

WALLACE, Idaho, April 6, 2026 - Daybreak Oil and Gas, Inc. (OTCMarkets – Expert Market: DBRM) (“Daybreak”, the “Company”, “we”, “our” or “us”), a Washington corporation, is providing an update on operations and recent changes.

Cost-Saving Measures

Over the past eighteen months, a period of lower revenue, the Company has taken decisive steps to control our operating and administrative expenses. These steps have included: staff reductions, implementing temporary across-the-board salary reductions, and a pause on filing 10-Q and audited 10-K financial statements with the SEC. These steps have allowed us to preserve our minimal cash flow and to help keep us operational amid tough industry headwinds.

Financial Reporting

To lower our administrative expenses, Daybreak has not engaged a PCAOB registered auditor for the fiscal years ended February 29, 2024 and February 28, 2025 and 2026. In an effort to maintain transparency, we plan to post on our website the unaudited financial statements for these periods.

OTC Markets

We are exploring a return to more active OTC trading of our common stock, which would potentially include a move from the Expert Market back to the Pink Sheets. This would improve liquidity and reach for our shareholders.

California Drilling Permits

California Senate Bill 237, signed by Governor Gavin Newsom on September 19, 2025, is designed to streamline the drilling permit process in Kern County. Effective January 1, 2026, CalGEM can annually approve up to 2,000 new oil well drilling permits for the next 10 years. The applications for these permits would be exempt from additional reviews under CEQA, if they comply with county and state rules. The limit is a cap, not a mandate or quota. Approvals will be on first-come, first-served basis. We are preparing permits for submission to CalGEM, but we will need to raise fresh capital, if we want to drill.

Production Update

Our Kern County production is fairly steady, though it is slowly declining. Our former buyer exited the California crude oil market in August of 2025 and since then Daybreak and other crude oil producers have had to accept pricing agreements that are not as favorable as they have been in the past. Refinery shutdowns and pipeline availability continue to complicate the marketing of our production. We continue to explore options to increase our margins.

Additional information about Daybreak can be found at www.daybreakoilandgas.com.

Contact:

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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 crude 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 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 the East Slopes Project, the Reabold Project or any other projects; 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 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.