



Daybreak Oil and Gas, Inc.

OTC Pink:DBRM

For the Period Ended August 31, 2017

- **Shallow Crude Oil**
- **Large Acreage Positions in Kern County, CA and Central Michigan**
- **3-D Seismic in California**
- **Operator of the East Slopes Project in California**
- **Production Facilities in Place**
- **Low Cost Operator**
- **Proven Producing Oil Reserves**
- **3-D Seismic on Newly Acquired Acreage in Michigan**

Management Team

*James F. Westmoreland
President and CEO*

*Bennett Anderson
Chief Operating Officer*

Reserve Engineer

*PGH Petroleum & Environmental
Engineers, L.L.C.
Austin, TX*

Auditors

*MaloneBailey, LLP
Houston, TX*

Transfer Agent Computershare Trust Company, N.A.

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Daybreak Oil and Gas, Inc.

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Company Profile

Daybreak Oil and Gas, Inc. (the "Company" or "DBRM") is an independent crude oil producer. The Company is headquartered in Spokane Valley, Washington with an operations office in Friendswood, Texas. Daybreak owns a 3-D seismic survey that encompasses 20,000 acres over approximately 32 square miles in the San Joaquin Valley of California. Daybreak has recently acquired a 30% working interest in 1,400 acres in the Michigan Basin where we have two shallow crude oil prospects. On October 31, 2016, Daybreak sold its working interest position in the Twin Bottoms Field, comprising approximately 7,200 acres in two large contiguous blocks located in the Appalachian Basin of eastern Kentucky.

Business Strategy

Our basic business model is to increase shareholder value by finding and developing shallow low cost crude oil and natural gas reserves through exploration, development and acquisition activities.

To accomplish this we:

- use 3-D seismic and other advanced technologies to evaluate our acreage and prove our crude oil and natural gas reserves;
- apply advanced drilling and completion techniques to develop our crude oil and natural gas reserves; and
- utilize centralized facilities to produce and market our crude oil production in a low cost manner.

Our Properties

Our operations are focused on identifying, evaluating and acquiring prospective shallow, low cost crude oil and natural gas properties that provide economic returns to the Company in the current low crude oil and natural gas pricing environment.

California

- Approximately 3,700 acres under lease in Kern County, California
- 3-D seismic coverage over entire acreage position
- 381,070 barrels of proved crude oil reserves at February 28, 2017
- 20 producing crude oil wells
- Average of 36.6% working interest
- Low operating cost - under \$14 per barrel of crude oil at August 31, 2017

Michigan

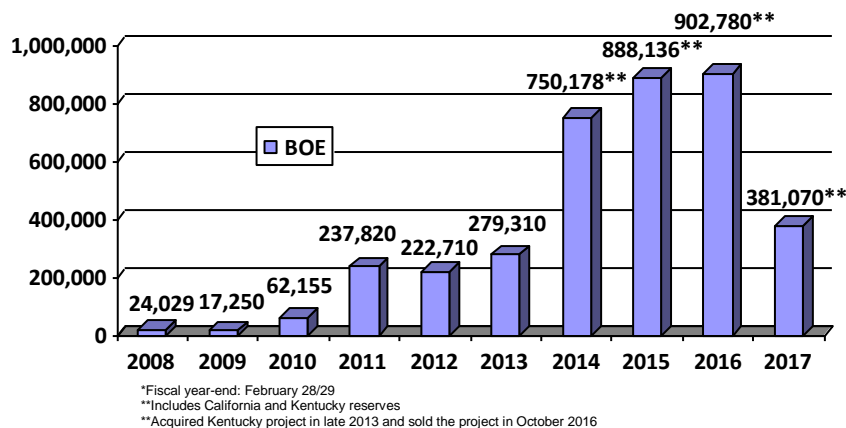
- Approximately 1,400 acres under lease
- Two shallow crude oil prospects identified with 2-D Seismic
- 3-D Seismic was obtained in January and February 2017. Results confirmed initial drilling locations.
- Initial well to be drilled by March 31, 2018
- 30% non-operated working interest

Operational Statistics

Production	Three Months Ended			
	August 31, 2017	May 31, 2017	February 28, 2017	November 30, 2016*
Production (BOE)	3,188	3,213	3,485	4,709
Revenue	\$ 135,039	\$ 133,724	\$ 151,305	\$ 174,028
LOE Expenses	\$ 44,457	\$ 47,768	\$ 41,348	\$ 57,055
Average Price Per BOE	\$ 42.36	\$ 41.62	\$ 43.42	\$ 36.96
Average LOE Cost Per BOE	\$ 13.95	\$ 14.87	\$ 11.86	\$ 12.12

*Includes California and Kentucky production

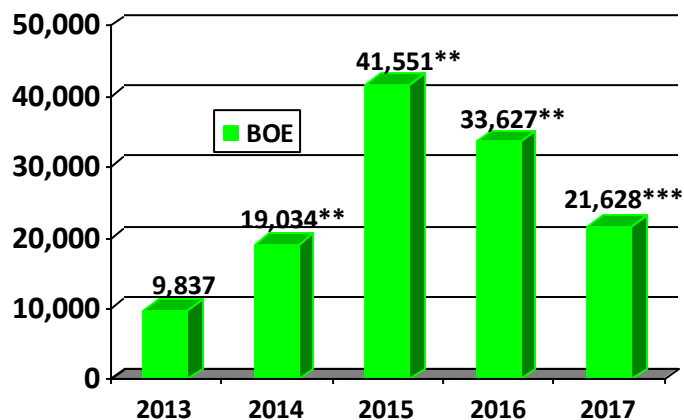
Reserve Growth*



Reserve Summary Cash Flow ⁽¹⁾			
February 28, 2017*			
	Total Oil Equivalents (BOE)	Non-Discounted	Discounted 10%
Proved Producing	99,710	\$ 1,135,680	\$ 781,730
Proved Undeveloped	281,360	\$ 3,080,410	\$ 940,610
Total Proved	381,070	\$ 4,216,090	\$ 1,722,340

*Fiscal year-end: February 28/29
 (1) Does not include Kentucky reserves of 486,937 BOE, which were sold in October 2016

Yearly Production*



*Fiscal year-end: February 28/29
 **Includes California and Kentucky production
 ***Includes 10 months of Kentucky production

"Safe Harbor" Statement under Private Securities Litigation Reform Act of 1995: Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Information contained herein contains "forward-looking statements" which can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "should," "up to," "approximately," "likely," "plan," "estimate," or "anticipates" or the negative thereof or given that the future results covered by such forward-looking statements will be achieved. 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 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.

The Securities and Exchange Commission (the "SEC") requires crude oil and natural gas companies, in filings made with the SEC, to disclose proved reserves, which are those quantities of crude oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, under existing economic conditions, operating methods, and governmental regulations. Beginning with year-end reserves for 2009, the SEC permits the optional disclosure of probable and possible reserves. We may elect to use in this presentation, but not in our Annual Report on Form 10-K, "probable" reserves and "possible" reserves, excluding their valuation. The SEC defines "probable" reserves as "those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC defines "possible" reserves as "those additional reserves that are less certain to be recovered than probable reserves." Statements of reserves are only estimates and may not correspond to the ultimate quantities of crude oil and natural gas recovered. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC's latest reserve reporting guidelines. Investors are urged to consider closely the disclosure in Daybreak's Annual Report on Form 10-K for the fiscal year ended February 28, 2017. You can obtain this report from the Daybreak website at www.daybreakoilandgas.com or from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov.

The SEC's rules prohibit us from including in filings with the SEC estimates of resources. Our resource estimations include estimates of hydrocarbon quantities for (i) new areas for which we do not have sufficient information to date to classify as proved, probable or even possible reserves and (ii) other areas to take into account the low level of certainty of recovery of the resources. Resource estimates do not take into account the certainty of resource recovery and are therefore not indicative of the expected future recovery and should not be relied upon. Resource estimates might never be recovered and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors.

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 crude oil and natural gas; fluctuations in the levels of our crude oil and natural gas exploration and development activities; our ability to find, acquire and develop crude oil and natural gas properties, including the ability to develop all of our prospects; risks associated with crude oil and natural gas exploration and development activities; competition for raw materials and customers in the crude oil and natural gas industry; technological changes and developments in the crude 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 future operations. Additional factors that may affect future results are contained in our filings with the 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 document based on new information or otherwise.