

Daybreak Oil and Gas, Inc. Launches Six Well Drilling Program to Develop California Oil Project

SPOKANE, Washington, April 23, 2013 -- Daybreak Oil and Gas, Inc. (OTCBB: DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce the initiation of a six well drilling program at the East Slopes Project in Kern County, California, where the Company currently owns a working interest in 11 producing oil wells. As part of the long-term development plan for this project area, the Company plans to drill five development oil wells and one exploration well. Two drilling rigs will be utilized in this drilling program. The first of the rigs is currently being moved to the Bear #5 development location and should spud before the end of April, 2013. A larger rig is being contracted to drill the planned exploration well and may drill at least one of the development wells. This rig is expected to be available in the latter part of May, 2013. All of the development wells will be drilled on oil spacing units immediately adjacent to producing wells operated by Daybreak; and, all six drilling locations have been fully permitted by the State of California.

Bear-Producing Area

Daybreak plans to drill three development wells in the currently producing Vedder oil reservoir. The Company has already constructed the drilling locations, laid the production flow lines, and installed the electrical service. Two more potential locations have been identified for possible future drilling based on performance from these three wells. The Company will own a 37.5% working interest in each of these development wells.

Black-Producing Area

The Company plans to drill one development oil well in the currently producing Vedder reservoir. The location has been constructed and is ready for the drilling rig. Daybreak will own a 33.75% working interest in this development well.

Sunday-Producing Area

The Company plans to drill one development well in the currently producing Vedder oil reservoir. Additional wells may be drilled at a later date. The Company owns a 37.5% working interest in this well location.

Chimney-Prospect Area

As part of the ongoing exploration program, the Company also plans to drill an exploration well to approximately 4,000 feet at the Chimney Prospect. The proposed well, which will test the Vedder and the deeper Eocene sands, is located on a prospect identified using the extensive 3D seismic coverage. This well location is in the central portion of the Company’s leasehold acreage position, in the southern San Joaquin Basin.

James. F. Westmoreland, President and Chief Executive Officer, commented “We are very pleased to undertake this multi-well development program at East Slopes. Since we already have the field infrastructure in place, the five development oil wells should generate new cash flow as soon as the wells are completed. The Chimney exploration well, if successful, will open up a new area for our future expansion as we continue to develop our proven acreage.”

Daybreak Oil and Gas, Inc. is an independent oil and gas company engaged in the exploration, development and production of oil and gas 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 over

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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