

## **Daybreak Oil and Gas, Inc. Adds another Successful Well to Kick-off 2014 Kentucky Drilling Program**

SPOKANE, Washington, March 27, 2014 -- Daybreak Oil and Gas, Inc. (OTCQB:DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce that the Gerald Grove H- 7 oil well has been drilled at the Twin Bottoms Field in Lawrence County, Kentucky. The Gerald Grove H-7 oil well was drilled to a measured depth (“MD”) of 4,734 feet and a true vertical depth (“TVD”) of 1,209 feet. Logs and other measurement data indicate that the horizontal section of the wellbore encountered 3,284 feet of oil-bearing sandstone. The drilling rig is currently being moved to the Gerald Grove H-8 location, which will be the second well to be drilled in a planned 20-well development drilling program for the 2014 -2015 fiscal year at the Twin Bottoms Field in Lawrence County, Kentucky.

James F. Westmoreland, President and Chief Executive Officer, commented, “We are off to a good start with our drilling program for the year in Kentucky. The Gerald Grove H-7 and H-8 oil wells will be hydraulically fractured concurrently to the drilling of the Gerald Grove H-9 and H-10 oil wells. As these wells are all within close proximity of each other, we should be able to put them on production very quickly after completion operations have ceased.”

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 an average 25% working interest in five producing oil wells and has approximately 6,400 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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Certain statements contained in this press release constitute “forward-looking statements” as defined by the Securities and Exchange Commission. Such statements can be identified by the use of forward-looking terminology such as “believe,” “expect,” “may,” “should,” “up to,” “approximately,” “likely,” or “anticipates” or the negative thereof. These forward-looking statements are based on our current expectations, assumptions, estimates and projections for the future of our business and our industry and are not statements of historical fact. Such forward-looking statements include, but are not limited to, statements about our expectations regarding our financing, our future operating results, our future capital expenditures, our expansion and growth of operations and our future investments in and acquisitions of oil and natural gas properties. We have based these forward-looking statements on assumptions and analyses made in light of our experience and our perception of historical trends, current conditions, and expected future developments. However, you should be aware that these forward-looking statements are only our predictions and we cannot guarantee any such outcomes. Future events and actual results may differ materially from the results set forth in or implied in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: general economic and business conditions; exposure to market risks in our financial instruments; fluctuations in worldwide prices and demand for oil and natural gas; fluctuations in the levels of our oil and natural gas exploration and development activities; our ability to find, acquire and develop oil and gas properties, including the ability to develop the East Slopes Project prospects; risks associated with oil and natural gas exploration and development activities; competition for raw materials and customers in the oil and natural gas industry; technological changes and developments in the oil and natural gas industry; legislative and regulatory uncertainties, including proposed changes to federal tax law and climate change legislation, and potential environmental liabilities; our ability to continue as a going concern; and our ability to secure additional capital to fund operations. Additional factors that may affect future results are contained in our filings with the Securities and Exchange Commission (“SEC”) and are available at the SEC’s web site <http://www.sec.gov>. Daybreak Oil and Gas, Inc. disclaims any obligation to update and revise statements contained in this press release based on new information or otherwise.