

## **Daybreak Oil and Gas, Inc. Announces Fourth Successful Oil Well in Kentucky**

SPOKANE, Washington, December 16, 2013 -- Daybreak Oil and Gas, Inc. (OTCQB:DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce that its fourth consecutive successful oil well has been drilled at the Twin Bottoms Field Project in Lawrence County, Kentucky. The Gerald Grove H-4 well was drilled to a measured depth (“MD”) of 4,163 feet and a true vertical depth (“TVD”) of 1,190 feet. Logs and other measurement data indicate that the horizontal section of the well bore encountered 2,609 feet of oil-bearing sandstone. The well is scheduled to be hydraulically fractured on December 20, 2013 with production to begin soon thereafter.

Furthermore, the Company is pleased to report that the recently-drilled Gerald Grove H-3 well, the second well drilled, was put on production on December 13, 2013. The daily stabilized rate will be announced once it is determined.

In addition, the third well drilled, the Dwight Dillon H-6 well, has been completed and is currently being hooked up to its production facility. First production from this well is expected to occur by year end.

The drilling rig has now been moved to the Gerald Grove H-5 well and it is currently drilling. The Company owns a 25% working interest in the Twin Bottoms Field.

James F. Westmoreland, President and Chief Executive Officer, commented, “We are very pleased with the continued success of drilling in Kentucky. The initial production has shown us that this project is going to be very profitable for Daybreak and its shareholders. We experienced some slight start-up delays in getting our second and third wells on production, primarily due to installing permanent power in rugged locations. With those obstacles out of the way, we now have enough infrastructure in place so that future wells can be placed on production in a more timely manner.”

Daybreak Oil and Gas, Inc. is an independent oil and gas company currently engaged in the exploration, development and production of oil and gas in California and Kentucky. The Company is headquartered in Spokane, Washington with an operations office in Friendswood, Texas. Daybreak owns a 3-D seismic survey that encompasses 20,000 acres over 32 square miles with approximately 13,000 acres under lease in the San Joaquin Valley of California. Daybreak also owns a 25% working interest in approximately 6,100 acres under lease in the Appalachian Basin in Lawrence County, Kentucky.

More information about Daybreak Oil and Gas, Inc. can be found at [www.daybreakoilandgas.com](http://www.daybreakoilandgas.com).

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