



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

SPOKANE, Washington, December 5, 2008 -- Daybreak Oil and Gas, Inc. (OTCBB: DBRM) ("Daybreak" or the "Company") a Washington Corporation, is pleased to announce that the Sunday # 1 well at the Company's East Slopes Prospect in the San Joaquin Basin near Bakersfield, California has been drilled to a total depth of 3,065 feet. Based on interpretation of logging results, the well encountered approximately 24 feet of oil pay in the Vedder formation at 2,000 feet. Production casing has been set and the well will be completed and tested; pending successful test results, the well will be put on production in the near future. The results of the tests will be announced following completion.

The Sunday # 1 well tested Vedder formation targets that were identified by 3-D seismic in a relatively unexplored area. The well encountered a highly porous and permeable sandstone reservoir which is expected to contain 15 to 25 degree crude oil. The oil produced out of this well will be sold to Chevron U.S.A. Inc. at competitive posted prices.

The drilling rig has moved to the Olancha # 1 location, also in the San Joaquin Valley, and drilling has begun. The Olancha well is the second well in a four well exploration program by Daybreak and its partners. Following the completion of the four well program, Daybreak will own a 25% working interest in the prospect.

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, Louisiana, and Texas.

For more information about Daybreak Oil and Gas Inc., please visit its website at [www.daybreakoilandgas.com](http://www.daybreakoilandgas.com).

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