

Daybreak Oil and Gas, Inc. Continues Successful Drilling Program with Fifth Oil Well in Kentucky

SPOKANE, Washington, December 23, 2013 -- Daybreak Oil and Gas, Inc. (OTCQB:DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce that its fifth consecutive successful oil well has been drilled at the Twin Bottoms Field Project in Lawrence County, Kentucky. The Gerald Grove H-5 well was drilled to a measured depth (“MD”) of 4,609 feet and a true vertical depth (“TVD”) of 1,171 feet. Logs and other measurement data indicate that the horizontal section of the well bore encountered 3,026 feet of oil-bearing sandstone. The well is scheduled to be hydraulically fractured on December 30, 2013 with production to begin soon thereafter.

James F. Westmoreland, President and Chief Executive Officer, commented, “As we end the year we have drilled five successful oil wells in the Twin Bottoms Field and we are continuing to build the infrastructure to produce these and future wells. Daybreak is committed to this area and is executing plans to expand its position in the area. We are encouraged by the initial start-up of the Gerald Grove H-3 as it cleans up and produces back the completion fluids used in the hydraulic fracturing of the well. The initial well production rates will be announced very soon.”

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.

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