

Daybreak Continues Successful Development Program at its East Slopes Project in the San Joaquin Basin, California

SPOKANE, Washington, July 21, 2009 -- Daybreak Oil and Gas, Inc., (OTC Bulletin Board: DBRM) (“Daybreak” or the “Company”) a Washington Corporation, is pleased to announce that the Sunday #3 well at the Company’s East Slopes Project in the San Joaquin Basin near Bakersfield, California has been drilled to a total depth of 1,958 feet. Based on interpretation of log and sidewall core analysis, the well encountered approximately 20 feet of oil pay in the Vedder sand at 1,920 feet. The Sunday #3 well has been completed and is producing 80 barrels of oil per day.

James F. Westmoreland, President and Chief Executive Officer stated, “We have encountered sand production problems on the initial completions on all our wells at East Slopes. We now believe we have solved our sand problems with a different completion technique that we used on this well. We are very pleased with the results and will continue to use this completion technique on all future wells. Further development wells are being planned for later this summer. We are continuing construction of permanent production facilities and should be finished by the fourth quarter of this year.”

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 currently has participating interests in projects located in Alabama, California, and Louisiana.

For more information about Daybreak Oil and Gas, Inc., please visit its website at www.daybreakoilandgas.com.

Contact:

Ed Capko	Telephone: 815-942-2581
Investor Relations	Email: edc@daybreakoilandgas.com

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