

DAYLIGHT ENERGY COMPLETES SALE OF NON-CORE EASTERN ALBERTA OIL AND NATURAL GAS ASSETS, PROVIDES PRODUCTION UPDATE AND DECLARES Q3 2010 DIVIDENDS

Calgary, July 14, 2010 - Daylight Energy Ltd. ("Daylight" or the "Corporation") (DAY-TSX) is pleased to announce it has completed the previously announced sale of certain non-core heavy oil and natural gas assets in Eastern Alberta to Gear Energy Ltd. ("Gear") for aggregate consideration of \$125 million, consisting of \$100 million in cash and \$25 million in equity. Gear Energy Ltd. is a private Calgary-based oil and gas company led by Don Gray (Executive Chairman) and Rick Braund (Director), previously co-founders of Peyto Energy Trust, and Ingram Gillmore (President & CEO) former VP Engineering at ARC Energy Trust. After application of the cash proceeds from this sale, Daylight will have approximately \$300 million drawn against its credit facility.

Production Update

Field estimates during Q2 2010 indicate that Daylight achieved record production of 42,250 boe per day during the quarter, an increase of approximately 6% over Q1 2010 volumes. This increase includes the production volumes associated with the acquisition of West Energy Ltd. ("West") effective May 12, 2010 and the impact of our successful capital program through the first half of 2010. In spite of unusually wet conditions in Daylight's key Pembina property, the Corporation is pleased to announce that drilling and completion operations are now underway at four locations for light oil horizontal multi-stage frac wells. Daylight is continuing to actively pursue our Pembina Cardium light oil development with production from our initial 9 (8.4 net) Cardium wells drilled during 2010 continuing to exceed expectations at over 1,700 boe per day for Q2 2010. Daylight anticipates releasing our full Q2 2010 financial and operating results after close of trading on Tuesday, August 3, 2010.

Guidance Updated

Daylight is revising our production guidance to 42,000 to 43,000 boe per day for 2010, with an exit rate of approximately 45,000 boe per day to reflect the closing of the non-core asset sale. It is anticipated that Daylight's leverage to oil and natural gas liquids will be approximately 45% for the remainder of 2010.

Cash Dividends Maintained

Daylight's Q3 dividends are maintained at our existing level of \$0.05 per share per month. Details of these dividends are as follows:

Record Date	Ex-Dividend Date	Dividend Payment Date	Dividend Per Share*
July 30, 2010	July 28, 2010	August 16, 2010	\$0.05
August 31, 2010	August 27, 2010	September 15, 2010	\$0.05
September 30, 2010	September 28, 2010	October 15, 2010	\$0.05

* The dividend is considered an "eligible dividend" for tax purposes.

Daylight expects to pay a sustainable dividend on a monthly basis, provided however that any decision to pay dividends on the common shares will be made by the Board of Directors on the basis of

Daylight's funds from operations, earnings, financial requirements, commodity price levels, legal requirements and other conditions existing at such future times. Daylight currently intends to designate all dividends to be "eligible dividends" for the purposes of the *Income Tax Act* (Canada) such that shareholders who are individuals will benefit from the enhanced gross-up and dividend tax credit mechanism under the *Income Tax Act* (Canada).

Daylight is a growing intermediate oil, liquids rich natural gas and resource play natural gas producing company with a high quality suite of diverse assets in Western Canada. Daylight's highly focused team utilizes technical expertise in exploitation, development and acquisitions to create long-term value for shareholders. The Daylight team has developed a multi-year inventory of repeatable, low risk exploitation resource play projects with substantial potential reserve additions on assets owned and controlled in the premier Deep Basin area of Alberta and Northeast British Columbia. Daylight has approximately 204 million Daylight Shares currently outstanding which trade on the Toronto Stock Exchange ("TSX") under the symbol DAY. Daylight Series B, Series C, and Series D convertible debentures trade on the TSX under the symbols DAY.DB.B, DAY.DB.C and DAY.DB.D, respectively.

An updated corporate presentation is available on Daylight's website at www.daylightenergy.com.

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Forward-Looking Information and Statements

This press release contains forward-looking statements and forward-looking information 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", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward-looking statements and information concerning; anticipated production levels for the balance of 2010; exit production rates for 2010 and production levels by commodity type; and expectations regarding future dividends declared and paid on the common shares.

The forward-looking statements and information in this press release are based on certain key expectations and assumptions made by Daylight, including expectations and assumptions concerning: prevailing and future commodity prices and exchange rates; applicable royalty rates and tax laws; future well production rates; the

performance of existing wells; application of existing technologies and future advancements in technology to Daylight's operations and drilling activities; the success obtained in drilling new wells; the inventory of new drilling locations; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the receipt, in a timely manner, of regulatory and third party approvals.

Although Daylight believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Daylight can give no assurance that they will prove to be correct. There is no representation by Daylight that actual results achieved during the periods identified in this press release will be the same in whole or in part as those forecast.

Since forward-looking statements and information 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 and resource (including original oil in place) estimates; the uncertainty of estimates and projections relating to 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; risks associated with utilizing existing technologies and future technological advancements in Daylight's operations and drilling activities; failure to realize the anticipated benefits of acquisitions; risks regarding the integration of acquired entities and assets; incorrect assessment of the values of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other third party approvals; and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations. Readers are cautioned that the foregoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect the business, operations or financial results of Daylight are included in reports on file with applicable securities regulatory authorities, including but not limited to Daylight Resources Trust's Annual Information Form for the year ended December 31, 2009 and Daylight Resources Trust's Notice of Annual and Special Meeting and Information Circular and Proxy Statement dated April 7, 2010, each of which may be accessed on Daylight Resources Trust's (the predecessor to Daylight) SEDAR profile at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Daylight undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Barrels of Oil Equivalent

"Boe" or "barrel of oil equivalent" means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.