoilandgas.com.

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We have based these forward-looking statements on assumptions and analyses made in light of our experience and our perception of historical trends, current conditions, and expected future developments. However, you should be aware that these forward-looking statements are only our predictions and we cannot guarantee any such outcomes. Future events and actual results may differ materially from the results set forth in or implied in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: failure to negotiate and enter into a Loan as well as receive any funds; general economic and business conditions; exposure to market risks in our financial instruments; fluctuations in worldwide prices and demand for oil and natural gas; fluctuations in the levels of our oil and natural gas exploration and development activities; our ability to find, acquire and develop oil and gas properties, including the ability to develop the East Slopes Project prospects; risks associated with oil and natural gas exploration and development activities; competition for raw materials and customers in the oil and natural gas industry; technological changes and developments in the oil and natural gas industry; legislative and regulatory uncertainties, including proposed changes to federal tax law and climate change legislation, and potential environmental liabilities; our ability to continue as a going concern; and our ability to secure additional capital to fund operations. Additional factors that may affect future results are contained in our filings with the Securities and Exchange Commission (“SEC”) and are available at the SEC’s web site <http://www.sec.gov>. Daybreak Oil and Gas Inc. disclaims any obligation to update and revise statements contained in this press release based on new information or otherwise.