Daybreak to Participate in Louisiana Gas Project

Spokane, Washington- March 30, 2006- Daybreak Oil and Gas, Inc. (OTC Bulletin Board: DBRM. OB) a Washington Corporation, today announced it has signed a letter of intent to participate with a 50% working interest in the drilling of the Krotz Springs Field. This prospect is located in St. Landry Parish, Louisiana, in south central Louisiana. Krotz Springs Field has been a prolific gas field throughout its 60 -year history.

Daybreak has access to an interpretation of 3-D seismic over the area and this data suggests that sizable gas reserves exist in the Third Cockfield Sand reservoir delineated by a 400 acre anomaly. An offsetting well drilled in 2005 penetrated exceptionally clean, porous and permeable sandstone within the upper portion of the Third Cockfield Sand. This well was in a downdip position far below the limits of production, within what appears on the seismic interpretation to be porous rock. Another well found reservoir pressure just outside the seismic anomaly. Depth to the target is approximately 11,000 feet. Daybreak anticipates it will drill the well in the fourth quarter this year.

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