

## **Daybreak Oil and Gas, Inc., Doubles Oil Production after Successful Drilling Program in California**

SPOKANE, Washington, July 18, 2013 -- Daybreak Oil and Gas, Inc. (OTCBB: DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce the production results from its recent drilling program at the East Slopes Project in Kern County, California. The Company drilled seven successful development wells during May and June 2013. All of these wells are now on production. The table below shows the current production rates:

<b>Well</b>	<b>Gross BOPD</b>	<b>Net BOPD</b>
Ball #2-11	28	9
Bear #5	25	7
Bear #6	25	7
Bear #7	15	5
Sunday #5	15	5
Sunday #6	16	5
Black #2	2	1
<b>Total New Wells</b>	<b>126</b>	<b>39</b>
<b>Total Old Wells</b>	<b>113</b>	<b>31</b>
<b>Current Production</b>	<b>239</b>	<b>70</b>

James. F. Westmoreland, President and Chief Executive Officer, commented, “We are pleased with the results of our latest drilling program. The Company achieved its goal of significantly increasing production and adding new producing oil reserves; thereby increasing its cash flow. As a result of this drilling program, four new development locations have been identified on our Ball lease. The production rates of all our wells are continually adjusted to achieve optimal production from our reservoirs. Planning is currently underway for a fall drilling program to include at least five development wells. Drilling is expected to begin in late October or early November 2013. Our East Slopes acreage is once again proving to be an increasingly valuable asset for the Company with only a portion of its potential having been exploited to date.”

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 20,000 acres over 32 square miles with approximately 13,000 acres under lease in the San Joaquin Valley of California.

More information about Daybreak Oil and Gas, Inc. can be found at [www.daybreakoilandgas.com](http://www.daybreakoilandgas.com).

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