

## **Daybreak Oil and Gas, Inc. Continues Oil Well Drilling Success in Kentucky**

SPOKANE, Washington, September 12, 2014 -- Daybreak Oil and Gas, Inc. (OTCQB:DBRM) (“Daybreak” or the “Company”), a Washington corporation, is pleased to announce the successful drilling of its tenth and eleventh horizontal oil wells at the Twin Bottoms Field in Lawrence County, Kentucky. The Raymond Lyons H-23 (“H-23”) oil well was drilled to a measured depth of 4,676 feet. Logs and other measurement data indicate that the horizontal section of the wellbore encountered 3,338 feet of oil-bearing sandstone. The Raymond Lyons H-24 (“H-24”) oil well was drilled to a measured depth of 4,933 feet. Logs and other measurement data indicate that the horizontal section of the wellbore encountered 3,547 feet of oil-bearing sandstone. The H-23 and the H-24 oil wells are scheduled to be hydraulically fractured on or about September 22<sup>nd</sup> and 29<sup>th</sup>, respectively. A central production facility will be built on the joint H-23 and H-24 location to service these and future wells. Due to the rough terrain, the facility construction cannot begin until these two wells are hydraulically fractured and completed. Initial production from the H-23 and H-24 oil wells is expected to occur near the end of October 2014. Once production is established, the Company will provide an update, however; stabilized production rates will not be provided until, at least, 45 days after first production.

The drilling rig will now be moved to the Hershel Cordell H-20 location. Following the drilling of that well, the drilling rig will be moved to the Dwight Dillon H-22 location as we continue our current development program.

James F. Westmoreland, President and Chief Executive Officer, commented, “In our initial evaluation of the Twin Bottoms Field we identified 40 drilling locations. Since then, we have steadily been adding to our acreage position, and based on our past drilling results, we have now identified over 60 total drilling locations. As we continue to expand our acreage position and evaluate our drilling results, we expect to add additional drilling locations that will provide a number of years of very low-risk drilling opportunities for the Company.”

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. We own a 3-D seismic survey that encompasses 20,000 acres over 32 square miles with approximately 6,500 acres under lease in the San Joaquin Valley of California. Daybreak operates production from 20 wells in our East Slopes project area, Kern County, California. We also own an average 25% working interest in nine producing oil wells and have approximately 7,300 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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