

Daybreak Oil and Gas, Inc. Announces Initial Production Rates on the Gerald Grove H-4 and H-5 Oil Wells in Kentucky

SPOKANE, Washington, February 28, 2014 -- Daybreak Oil and Gas, Inc. (OTCQB:DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce that the Gerald Grove H-4 and H-5 wells in Lawrence County, Kentucky, were placed on production on February 18, 2014. Each well is estimated to be producing 260 barrels of oil per day; however, the wells are being produced at a limited rate until de-bottlenecking infrastructure is completed in order to accommodate the sale of the associated natural gas produced along with the oil production.

James F. Westmoreland, President and Chief Executive Officer, commented, “We expect to complete the installation of a six inch gas pipeline and compressor in the field next week. This will allow us to gather and compress the natural gas that we are expecting to produce and sell with our current and future oil production. Due to the increased amount of natural gas being produced with our oil production, we have been unable to produce all of our wells as efficiently as possible. This new gathering line and compressor will alleviate that condition and will allow us to produce these oil wells on a 24 hour basis.

We also expect to begin a 20-well drilling program during the 2014 – 2015 fiscal year with initiation of the first four oil wells. A drilling rig is expected to arrive on the first location around March 15, 2014.”

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. The Company operates production from 20 wells in our East Slopes project area, Kern County, California. Daybreak also owns a 25% working interest in approximately 6,400 acres under lease in the Appalachian Basin in Lawrence County, Kentucky; where, we have recently participated in the drilling and completion of 5 producing oil wells in the Twin Bottoms field.

More information about Daybreak Oil and Gas, Inc. can be found at www.daybreakoilandgas.com.

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