

## **Daybreak Announces Successful Oil Well - Kicks Off Six Well Drilling Program to Develop California Oil Project**

SPOKANE, Washington, May 7, 2013 -- Daybreak Oil and Gas, Inc. (OTCBB: DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce the results of the first well in the initiation of a six well drilling program at the East Slopes Project in Kern County, California. The Bear #5 Well was drilled to 2,300 feet and encountered approximately 30 feet of oil pay in the Vedder Sand. The Well is currently being completed and will be put on production within a week. Production results will be announced following production testing. The Bear #5 Well will be produced into the Company’s Sunday Central Processing Facility nearby. The drilling rig has been moved to drill the Bear #6 Well, which was spud on May 6, 2013. The Bear #6 Well is the second well in the six well drilling program currently underway. The Company owns a 37.5% working interest in the Bear wells. The Company has contracted for a larger rig to drill its Chimney exploratory well and two of the development wells in the program. This rig is expected to be available during the latter part of May, 2013.

James. F. Westmoreland, President and Chief Executive Officer, commented “In preparation of our drilling program, we laid flow lines and provided electrical hook ups to all our development well locations. This will allow us to put our wells on production quickly as we get them completed; no other work will be needed. We should see immediate results in terms of production, including faster cash flow as a result of our pre-planning.”

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](http://www.daybreakoilandgas.com).

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