

Daybreak Oil and Gas Reports Status of California Project

SPOKANE, Wash., October 30, 2008 -- Daybreak Oil and Gas, Inc. (OTC Bulletin Board: DBRM) ("Daybreak" or the "Company") a Washington Corporation, is pleased to report major progress in its East Slopes project located in the southern San Joaquin Basin near Bakersfield, California. As a result of meetings over the past several months, Daybreak and its partners have reached an agreement to proceed with initial exploratory drilling in Kern County. Notices of approval for three drilling permits have been issued by the California Division of Oil, Gas, and Geothermal Resources. The project operator has also submitted several additional "Notices of Intent" which are required prior to obtaining drilling permit approval. The joint venture group has recently secured a verbal commitment for a drilling rig which we expect to begin drilling operations in early November 2008. The surface location construction for the first two wells has been completed and a third location is currently being built.

The wells will be drilled to approximately 4,000 feet, where we expect to encounter multiple sands. Evaluation work on the 3-D seismic survey continues with further opportunities expected. The 3-D seismic survey was shot late last year by Chevron USA Inc. ("Chevron") to earn 50% of the joint venture project within a large area of mutual interest ("AMI") in the Southern San Joaquin Basin. Daybreak and its partners other than Chevron will drill four wells by December 2008 to earn 50% of Chevron's leases in the AMI. Daybreak and its partners own approximately 19,000 acres and will earn approximately 3,500 additional acres from Chevron after the first four wells are drilled. Daybreak will have a 25% working interest in the area of mutual interest following the drilling of the first four wells.

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.

Contact:

James F. Westmoreland Telephone: 281-996-4176 or 713-829-6062
President and CEO Email: jimw@daybreakoilandgas.com

"Safe Harbor" Statement under Private Securities Litigation Reform Act of 1995: Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Information contained herein contains "forward-looking statements" which can be identified by the use of forward-looking terminology such as "believe", "expect", "may", "should", "up to", "approximately", "likely", or "anticipates" or the negative thereof or given that the future results covered by such forward looking statements will be achieved. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.