



DAYLIGHT RESOURCES TRUST REPORTS FIRST QUARTER 2010 OPERATING AND FINANCIAL RESULTS - Cardium Oil Success in Pembina Provides Momentum for Future Growth

Calgary, May 5, 2010 – (DAY.UN-TSX) Daylight Resources Trust ("Daylight", the "Trust" or the "Company") announces operating and financial results for the first quarter of 2010 ("Q1 2010") that continue the execution of our growth strategy. Full copies of our Q1 2010 financial statements and management's discussion and analysis ("MD&A") have been filed on our website at www.daylightenergy.ca and under our profile on SEDAR at www.sedar.com.

OPERATIONAL UPDATE

On April 20, 2010, Daylight provided a Q1 2010 operational update detailing our exceptional Cardium oil drilling results in Pembina and also included an update with respect to our most recent natural gas successes in both the Cadomin and Nikanassin zones. Daylight is pleased to report that our current net oil production in Pembina from the first 5 (4.7 net) Pembina Cardium horizontal oil wells is approximately 1,800 barrels of oil equivalent ("boe") per day, including our first Tomahawk well which is still producing at over 1,000 boe per day and has produced over 60,000 barrels of new oil since mid-March 2010.

Based on our high level of success in the Cardium to date, Daylight has allocated an increased portion of our \$300 million 2010 capital budget to Cardium horizontal oil opportunities. Specific capital guidance will be issued upon closing of our proposed acquisition of West Energy Ltd. ("West"), which is anticipated to occur on or about May 12, 2010.

In the April 20, 2010 update, Daylight also announced that our latest Cadomin horizontal well (45% WI) had attained a first week calendar day initial production rate of 13 million cubic feet ("mmcf") per day. Daylight has now followed up this well with a new location (70% WI) that has attained an initial production rate of 14 mmcf per day. Given our recent success in the Cardium combined with recent weakness in natural gas prices, as previously announced, Daylight is electing to defer the tie-in and start-up of several of our resource play natural gas wells with a total expected initial production rate deferral of over 20 mmcf per day. This will allow Daylight to take advantage of the strong initial flow rates of these wells at a later time when natural gas prices are expected to be stronger.

Daylight's continuing track record of success, our balance between oil and natural gas production and our broad base of oil, liquids rich natural gas and resource play natural gas opportunities position us for a very bright future as a dividend paying growth-oriented corporation. Daylight's 2010 Annual and Special Meeting will be held on May 6, 2010, where our unitholders will be asked to consider, among other things, the proposed conversion of Daylight to a corporation. Daylight will provide guidance on anticipated monthly dividend payments shortly thereafter.

Q1 2010 STRATEGIC HIGHLIGHTS

- Announced agreement to acquire West, increasing oil leverage to 45% and greatly increasing our inventory of Pembina Cardium oil prospects.
- Acquired 40 sections of 100% WI lands in our core natural gas resource play area of Elsworth for \$5.5 million, on trend with several recent successful wells.
- Hedged 45,000 GJ of natural gas at Cdn\$5.69 per GJ (Cdn\$6.01 per mcf) for the period April 1, 2010 to March 31, 2011.
- Closed \$172.5 million convertible debenture financing.

Q1 2010 FINANCIAL & OPERATING RESULTS

Operations

- Recorded Q1 2010 production volumes of 39,760 boe per day, representing an increase of 4% from Q4 2009 and 74% from Q1 2009. Daylight maintains its 2010 production guidance of 40,000 to 42,000 boe per day excluding the impact of the proposed West acquisition. Daylight will be adjusting our guidance based on the impact of West shortly after close of the transaction which is expected to occur on or about May 12, 2010.
- Capital expenditures of \$94.3 million during Q1 2010. Daylight has guided total capital spending of \$300 million in 2010 with a primary focus on horizontal Cardium oil wells in Pembina and Pine Creek.
- Daylight's operating costs decreased by 6% in Q1 2010 to \$10.86 per boe as compared to Q4 2009. Daylight's operating costs are expected to remain between \$10.50 and \$11.00 per boe for the remainder of 2010 as Daylight adds production in our lower cost key resource play areas.

Commodity Prices

- Average price received for natural gas increased to \$5.29 per mcf from \$4.76 per mcf for Q4 2009, an increase of 11%.
- Average price received for light oil improved to \$77.57 per bbl for Q1 2010, a 5% increase over Q4 2009.
- Average price received for heavy oil improved to \$66.20 per bbl for Q1 2010, an increase of 5% over Q4 2009.
- Average price received for natural gas liquids ("NGLs") was \$62.12 per bbl for Q1 2010, an increase of 15% over Q4 2009.

Financials

- Revenue for Q1 2010 increased 9% to \$170.9 million from \$156.7 million in Q4 2009.
- Funds from operations decreased to \$66.4 million during Q1 2010 from \$72.2 million in Q4 2009.
- Royalty rates for Q1 2010 increased to 28.2% of revenue compared to 26.9% of revenue in Q4 2009.
- Daylight declared a \$0.08 per unit per month distribution for each of the three months ended March 31, 2010 and for the April 30, 2010 record date.
- Payout ratio for Q1 2010 was 63%.
- Operating netback of \$22.53 per boe for Q1 2010 compared to \$25.13 per boe for Q4 2009.

Balance Sheet

- Maintained our strong financial position with a net debt to annualized funds from operations ratio of 1.0 times at March 31, 2010.
- Bank debt decreased to \$120.8 million at the end of Q1 2010 from \$260.2 million at the end of Q4 2009. Daylight's banking syndicate has confirmed that it will increase Daylight's current \$500 million credit facility to \$650 million upon completion of the acquisition of West.

FIRST QUARTER FINANCIAL AND OPERATIONAL RESULTS

Financial	Q1	Q4	Q1
(CDN\$ thousands, except unit, per unit and operational data)	2010	2009	2009
Petroleum and natural gas revenues	\$ 170,934	\$ 156,695	\$ 71,893
Operating netback	80,606	88,299	56,316
Funds from operations ⁽¹⁾	66,439	72,162	44,895
Per unit – Basic	0.38	0.42	0.50
– Diluted	0.36	0.40	0.45
Cash distributions declared	41,820	41,811	21,657
Per unit	0.24	0.24	0.24
Payout ratio ⁽¹⁾	63%	58%	48%
Capital expenditures	94,253	76,928	59,413
Units outstanding (000s)			
Basic	174,278	174,216	90,239
Diluted	206,216	189,831	106,517
Operational			
Average daily production			
Natural gas (mcf/d)	144,754	136,412	91,668
Light oil (bbls/d)	10,025	9,926	3,935
Heavy oil (bbls/d)	1,969	2,026	2,117
NGLs (bbls/d)	3,640	3,510	1,480
Oil & NGLs (bbls/d)	15,634	15,462	7,532
Combined (boe/d)	39,760	38,197	22,810
Average prices received			
Natural gas (\$/mcf)	\$ 5.29	\$ 4.76	\$ 5.24
Light oil (\$/bbl)	77.57	74.11	46.17
Heavy oil (\$/bbl)	66.20	63.10	37.57
NGLs (\$/bbl)	62.12	54.19	38.81
Oil & NGLs (\$/bbl)	\$ 72.54	\$ 68.14	\$ 42.31
Combined (\$/boe)	\$ 47.77	\$ 44.59	\$ 35.02
\$ per boe			
Petroleum and natural gas revenues	\$ 47.77	\$ 44.59	\$ 35.02
Royalties	(13.47)	(12.00)	(6.87)
Realized gain on derivative contracts	-	4.96	12.32
Operating expenses	(10.86)	(11.53)	(11.91)
Transportation expenses	(0.91)	(0.89)	(1.13)
Operating netback ⁽¹⁾	\$ 22.53	\$ 25.13	\$ 27.43
G&A – cash charge	(1.83)	(3.14)	(3.35)
Cash financial charges	(2.13)	(1.46)	(2.21)
Funds from operations ⁽¹⁾	\$ 18.57	\$ 20.53	\$ 21.87

Per boe amounts may not add exactly due to rounding.

⁽¹⁾ See "Non-GAAP Measures" below.

Daylight is a growing intermediate oil and natural gas producing company with a high quality suite of resource play assets in Western Canada. Our highly focused team utilizes our technical expertise in exploitation, development and acquisitions to create long-term value for our unitholders. Our team has developed a multi-year inventory of repeatable, low risk exploitation resource play projects with substantial potential reserve additions on assets we currently own and control in the premier Deep Basin area of Alberta and British Columbia.

Daylight has approximately 175 million trust units currently outstanding which trade on the TSX under the symbol DAY.UN. Daylight Series B, C and D convertible debentures trade on the TSX under the symbols DAY.DB.B, DAY.DB.C, DAY.DB.D, respectively.

Consolidated Financial Statements and MD&A

Q1 2010 consolidated financial statements and notes to the consolidated financial statements, along with the MD&A for Daylight, have been filed on our website at www.daylightenergy.ca and under our profile on SEDAR (www.sedar.com).

For further information regarding this news release or to receive a copy of our Q1 2010 interim report, please contact our investor relations department at Toll Free 1-877-266-6901 or email ir@daylightenergy.ca.

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Information Regarding Disclosure in This News Release

The term "boe" is utilized by Daylight in relation to reserves or production to combine the volumetric measures of natural gas, light oil, heavy oil and NGLs to a common "barrel of oil equivalent" term of measurement. Natural gas volumes have been converted at the ratio of 6,000 cubic feet of natural gas to one boe and this conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Light oil, heavy oil and NGLs have been converted at the ratio of one barrel of these liquids to one boe. Use of the terms boe and amounts per boe without reference to the underlying commodity may be misleading.

Production volumes and revenues are reported on a gross basis, before the deduction of Crown and other royalties, unless otherwise stated.

Advisory Regarding Forward-Looking Information and Statements

This news release contains statements that constitute forward-looking statements and forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plan", "forecast", "intend" and similar expressions are intended to identify forward-looking statements.

More particularly and without limitation, this news release contains forward-looking statements concerning the proposed acquisition of West (the "West Acquisition"), the completion of the West Acquisition, the proposed conversion of Daylight to a corporation (the "Conversion"), the business of Daylight following completion of the Conversion and anticipated future commodity pricing.

The forward-looking statements in this news release are based on certain key expectations and assumptions made by Daylight, including expectations and assumptions concerning: timing of receipt of all regulatory, court and other third party approvals and satisfaction of conditions in order to complete the Conversion and the West Acquisition, the ability of Daylight to achieve the benefits of the West Acquisition, future commodity prices, future availability of tax pools, the performance of existing wells, the success obtained in drilling new wells, application of existing technologies and future advancements in technology to Daylight's operations and drilling activities, the sufficiency of budgeted capital expenditures in carrying out planned activities and the availability and cost of labour and services. Although Daylight believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Daylight can give no assurance that they will prove to be correct.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the oil and gas industry in general such as: operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to reserves, production, costs and expenses, health, safety and environmental risks, commodity price and exchange rate fluctuations, marketing and transportation of petroleum and natural gas and loss of markets, environmental risks, competition, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, ability to access sufficient capital from internal and external sources, failure to obtain required regulatory, shareholder and other third party approvals for the Conversion, and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations. There are risks also inherent in the nature of the proposed West Acquisition, including: failure to realize anticipated synergies, risks regarding the integration of the two entities, incorrect assessments of the values of West, and failure to obtain the required shareholder, court, regulatory and other third party approvals (or to do so in a timely manner).

Readers are cautioned that the foregoing list of risks and assumptions is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Daylight, the Conversion and the West Acquisition are included in reports on file with applicable securities regulatory authorities, including but not limited to the Daylight's annual information form for the year ended December 31, 2009 and the Notice of Annual and Special Meeting and Information Circular and Proxy Statement dated April 7, 2010, each of which may be accessed on Daylight's SEDAR profile at www.sedar.com. The forward-looking statements contained in this news release are made as of the date hereof and Daylight undertakes no obligation to update publicly or revise any forward-looking statements whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

(1) Non-GAAP Measures

Throughout this news release we use the terms "funds from operations", "funds from operations per unit", "payout ratio", and "operating netback". "Funds from operations" and "funds from operations per unit" are terms utilized by Daylight to evaluate operating performance and assess leverage. A reconciliation of cash provided by operating activities to funds from operations is set forth in the Q1 2010 MD&A under the heading "Non-GAAP Measures". "Payout ratio" is a term utilized to evaluate financial flexibility and the capacity to fund distributions. Payout ratio is defined on a percentage basis as distributions declared divided by funds from operations. "Operating netback" is a term utilized by Daylight to evaluate the operating performance of petroleum and natural gas assets. The term operating netback is defined as petroleum and natural gas revenues less royalties, realized gain (loss) on derivative contracts, operating and transportation expenses.

Such terms do not have a standardized meaning or definition as prescribed by Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with calculations of similar measures by other entities. Refer to the "Non-GAAP Measures" section of the MD&A from Q1 2010 for further information.