

## **Daybreak Announces Production Results From First Two Wells in Development Program At California Oil Project**

SPOKANE, Washington, June 5, 2013 -- Daybreak Oil and Gas, Inc. (OTCBB: DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce production testing results from the Bear #5 and the Bear #6 wells. The Bear #5 well is currently producing at a rate of 25 barrels of oil per day. The Bear #6 well, drilled following the Bear #5, is also producing at a rate of 25 barrels of oil per day. Both wells are being produced on pumps at initially reduced rates which will be gradually increased over time. The Sunday #5, Sunday #6, and Black #2 wells are currently being production-tested. Results for these wells will be announced as soon as testing is completed.

The Chimney #1- 11 exploration well was drilled to 3,975 feet and encountered minor, but non-commercial oil pay in the shallow Vedder Sand; and, did not encounter oil pay in the deeper target sands. This wildcat exploration well was located approximately five miles from the Bear and Sunday development locations and has been plugged and abandoned. The drilling rig has been moved to drill the Ball #2-11 well which was spud on June 4, 2013. After the Ball #2-11 well is completed, the drilling rig will move to drill the Bear #7 development well, an additional well which was added to the current drilling program based on the successful results of the Bear #5 and Bear #6 wells.

James. F. Westmoreland, President and Chief Executive Officer, commented, “We are very pleased with the production testing results from the two Bear wells. As a result, we will now drill the Bear #7 well to further increase production from this program. By the end of this drilling program, we fully expect to more than double the current production from the first 11 producing wells. The Chimney #1-11 wildcat exploration well encountered a small amount of oil pay in the Vedder sand; however, it was too small for an economic venture. While we are disappointed in the Chimney results, we will continue to refine our continued exploration process, based on the data we gathered from this well, to further reduce the risk in future exploration prospects.”

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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