



**Daybreak Announces Second Oil Discovery at its East Slopes Project
in the San Joaquin Basin, California**

SPOKANE, Washington, March 10, 2009 -- Daybreak Oil and Gas, Inc., (OTC Bulletin Board: DBRM) ("Daybreak" or the "Company") a Washington Corporation, is pleased to announce that the Bear #1 well at the Company's East Slopes Project in the San Joaquin Basin near Bakersfield, California has been drilled to a total depth of 3,261 feet. Based on interpretation of log and sidewall core analysis, the well encountered approximately 26 feet of oil pay in the Vedder formation at 2,200 feet. Production casing has been set and the well will be completed and put on production in the near future. The results of a production test will be announced following completion.

Daybreak was appointed operator of the East Slopes Project effective March 1, 2009. A plan to develop this discovery, along with the previously announced discovery at our Sunday location, is being engineered. Permanent production facilities are being designed to optimize production handling of these two wells as well as other development wells. The Sunday #1 well is currently producing approximately 50 barrels of oil per day into temporary production facilities.

Upon completion of the Bear #1 well, Daybreak will have completed its four well exploration program, which will result in the Company earning a 25% interest in the East Slopes Project.

James F. Westmoreland, President and Chief Executive Officer, stated, "We are very pleased with the success of the initial four well exploration program. These discoveries have validated other exploration opportunities along the same trend as the Sunday and Bear locations. The discovery at Sunday and Bear have set up several development locations which we will begin drilling after the completion of the Bear well, which should take place within the next 30 days. Getting these discoveries developed and on production is a priority for Daybreak."

Daybreak Oil and Gas, Inc. is an independent oil and gas company engaged in the exploration, development and production of oil and gas. The Company holds projects in Alabama, California, and Louisiana.

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

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