



**Daybreak Announces Drilling Operations
at its East Slopes Prospect in San Joaquin Basin, California**

SPOKANE, Wash., November 21, 2008 -- Daybreak Oil and Gas, Inc. (OTC Bulletin Board: 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 begun drilling.

The Company and its partners have contracted with Nabors Drilling USA to drill the well. It is anticipated that the well will take approximately seven days to drill and evaluate. The results will be announced shortly thereafter.

The Sunday #1 well is expected to be drilled to approximately 3,000 ft. and is the first of a four well exploration program by Daybreak and its partners. The four wells were selected from the evaluation of a 3-D seismic program that was shot by Chevron U.S.A. Inc. ("Chevron") in late 2007 over an Area of Mutual Interest ("AMI") to which Daybreak and its partners contributed approximately 19,000 acres and Chevron contributed approximately 3,500 acres. Chevron funded the seismic program to earn a 50% interest in the acreage contributed by Daybreak and its partners. Daybreak and its partners in return agreed to drill four exploration wells to earn into the Chevron acreage. Following the completion of the four exploration wells, Chevron will own a 50% working interest and Daybreak will own a 25% working interest and 25% will be owned by the remaining partners.

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.

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