



Q1 For three months ended March 31, 2008

www.daylightenergy.ca

DAYLIGHT RESOURCES TRUST REPORTS FIRST QUARTER 2008 FINANCIAL AND OPERATING RESULTS – TRUST INCREASES CAPITAL PROGRAM AND BOOSTS PRODUCTION GUIDANCE BASED ON STRONG DRILLING AND FINANCIAL RESULTS

MESSAGE TO UNITHOLDERS

Daylight Resources Trust ("Daylight" or the "Trust") is pleased to report financial and operating results for the three months ended March 31, 2008 ("Q1 2008").

The Trust continues to build on positive financial and operating momentum established during the last half of 2007.

DAYLIGHT RESOURCES TRUST – HIGHLIGHTS

Q1 2008 Drilling Program Exceeds Expectations, Drives Current Production to over 22,000 Boe per day

- Daylight drilled 22 gross (8.9 net) wells with a 96% drilling success rate during Q1 2008 including 6 gross (5.1 net) wells in Elsworth
- Successful Q1 2008 drilling program, regulatory approvals and continued success in our production optimization program drives increase in current production to over 22,000 boe per day
- Initial production results from Elsworth tight gas play exceed expectations
- Current production includes the impact of Daylight's exploration farmouts which generated 500 boe per day of net production late in Q1 2008

Increased Capital Program and Production Guidance

- Capital program success and strong financial results drive increase in 2008 capital budget to \$140 million
- Strong production performance and increased capital program boosts production guidance to 20,750 – 21,250 boe per day for 2008

Strong Improvement to Financials and Balance Sheet Continues

- Q1 2008 funds from operations up 24% from Q4 2007 and up 37% from Q1 2007 to \$58.7 million
- Q1 2008 operating netback up 25% from Q4 2007 and up 41% from Q1 2007 to \$38.16 per boe
- Balance sheet strengthens as ratio of net debt to annualized funds from operations falls to 1.4 times
- Daylight's credit facility increased to \$350 million from \$300 million at year end based on the success of our capital program
- Funds from operations are anticipated to fully finance our cash distributions and our increased 2008 capital program of \$140 million, at WTI US\$95.00/bbl, AECO Cdn\$8.00/mcf, and an exchange rate of US\$ to Cdn\$ of 1.00 for 2008

Conservative Payout Ratio Continues

- Q1 2008 payout ratio improves to 40% from 49% during Q4 2007 and 80% during Q1 2007
- Payout ratio expected to continue in top quartile, supported by strong production and commodity prices

DAYLIGHT RESOURCES TRUST

FIRST QUARTER FINANCIAL AND OPERATIONAL RESULTS

Financial	Q1	Q4	Q1
(CDN\$ thousands, except unit, per unit and operational data)	2008	2007	2007
Petroleum and natural gas revenues	\$ 113,986	\$ 99,718	\$ 91,982
Operating netback	68,763	57,919	51,965
Funds from operations	58,667	47,479	42,833
Per unit – Basic	0.75	0.61	0.57
– Diluted	0.66	0.54	0.57
Cash distributions declared	23,333	23,296	34,114
Per unit	0.30	0.30	0.45
Payout ratio	40%	49%	80%
Capital expenditures	43,630	29,089	20,677
Units outstanding (000s)			
Basic	77,914	77,657	76,542
Diluted	94,096	93,850	77,597
Operational			
Average daily production			
Natural gas (mcf/d)	67,691	71,187	78,556
Light oil (bbls/d)	5,174	4,964	4,310
Heavy oil (bbls/d)	2,181	2,488	2,504
NGLs (bbls/d)	1,167	1,266	1,449
Oil & NGLs (bbls/d)	8,522	8,718	8,263
Combined (boe/d)	19,804	20,583	21,356
Average prices received			
Natural gas (\$/mcf)	\$ 7.92	\$ 6.45	\$ 7.31
Light oil (\$/bbl)	91.40	81.84	61.34
Heavy oil (\$/bbl)	71.54	53.50	42.50
NGLs (\$/bbl)	74.91	64.99	54.31
Oil & NGLs (\$/bbl)	\$ 84.06	\$ 71.31	\$ 54.40
Combined (\$/boe)	\$ 63.25	\$ 52.66	\$ 47.86
Petroleum and natural gas revenues (\$/boe)	\$ 63.25	\$ 52.66	\$ 47.86
Royalties (\$/boe)	(12.06)	(9.96)	(8.45)
Realized gain (loss) on commodity derivatives (\$/boe)	-	1.13	0.01
Operating expenses (\$/boe)	(12.08)	(12.18)	(11.43)
Transportation (\$/boe)	(0.95)	(1.07)	(0.95)
Operating netback (\$/boe)	\$ 38.16	\$ 30.59	\$ 27.04
G&A – cash charge (\$/boe)	(2.04)	(1.97)	(2.00)
Cash financial charges (\$/boe)	(3.56)	(3.55)	(2.75)
Funds from operations (\$/boe)	\$ 32.56	\$ 25.07	\$ 22.29

Per boe amounts may not add exactly due to rounding

Production Update

- Q1 2008 production volumes were 19,804 boe per day while current Trust production exceeds 22,000 boe per day based on several positive factors including: stronger than expected results from the Elmworth horizontal tight gas Cadomin program, regulatory approval of Good Production Practice ("GPP") for the Cecil Kiskatinaw light oil play and a successful Edmonton Sands recompletion program in Sylvan Lake.
- Current Trust production was also positively impacted by the startup of the first wells associated with the farmout of certain exploratory lands. Initial production of 500 net boe per day came on late in Q1 2008. Additional tie-ins are anticipated after spring breakup.
- Q1 2008 production volumes were adversely affected by severe cold weather related production issues in Wildmere and Sylvan Lake and a delay in receiving GPP approval for Cecil until late in Q1 2008.

Funds from Operations

- Funds from operations for Q1 2008 increased to \$58.7 million from \$47.5 million for Q4 2007 and \$42.8 million for Q1 2007.
- Increased funds from operations for Q1 2008 were primarily attributable to higher commodity prices more than offsetting slightly lower production levels.
- Average price received for natural gas improved to \$7.92/mcf for Q1 2008, a 23% increase over Q4 2007 and a 2% premium to AECO. The natural gas price for Q1 2008 was 8% higher than the price received during Q1 2007.
- Average price received for light oil improved to \$91.40/bbl for Q1 2008, a 12% increase over Q4 2007. The light oil price for Q1 2008 was 49% higher than the price received during Q1 2007.
- Average price received for heavy oil improved substantially to \$71.54/bbl for Q1 2008, an increase of 34% over Q4 2007 and 68% higher than Q1 2007.

Operating Netback

- Operating netback increased to \$38.16/boe for Q1 2008 compared to \$30.59/boe for Q4 2007. Netback also significantly improved compared to the Q1 2007 operating netback of \$27.04/boe.
- Operating expenses decreased slightly to \$12.08/boe for Q1 2008 from \$12.18/boe for Q4 2007 and increased from Q1 2007 operating expenses of \$11.43/boe. Daylight expects its operating costs to be approximately \$12.00 per boe for the remainder of 2008.
- Overall royalty rates increased slightly to 19.1% of revenue in Q1 2008 from 18.9% of revenue in Q4 2007. This increase in royalties is in line with the increase in commodity prices during Q1 2008. Total royalty rates for Q1 2008 were higher than the rate of 17.7% recorded in Q1 2007, primarily due to higher commodity prices per boe, an increased weighting to oil production and significant Gas Cost Allowance Credits recognized in Q1 2007.

Payout Ratio

- Payout ratio improved to 40% in Q1 2008 from 49% in Q4 2007.
- Continued improvement in Daylight's payout ratio is attributable to increases in commodity prices, resulting in higher funds from operations.

Balance Sheet and Financial Flexibility

- Subsequent to the end of Q1 2008, Daylight's syndicate of banks increased our credit facility based on the success of our capital program.
- At March 31, 2008, Daylight had \$268 million outstanding on its credit facilities which, during May 2008, increased from \$300 million to \$350 million available under a revolving term credit facility with a syndicate of banks, subject to semi-annual review by the banking syndicate. The next regularly scheduled review date is on or prior to November 30, 2008.

Capital Spending

- Capital spending was \$43.6 million during Q1 2008. In total, Daylight drilled 22 gross (8.9 net) wells with a 96% drilling success rate including 6 gross (5.1 net) wells in Elsworth.
- Capital spending for the quarter was heavily weighted towards drilling, completion and tie-in/facility expenditures at our Elsworth property for our tight gas horizontal drilling program.
- Additional capital was spent in Cecil, preparing for implementation of a waterflood in our Kiskatinaw light oil play, and in Sylvan Lake on a highly successful Edmonton Sands recompletion project.

2008 OUTLOOK AND GUIDANCE UPDATE

Capital Expenditures and Farmouts

- 2008 capital expenditure budget has been increased to \$140 million to be invested in our inventory of repeatable, low risk exploitation projects.
- Primary focus on the increased budget will be incremental drilling, completion and tie-in activity in both Cecil and Elsworth and increased capital expenditures on follow up drilling locations related to our successful exploratory farmout program. Additional capital will also be directed to our Sylvan Lake property pursuing multiple additional recompletion opportunities.

Production Guidance

- Based on the strong performance of Daylight's Q1 2008 drilling and recompletion program, approval of GPP for the Cecil area, initial production volumes from our exploration farmouts and our increased capital program, Daylight increases our 2008 annual production guidance to a range of between 20,750 and 21,250 boe per day.
- Production guidance continues to be weighted 43% to oil and natural gas liquids and 57% to natural gas.

Balance Sheet and Financial Flexibility

- Continued low payout ratio expected based on forward strip commodity prices.
- Additional bank credit facility capacity allows financial flexibility to pursue strategic opportunities.
- Daylight continues to target a low payout ratio and the full funding of distributions and capital expenditures with funds from operations. Distributions, as previously announced, will be maintained at \$0.10/unit through Q2 2008.
- Funds from operations are anticipated to fully finance our cash distributions and our increased 2008 capital program of \$140 million at WTI US\$95.00/bbl, AECO Cdn\$8.00/mcf and an exchange rate of US\$ to Cdn\$ of 1.00 for 2008.
- Daylight has hedged 47.4 mmcf per day of our summer (April 1, 2008 to October 31, 2008) natural gas production volumes at an average fixed price at AECO of \$7.15/mcf to ensure stable funds from operations. This volume represents 22% of our expected total production for 2008. Daylight currently has no other hedges in place.

Tax Pools and Safe Harbour

- Daylight and its subsidiaries have tax pools of over \$824 million at March 31, 2008 which are available to shelter significant cash flow from income tax in current periods and beyond 2011.
- Current safe harbour capacity for the issuance of \$700 million of new equity provides significant flexibility to execute on strategic opportunities.

Daylight's high-end technical team integrates and emphasizes our exploitation, reservoir engineering, production optimization, geological and geophysical expertise to identify and capture reserves and production addition opportunities for the delivery of long term value creation to our Unitholders. Our team has developed a multi-year inventory of repeatable, low risk exploitation projects with significant potential reserve additions on assets we currently own and control. This inventory includes significant near term prospects and medium to long term opportunities across our high quality asset base.

DAYLIGHT RESOURCES TRUST

With recent strength in commodity prices and continued strong results, both operationally and financially, Daylight expects that our payout ratio will continue to improve throughout 2008. This provides the Trust with additional financial flexibility to execute on our capital plan and take advantage of strategic opportunities as they arise.

Signed:

"Anthony Lambert"

Anthony Lambert

President & CEO

May 7, 2008

MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s Discussion & Analysis ("MD&A") is dated May 7, 2008 and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and notes for the three months ended March 31, 2008 and 2007 as well as the MD&A and audited consolidated financial statements and notes for the years ended December 31, 2007 and 2006. The consolidated financial statements and other financial data presented have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The following MD&A compares the results of the three months ended March 31, 2008 ("Q1 2008") to the three months ended December 31, 2007 ("Q4 2007") and to the three months ended March 31, 2007 ("Q1 2007"). All references are to Canadian dollars unless otherwise indicated.

NON GAAP MEASURES

Daylight Resources Trust ("Daylight" or the "Trust") utilizes the following terms for measurement within the MD&A that do not have standardized prescribed meaning under GAAP and these measurements may not be comparable with the calculation of similar measurements of other entities.

"Funds from operations" and **"funds from operations per unit"** are terms utilized by Daylight to evaluate operating performance and assess leverage. Daylight considers funds from operations to be an important measure of Daylight's ability to generate the funds necessary to pay distributions, repay debt and to finance capital expenditures. Funds from operations does not represent net income for the period nor should it be viewed as an alternative to net income or other measures of financial performance calculated in accordance with GAAP. All references to funds from operations throughout the MD&A are based on cash provided by operating activities before change in non-cash operating working capital and asset retirement expenditures since Daylight believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and as such these items are not useful for evaluating Daylight's operating performance. A reconciliation of cash provided by operating activities to funds from operations follows.

(000s)	Q1 2008	Q4 2007	Q1 2007
Cash provided by operating activities	\$ 43,516	\$ 44,824	\$ 46,500
Change in non-cash operating working capital	14,088	1,819	(5,507)
Asset retirement expenditures	1,063	836	1,840
Funds from operations	\$ 58,667	\$ 47,479	\$ 42,833

"Payout ratio" is a term utilized to evaluate financial flexibility and the relative burden of distributions. Payout ratio is defined on a percentage basis as distributions declared divided by funds from operations. Daylight believes that a payout ratio above 100% is a concern as it indicates that no funds from operations are being retained to finance capital expenditures or to repay debt. Daylight believes that a lower payout ratio corresponds to greater financial flexibility since the excess funds from operations can be invested in capital expenditures for the long term benefit of Daylight or be utilized to repay debt and reduce the leverage utilized by Daylight.

"Operating netback" is a term utilized by Daylight to evaluate operating performance of our petroleum and natural gas assets. The term operating netback is defined as petroleum and natural gas revenues less royalties, realized gain (loss) on commodity derivatives, operating and transportation expenses.

"boe" is a term utilized by Daylight in relation to reserves or production to combine the volumetric measures of natural gas, light oil, heavy oil and natural gas liquids ("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.

FORWARD LOOKING STATEMENTS

Certain statements contained within this MD&A, and in certain documents incorporated by reference into this document, constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this MD&A, as the case may be.

In particular, this MD&A, and the documents incorporated by reference, contain forward-looking statements pertaining to the following:

- the performance characteristics of our oil and natural gas properties;
- the size of our oil, natural gas liquids and natural gas reserves and production levels;
- estimates of future cash flow and distributions;
- projections of market prices and costs and the related sensitivities to distributions;
- drilling plans and timing of drilling, recompletion and tie-in of wells;
- weighting of production between different commodities;
- commodity prices, exchange rates and interest rates;
- expected levels of royalty rates, operating costs, general and administrative costs, costs of services and other costs and expenses;
- capital expenditure programs and other expenditures and the timing and method of financing thereof;
- supply of and demand for oil, natural gas liquids and natural gas;
- expectations regarding our ability to raise capital and to continually add to reserves through acquisitions and development;
- the existence, operation and strategy of our commodity price risk management program;
- the approximate and maximum amount of forward sales and hedging to be employed by us;
- our acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- our ability to grow or sustain production and reserves through prudent management;
- the emergence of accretive growth opportunities and continued access to capital markets;
- our future operating and financial results;
- schedules and timing of certain projects and our strategy for future growth; and
- treatment under governmental and other regulatory regimes and tax, environmental and other laws.

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With respect to forward-looking statements contained in this MD&A and the documents incorporated by reference herein, we have made assumptions regarding, among other things:

- future oil and natural gas prices and differentials between light, medium and heavy oil prices;
- the continued availability of capital, undeveloped lands and skilled personnel;
- the costs of expanding our property holdings;
- the ability to obtain equipment in a timely manner to carry out exploration, development and exploitation activities;
- the ability to obtain financing on acceptable terms;
- the ability to add production and reserves through exploration, development and exploitation activities; and
- the continuation of the current tax and regulatory regime and other assumptions contained in this MD&A and the documents incorporated by reference herein.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A and the documents incorporated by reference into this document:

- volatility in market prices for oil, natural gas liquids and natural gas;
- changes or fluctuations in oil, natural gas liquids and natural gas production levels;
- liabilities inherent in oil and natural gas operations;
- adverse regulatory rulings, orders and decisions;
- attracting, retaining and motivating skilled personnel;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands, and services;
- incorrect assessments of the value of acquisitions and targeted exploration and development assets;
- fluctuations in foreign exchange or interest rates;
- stock market volatility, market valuations and the market value of the securities of Daylight;
- failure to realize the anticipated benefits of acquisitions;
- actions by governmental or regulatory authorities including changes in income tax laws (including those relating to mutual fund trusts or investment eligibility) or changes in tax laws and incentive programs relating to the oil and gas industry and income trusts;
- changes in environmental or other legislation applicable to our operations, and our ability to comply with current and future environmental and other laws;
- geological, technical, drilling and processing problems and other difficulties in producing oil, natural gas liquids and natural gas reserves; and
- the other factors discussed under "*Risks and Uncertainties*" in the annual Management's Discussion and Analysis.

Statements relating to "reserves" or "resources" are by their nature deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. We do not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities law.

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HIGHLIGHTS

Financial	Q1	Q4	Q1
(CDN\$ thousands, except unit, per unit and operational data)	2008	2007	2007
Petroleum and natural gas revenues	\$ 113,986	\$ 99,718	\$ 91,982
Royalties	(21,733)	(18,853)	(16,237)
Realized gain (loss) on commodity derivatives	-	2,145	24
Operating expenses	(21,769)	(23,072)	(21,971)
Transportation	(1,721)	(2,019)	(1,833)
Operating netback	68,763	57,919	51,965
G&A – cash charge	(3,679)	(3,724)	(3,840)
Cash financial charges	(6,417)	(6,716)	(5,292)
Funds from operations	58,667	47,479	42,833
Per unit – Basic	0.75	0.61	0.57
– Diluted	0.66	0.54	0.57
Cash provided by operating activities	43,516	44,824	46,500
Net income (loss)	3,941	(127,381)	5,301
Per unit – Basic	0.05	(1.64)	0.07
– Diluted	0.05	(1.64)	0.07
Cash distributions declared	23,333	23,296	34,114
Per unit	0.30	0.30	0.45
Payout ratio	40%	49%	80%
Capital expenditures	43,630	29,089	20,677
Market value of investments	15,172	13,068	16,673
Bank debt	268,410	257,342	338,511
Working capital deficiency ⁽¹⁾	29,908	32,088	29,649
Convertible debentures	120,170	119,792	3,444
Total assets	949,143	922,344	1,083,695
Units outstanding (000s)			
Basic	77,914	77,657	76,542
Diluted	94,096	93,850	77,597
Operational			
(Per boe amounts many not add exactly due to rounding)			
Average daily production			
Natural gas (mcf/d)	67,691	71,187	78,556
Light oil (bbls/d)	5,174	4,964	4,310
Heavy oil (bbls/d)	2,181	2,488	2,504
NGLs (bbls/d)	1,167	1,266	1,449
Oil & NGLs (bbls/d)	8,522	8,718	8,263
Combined (boe/d)	19,804	20,583	21,356
Average prices received			
Natural gas (\$/mcf)	\$ 7.92	\$ 6.45	\$ 7.31
Light oil (\$/bbl)	91.40	81.84	61.34
Heavy oil (\$/bbl)	71.54	53.50	42.50
NGLs (\$/bbl)	74.91	64.99	54.31
Oil & NGLs (\$/bbl)	\$ 84.06	\$ 71.31	\$ 54.40
Combined (\$/boe)	\$ 63.25	\$ 52.66	\$ 47.86
Petroleum and natural gas revenues (\$/boe)	\$ 63.25	\$ 52.66	\$ 47.86
Royalties (\$/boe)	(12.06)	(9.96)	(8.45)
Realized gain (loss) on commodity derivatives (\$/boe)	-	1.13	0.01
Operating expenses (\$/boe)	(12.08)	(12.18)	(11.43)
Transportation (\$/boe)	(0.95)	(1.07)	(0.95)
Operating netback (\$/boe)	\$ 38.16	\$ 30.59	\$ 27.04
G&A – cash charge (\$/boe)	(2.04)	(1.97)	(2.00)
Cash financial charges (\$/boe)	(3.56)	(3.55)	(2.75)
Funds from operations (\$/boe)	\$ 32.56	\$ 25.07	\$ 22.29
Wells drilled – gross (net)	22 (8.9)	11 (7.8)	11 (6.0)

⁽¹⁾ Excludes unrealized gain (loss) on derivatives and future income taxes.

RESULTS OF OPERATIONS

Daylight is an oil and natural gas energy trust applying a high end technical and business execution team to a high quality asset base to provide sustainable production and reserves levels. Daylight operates in the Western Canadian Sedimentary Basin. Daylight's trust units, 8.5% Convertible Debentures Series A and 8.5% Convertible Debenture Series B trade on the Toronto Stock Exchange ("TSX") with the symbols DAY.UN, DAY.DB and DAY.DB.B, respectively.

Production

Daylight's total production volumes for Q1 2008 averaged 19,804 boe per day which is a decrease of approximately 4% from Q4 2007. Q1 2008 production volumes decreased due to regulatory delays at our Cecil property, which were resolved in late March 2008, and extremely cold weather conditions temporarily disrupting production at several properties during late January and early February 2008. Q1 2008 production was comprised of 67,691 mcf per day of natural gas, 5,174 bbls per day of light oil, 2,181 bbls per day of heavy oil and 1,167 bbls per day of NGLs. Production for Q1 2008 decreased 7% from Q1 2007 primarily due to the previously mentioned factors affecting Q1 2008, reduced capital investment on our natural gas program during 2007 and significant declines in the production levels of two natural gas wells.

With the addition of new production volumes during April 2008 from our significant and successful Q1 2008 capital expenditure program, Daylight expects to average approximately 20,750 to 21,250 boe per day of production for fiscal 2008 with the investment of approximately \$140 million in our 2008 capital program. Current production as of the date of this MD&A is in excess of 22,000 boe per day.

	Q1 2008	Q4 2007	Q1 2007
Natural gas (mcf/d)	67,691	71,187	78,556
Light oil (bbls/d)	5,174	4,964	4,310
Heavy oil (bbls/d)	2,181	2,488	2,504
NGLs (bbls/d)	1,167	1,266	1,449
Combined oil & NGLs (bbls/d)	8,522	8,718	8,263
Combined all products (boe/d)	19,804	20,583	21,356

Production replacement activities for the 2008 year are focused on the following:

- Peace River Arch properties of Elmworth and Cecil
- West Central properties of Pine Creek, Kaybob, Sturgeon, Obed and Medicine Lodge
- Eastern and Southern properties of Wildmere and Sylvan Lake

Commodity Prices

Daylight's natural gas prices are influenced by both North American and, more recently, global supply and demand balance, seasonal changes, storage levels, the Canadian to US dollar exchange rate and transportation capacity constraints. Daylight's realized natural gas price has a high correlation to the Alberta benchmark price ("AECO") which provides pricing for natural gas based on heating value.

Daylight's oil price is significantly influenced by global supply and demand conditions. Daylight's realized light oil price has a high correlation to the US benchmark West Texas Intermediate at Cushing, Oklahoma ("WTI") price and the Canadian to US dollar exchange rate. Canadian light oil prices correlate to refinery postings, which includes the Edmonton par price, that adjust WTI for the Canadian to US dollar exchange rate as well as transportation costs and quality differentials.

Daylight's realized heavy oil price is lower than its light oil price and the historical correlation with Edmonton par price and Bow River price, a heavy oil benchmark, is not overly strong. Heavy oil requires increased refining and other costs, such as condensate for blending, which reduce the realized price of this product. During 2007 and so far in 2008, the Edmonton par price and Bow River price have been very strong which results in an enhanced price realization by Daylight on its heavy oil production.

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NGLs include condensate, pentane, butane and propane. Prices for NGLs have their own market dynamic with a relatively strong correlation to light oil prices for condensate and pentane, while butane and propane trade at varying discounts due to market conditions including supply and demand.

Market prices	Q1 2008	Q4 2007	Q1 2007
AECO (\$Cdn/mcf)	\$ 7.77	\$ 6.01	\$ 7.26
WTI (\$US/bbl)	97.86	90.57	58.09
Edmonton par (\$Cdn/bbl)	98.08	86.89	67.61
Bow River (\$Cdn/bbl)	77.10	56.40	49.73
Exchange rate (\$Cdn/\$US)	0.9954	1.0198	0.8534

Daylight prices realized	Q1 2008	Q4 2007	Q1 2007
Natural gas (\$/mcf)	\$ 7.92	\$ 6.45	\$ 7.31
Light oil (\$/bbl)	91.40	81.84	61.34
Heavy oil (\$/bbl)	71.54	53.50	42.50
NGLs (\$/bbl)	74.91	64.99	54.31
Combined oil & NGLs (\$/bbl)	84.06	71.31	54.40
Combined all products (\$/boe)	\$ 63.25	\$ 52.66	\$ 47.86

Daylight's natural gas price during Q1 2008 was \$7.92/mcf, a 2% premium to AECO, which is a 23% increase over the Q4 2007 natural gas price of \$6.45/mcf, a 7% premium to AECO. Daylight's Q1 2008 natural gas price was 8% higher than the Q1 2007 natural gas price of \$7.31/mcf, consistent with the 7% increase to AECO between these two periods. During Q1 2007, the daily AECO pricing for natural gas ranged from a low of approximately \$6.49/mcf to a high of approximately \$10.55/mcf. Daylight has consistently realized a slight premium to AECO on its natural gas sales as a result of the heating value of its natural gas production and Daylight expects this to continue throughout the remainder of 2008.

Daylight's Q1 2008 light oil realized \$91.40/bbl, 93% of Edmonton par, while Q4 2007 light oil realized \$81.84/bbl, 94% of Edmonton par, for an overall increase of 12% to Daylight's light oil price. Daylight's light oil price for Q1 2008 was 49% higher than the Q1 2007 light oil price of \$61.34/bbl, which was 91% of Edmonton par. Changes in the Canadian dollar to US dollar exchange rate affect the Canadian dollar Edmonton par and Daylight's realized light oil price relative to the US dollar WTI, with a higher exchange rate generally reducing Edmonton par and Daylight's realized light oil price relative to WTI and a lower exchange rate generally increasing Edmonton par and Daylight's realized light oil price relative to WTI. The Canadian dollar to US dollar exchange rate for Q1 2008 was 0.9954 which generally put upward pressure on Edmonton par and Daylight's realized light oil price in the quarter when compared to Q4 2007 with an exchange rate of 1.0198 and downward pressure compared to Q1 2007 with an exchange rate of 0.8534.

Daylight's heavy oil production is concentrated at two properties, with Wildmere producing approximately 80% of our current volumes, and Chipman producing the remaining 20%. Daylight's Q1 2008 heavy oil price of \$71.54/bbl, 93% of Bow River, is 34% higher than the Q4 2007 heavy oil price of \$53.50/bbl, 95% of Bow River. Daylight's Q1 2008 heavy oil price was 68% higher than the Q1 2007 heavy oil price of \$42.50/bbl, 85% of Bow River.

Daylight's combined oil and NGLs price during Q1 2008 was \$84.06/bbl, 18% higher than Q4 2007 and 55% higher than Q1 2007.

The impact of the commodity derivatives is recorded within Daylight's loss on financial instruments. As at March 31, 2008, Daylight had commodity derivatives in place for a portion of natural gas production volumes from April 1, 2008 through October 31, 2008.

Daylight's realized prices are expected to continue to correlate with market prices during 2008.

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Revenue

(000s)	Q1 2008	Q4 2007	Q1 2007
Natural gas	\$ 48,798	\$ 42,212	\$ 51,647
Light oil	43,036	37,376	23,794
Heavy oil	14,198	12,245	9,578
NGLs	7,955	7,569	7,083
Other	(1)	316	(120)
Total	\$ 113,986	\$ 99,718	\$ 91,982

The 20% increase in the price on a combined boe basis more than offset the 4% decrease in production resulting in a 14% increase in total revenue for Q1 2008 to \$114.0 million from Q4 2007. Natural gas sales for Q1 2008 were \$48.8 million, an increase of 16% from Q4 2007. Light oil sales for Q1 2008 were \$43.0 million, up 15% from Q4 2007, heavy oil sales for Q1 2008 were \$14.2 million, up 16% from Q4 2007, and NGLs sales for Q1 2008 were \$8.0 million, up 5% from Q4 2007. Total revenue increased 24% in Q1 2008 over Q1 2007, consistent with the production volumes decreasing 7% offset by a 32% increase on the average realized price on a combined boe basis.

Royalties

Royalty payments are made to the owners of the mineral rights on our leases, which include provincial governments (Crown) and freehold landowners, as well as to other third parties by way of contractual overriding royalties.

In Alberta, royalties on natural gas and NGLs are charged by the government based on an established monthly Reference Price. The Reference Price is meant to reflect the average price for natural gas and NGLs in Alberta. Gas cost allowance, custom processing credits and other incentive programs reduce the effective royalty rate.

Overriding royalties are generally paid to third parties where Daylight has entered into agreements to earn an interest in their mineral rights by investing capital in the property.

Oil royalty rates are generally a function of production rates on a per well basis and prices. They are also subject to certain reductions and incentives. Oil crown royalties in Alberta are generally satisfied by delivering the required volume of oil to the Alberta provincial government. Effective September 1, 2007, the Alberta provincial government changed several incentive programs to cap reductions at a maximum dollar value. Existing wells under the programs that have exceeded the cap are subject to increased royalties effective September 1, 2007. Daylight has a number of wells under these programs and these changes resulted in a slight increase to our oil royalty rate.

Royalties by type (000s)	Q1 2008	Q4 2007	Q1 2007
Crown royalties	\$ 16,862	\$ 14,851	\$ 13,042
Freehold royalties	2,177	2,048	1,529
Overriding royalties	2,694	1,954	1,666
Total	\$ 21,733	\$ 18,853	\$ 16,237
\$ per boe	\$ 12.06	\$ 9.96	\$ 8.45
% of revenue	19.1	18.9	17.7

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Royalties by commodity (000s)	Q1 2008	Q4 2007	Q1 2007
Natural gas	\$ 8,464	\$ 5,744	\$ 8,233
Oil and NGLs	13,269	13,109	8,004
Total	\$ 21,733	\$ 18,853	\$ 16,237
Natural gas (\$/boe)	\$ 8.24	\$ 5.26	\$ 6.99
Oil and NGLs (\$/boe)	17.11	16.34	10.76
Total (\$/boe)	\$ 12.06	\$ 9.96	\$ 8.45
Natural gas (% of revenue)	17.3	13.6	15.9
Oil and NGLs (% of revenue)	20.4	22.9	19.8
Total (% of revenue)	19.1	18.9	17.7

Overall royalty rates increased to 19.1% of revenue in Q1 2008 from 18.9% of revenue in Q4 2007. Natural gas royalty rates increased to 17.3% of revenue from 13.6% of revenue in Q4 2007 due to Gas Cost Allowance credits received in Q4 2007 temporarily reducing royalties in that period below normal levels. Oil and NGLs royalty rates decreased to 20.4% of revenue during Q1 2008 as compared to 22.9% of revenue in Q4 2007. Total royalty rates increased to 19.1% of revenue for Q1 2008 from 17.7% of revenue for Q1 2007. This is primarily due to higher commodity prices per boe and an increased weighting to oil production during Q1 2008 as compared to Q1 2007 and Gas Cost Allowance credits offsetting a larger proportion of the total royalty expense during Q1 2007 compared to Q1 2008.

On October 25, 2007, the Alberta government introduced a proposed New Royalty Framework which is scheduled to take effect January 1, 2009 and provided information on further modification to the Framework during April 2008. Approximately 95% of Daylight's current reserves and production are within the Province of Alberta and will be subject to the New Royalty Framework. The exact details and specific regulations are not yet known but Daylight has undertaken a preliminary internal review of the potential impact on our royalty rates, operating netback, funds from operations and net present value of our reserves. Daylight has made assumptions which management considers to be reasonable and has also engaged multiple service providers to assist in determining reasonable assumptions and assessing the potential impact on Daylight. Our analysis is based on our independent reserve evaluation engineer's commodity price forecast as at January 1, 2008 which includes: an AECO natural gas price of \$6.75 per mmbtu for 2008 and \$7.55 per mmbtu for 2009; a WTI crude oil price of US\$92.00 per bbl for 2008 and US\$88.00 per bbl for 2009 with an forecast exchange rate of \$1 Canadian to \$1 US. Based on our internal review, in consultation with multiple service providers, Daylight estimates that the impact of the New Royalty Framework on our future royalty rates, operating netback, funds from operations and the net present value of our reserves in aggregate appears to be minimal. The impact on certain wells, properties and projects is expected to be very significant. The estimated negative impact on our light oil properties of Pembina, Cecil, Sturgeon, Red Earth, Little Horse and Freeman is balanced by the estimated positive impact on our lower rate heavy oil Wildmere property, our deep natural gas West Central and Peace River Arch properties as well as our lower rate shallow natural gas properties located in Central Alberta.

Future reserve and production addition activities are expected to be significantly impacted by the changes to the royalty system. The Trust's depth of prospect inventory will allow Daylight to select capital expenditure programs that provide the greatest value to our unitholders in the context of the expected change to the royalty system.

Loss on Financial Instruments

Financial instruments comprise accounts receivable, investments, accounts payable and accrued liabilities, cash distributions payable, bank debt, and convertible debentures. Unless otherwise noted, carrying values reflect the current fair value of the Trust's financial instruments due to the short term to maturity. The Trust's investments held for trading include the shares of Pegasus Oil & Gas Inc. ("Pegasus") and Trafalgar Energy Ltd. ("Trafalgar") (see Investments section below). These investments held for trading have a fair value based on quoted market values of \$6.3 million as at March 31, 2008. During Q1 2008 Daylight experienced a \$0.1 million unrealized loss on these investments held for trading.

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The Trust has an equity investment in Avery Resources Inc. ("Avery") (see Investments section below). This investment has a fair value based on quoted market value of \$8.8 million as at March 31, 2008. At December 31, 2007, it was determined that the decline in value of the investment in Avery was other than temporary and was written down to its market value. For the three months ended March 31, 2008 the equity loss on the investment in Avery was \$0.4 million.

The Trust's long-term debt bears interest at a floating market rate and accordingly, the fair market value approximates the carrying value. The convertible debentures outstanding at March 31, 2008, with a face value of \$128.4 million, had a fair value based on quoted market value of \$134.9 million.

The Trust may enter into financial or commodity derivatives to manage commodity prices, foreign exchange and interest rate risk. The current 12 month forward strip for AECO natural gas is approximately \$10.51 per mcf and WTI oil is approximately US\$121.00 per barrel which is equivalent to approximately \$122.00 Canadian per barrel.

As at March 31, 2008, Daylight had the following commodity derivatives in place:

Type of Contract	Commodity	Hedged Volume ⁽²⁾	Hedge Price	Hedge Period
Financial (Swap) ⁽¹⁾	Natural gas	20,000 GJ/d	Cdn\$6.635/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	10,000 GJ/d	Cdn\$6.700/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$6.745/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$6.740/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$7.140/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$7.170/GJ	Apr 1/08 to Oct 31/08

⁽¹⁾ Swap indicates fixed price.

⁽²⁾ A GJ converts to a mcf at the rate of 1.055056 GJs per mcf.

Financial or commodity derivatives used to manage risk are subject to periodic settlements throughout the term of the instruments. Such settlements may result in a gain or loss which is recognized as a realized derivative gain or loss at the time of settlement. The mark-to-market value of a derivative outstanding at the end of a reporting period reflects the value of the derivative based upon market conditions existing as of that date. Any change in value from that determined at the end of the prior period is recognized as an unrealized derivative gain or loss.

(000s)	Q1 2008	Q4 2007	Q1 2007
Realized gain on commodity derivatives	\$ -	\$ 2,145	\$ 24
Unrealized loss on commodity derivatives	(22,270)	(2,234)	(7,784)
Unrealized loss on investments held for trading	(133)	(1,120)	(1,501)
Total	\$ (22,403)	\$ (1,209)	\$ (9,261)
Realized gain on commodity derivatives (\$/boe)	\$ -	\$ 1.13	\$ 0.01
Unrealized loss on commodity derivatives (\$/boe)	(12.36)	(1.18)	(4.05)
Unrealized loss on investments held for trading (\$/boe)	(0.07)	(0.59)	(0.78)
Total (\$/boe)	\$ (12.43)	\$ (0.64)	\$ (4.82)

Daylight experienced a \$22.3 million unrealized loss on its commodity derivatives during Q1 2008 compared to a \$7.8 million unrealized loss during the same period last year. Daylight recognized a realized gain of \$2.1 million and an unrealized loss of \$2.2 million on its commodity derivatives during Q4 2007. For the three months ended March 31, 2008, Daylight recorded a loss on financial instruments of \$22.4 million.

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Operating Expenses

Operating expenses include activities in the field required to operate wells and facilities, lift to surface, gather, process, treat and store production.

(000s)	Q1 2008	Q4 2007	Q1 2007
Operating costs	\$ 21,769	\$ 23,072	\$ 21,971
\$ per boe	\$ 12.08	\$ 12.18	\$ 11.43

Daylight experienced a slight 1% decrease in operating costs during Q1 2008 to \$12.08 per boe as compared to Q4 2007 at \$12.18 per boe and a 6% increase to operating costs as compared to Q1 2007 at \$11.43 per boe. Daylight expects its operating costs to be approximately \$12.00 per boe for the remainder of 2008.

Transportation Expenses

Transportation expenses are defined by the point of legal custody transfer of the commodity and are influenced by the nature of the production, location, availability of transportation and the sales point. The cost of delivering production to the custody transfer point is shown separately as transportation expense.

Daylight generally sells its light oil and NGLs production at the lease with the purchaser taking legal custody of the oil and paying a price for the oil at that delivery point. Daylight's heavy oil, and a small portion of its light oil production, are delivered to a terminal by truck and as such, bear trucking charges which are a transportation expense. Natural gas is usually transported to an established delivery point such as AECO in Alberta and then transferred to the purchaser. Transportation expense decreased 11% to \$0.95 per boe in Q1 2008 compared to \$1.07 per boe in Q4 2007 and was consistent with \$0.95 per boe in Q1 2007.

(000s)	Q1 2008	Q4 2007	Q1 2007
Transportation costs	\$ 1,721	\$ 2,019	\$ 1,833
\$ per boe	\$ 0.95	\$ 1.07	\$ 0.95

Operating Netbacks

The following table provides detail regarding Daylight's operating netbacks on a per boe basis.

\$ per boe	Q1 2008	Q4 2007	Q1 2007
Revenue	\$ 63.25	\$ 52.66	\$ 47.86
Royalties	(12.06)	(9.96)	(8.45)
Realized gain on commodity derivatives	-	1.13	0.01
Operating cost	(12.08)	(12.18)	(11.43)
Transportation	(0.95)	(1.07)	(0.95)
Operating netback	\$ 38.16	\$ 30.59	\$ 27.04

General and Administrative Expenses

The following tables provide detail regarding Daylight's general and administrative expenses ("G&A") on a total and per boe basis.

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(000s)	Q1 2008	Q4 2007	Q1 2007
Gross G&A	\$ 6,825	\$ 6,980	\$ 6,573
Operating recoveries	(1,541)	(1,651)	(1,233)
Capitalized costs	(1,605)	(1,605)	(1,500)
G&A – cash charge	3,679	3,724	3,840
Unit based compensation	2,295	708	1,410
Net G&A	\$ 5,974	\$ 4,432	\$ 5,250

\$ per boe	Q1 2008	Q4 2007	Q1 2007
Gross G&A	\$ 3.79	\$ 3.69	\$ 3.42
Operating recoveries	(0.86)	(0.87)	(0.64)
Capitalized costs	(0.89)	(0.85)	(0.78)
G&A – cash charge	2.04	1.97	2.00
Unit based compensation	1.27	0.37	0.73
Net G&A	\$ 3.31	\$ 2.34	\$ 2.73

General and administrative expenses during Q1 2008 were \$6.0 million (\$3.31 per boe) including non-cash unit based compensation of \$2.3 million (\$1.27 per boe). General and administrative expenses for Q4 2007 were \$4.4 million (\$2.34 per boe) including non-cash unit based compensation of \$0.7 million (\$0.37 per boe). G&A expenses for Q1 2007 were \$5.3 million (\$2.73 per boe) including non-cash unit based compensation of \$1.4 million (\$0.73 per boe). The Q1 2008 G&A cash expense per boe was 4% higher than Q4 2007 and 2% higher as compared to Q1 2007.

Daylight and Midnight Oil Exploration Ltd. ("MOX") are considered related, as Daylight's Chairman is a director and officer of MOX. In addition, Daylight's Chief Executive Officer and director is also a director of MOX and Daylight's Corporate Secretary is also MOX's Corporate Secretary. Daylight and MOX are joint venture partners in certain properties, and as a result, revenues and costs related to these properties are allocated to each partner under standard joint venture billing arrangements. Each partner's costs and revenues are based on the exchange amounts which reflect actual third party costs incurred and revenue received. All transactions are conducted under standard business terms and are considered within the normal course of Daylight's business activities and operations. In addition, certain administrative services which provide reasonable economy and do not involve competitive issues are provided to MOX by Daylight Energy on a fixed fee basis negotiated by the parties, which is considered comparable to the fee an independent third party would charge for the services, and may be cancelled by either party.

For the three months ended March 31, 2008, Daylight charged MOX \$0.4 million (2007 - \$0.3 million) for administrative services and premises costs with a payable balance, which includes joint venture and commodity marketing amounts of approximately \$2.9 million due to MOX as at March 31, 2008 (December 31, 2007 - \$4.7 million).

Unit based compensation expense is an allocation of the fair value of Restricted Trust Unit Awards ("RTUs") and Performance Trust Unit Awards ("PTUs") to their three year vesting period starting at the date of grant. Unit based compensation expense also includes amounts relating to the Employee Bonus Plan and Employee Unit Ownership Plan that were settled in units issued from treasury.

Financial Charges

Daylight incurs cash interest expense on its outstanding bank debt and convertible debentures. Daylight's effective bank debt interest rate was 5.2% for Q1 2008 as compared to 6.0% for Q4 2007 and 5.8% for Q1 2007. The convertible debentures have a fixed interest rate of 8.5% for all periods. Non-cash financial charges relate to amortization of costs incurred to issue convertible debentures, establish bank credit facilities and accretion of the convertible debenture discount. Daylight's bank debt interest rate is expected to continue to correlate with market interest rates during 2008 and the convertible debentures interest rate is fixed at 8.5%. On October 3, 2007, Daylight issued \$125 million principal amount of 8.5% Convertible

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Unsecured Subordinated Debentures, Series B ("Series B Debentures") for net proceeds of \$119.6 million (see Liquidity and Capital Resources section below). The decrease in total financial charges for Q1 2008 versus Q4 2007 is due to the decrease in our effective bank debt interest rate. The increase in total financial charges for Q1 2008 over Q1 2007 is due to the new debenture issuance. Cash financial charges are influenced by both the interest rate and the level of debt outstanding.

(000s)	Q1 2008	Q4 2007	Q1 2007
Bank debt interest	\$ 3,700	\$ 4,020	\$ 5,217
Convertible debenture interest	2,717	2,696	75
Cash financial charges	6,417	6,716	5,292
Amortization of financial charges	27	27	28
Accretion of convertible debenture discount	454	445	12
Total	\$ 6,898	\$ 7,188	\$ 5,332

\$ per boe	Q1 2008	Q4 2007	Q1 2007
Bank debt interest	\$ 2.05	\$ 2.12	\$ 2.71
Convertible debenture interest	1.51	1.42	0.04
Cash financial charges	3.56	3.55	2.75
Amortization of financial charges	0.01	0.01	0.01
Accretion of convertible debenture discount	0.25	0.23	0.01
Total	\$ 3.82	\$ 3.80	\$ 2.77

Depletion, Depreciation and Accretion

Daylight's depletion, depreciation and accretion for Q1 2008 totalled \$35.2 million, which is 3% lower than Q4 2007. Q1 2008 charges decreased 2% from Q1 2007.

(000s)	Q1 2008	Q4 2007	Q1 2007
Depletion and Depreciation	\$ 34,513	\$ 35,730	\$ 35,411
Accretion	662	662	655
Total	\$ 35,175	\$ 36,392	\$ 36,066
\$ per boe			
Depletion and Depreciation	\$ 19.15	\$ 18.87	\$ 18.42
Accretion	0.37	0.35	0.34
Total	\$ 19.52	\$ 19.22	\$ 18.76

Future Taxes

Daylight recorded a future income tax recovery of \$6.0 million in Q1 2008, a future income tax recovery of \$6.8 million in Q4 2007, and a future income tax recovery of \$10.7 million in Q1 2007. Daylight is a taxable entity under the Canadian Income Tax Act and is currently taxable only on income that is not distributed or distributable to its unitholders.

Daylight does not expect to pay any income taxes until at least 2011 and expects to continue to recognize recoveries of recorded future tax liability amounts on the balance sheet until at least 2011 as income is generated and distributions are paid to unitholders.

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(000s)	Q1 2008	Q4 2007	Q1 2007
Future Tax	\$ (5,990)	\$ (6,754)	\$ (10,663)
\$ per boe	\$ (3.32)	\$ (3.57)	\$ (5.55)

As at March 31, 2008, Daylight and its subsidiaries have tax pools of approximately \$824 million. These tax pool balances are subject to change as tax returns are completed, annual claims are made, and reclassification of items between categories may occur.

(000s)	2008			2007
	Corporate	Trust	Combined	Combined
Canadian exploration expense	\$ 68,000	\$ -	\$ 68,000	\$ 67,000
Canadian development expense	293,000	-	293,000	283,000
Canadian oil and gas property expense	33,000	82,000	115,000	113,000
Undepreciated capital cost	306,000	-	306,000	302,000
Non-capital losses	29,000	-	29,000	35,000
Share and Unit issue costs	1,000	12,000	13,000	14,000
Total	\$ 730,000	\$ 94,000	\$ 824,000	\$ 814,000

Net Income (Loss), Funds from Operations, and Cash Provided by Operating Activities

As a result of the previously discussed factors, Daylight recognized Q1 2008 net income of \$3.9 million (\$2.19/boe, \$0.05/unit-basic, \$0.05/unit-diluted), funds from operations of \$58.7 million (\$32.55/boe, \$0.75/unit-basic, \$0.66/unit-diluted) and cash provided by operating activities of \$43.5 million. Daylight recognized a net loss for Q4 2007 due to write downs of goodwill. Daylight has no remaining goodwill recorded on the balance sheet at March 31, 2008. There has been no impairment to the value of Daylight's petroleum and natural gas assets and no write down to petroleum and natural gas assets has been recorded in any period. Results from the comparative periods are presented below.

(000s)	Q1 2008	Q4 2007	Q1 2007
Net income (loss)	\$ 3,941	\$ (127,381)	\$ 5,301
Per boe	\$ 2.19	\$ (67.27)	\$ 2.76
Per Unit			
Basic	\$ 0.05	\$ (1.64)	\$ 0.07
Diluted	\$ 0.05	\$ (1.64)	\$ 0.07
Funds from operations	\$ 58,667	\$ 47,479	\$ 42,833
Per boe	\$ 32.55	\$ 25.07	\$ 22.29
Per Unit			
Basic	\$ 0.75	\$ 0.61	\$ 0.57
Diluted	\$ 0.66	\$ 0.54	\$ 0.57
Cash provided by operating activities	\$ 43,516	\$ 44,824	\$ 46,500

Daylight's funds from operations is significantly influenced by commodity prices and production volumes.

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Daylight's estimated sensitivity to changes in its commodity price, production volume and exchange rate assumptions for the full year 2008 are estimated as follows:

- \$1.2 million per \$0.10 change in natural gas price per mcf.
- \$2.3 million per US\$1.00 change in the WTI oil price per bbl.
- \$1.7 million per 1 mmcf per day change in production.
- \$2.2 million per 100 bbl per day change in light oil production.
- \$1.6 million per 100 bbl per day change in heavy oil production.
- \$1.6 million per 100 bbl per day change in NGLs production.
- \$2.2 million per \$0.01 change in the United States dollar to Canadian dollar exchange rate.

Capital Expenditures

Daylight invested \$43.6 million on its capital expenditure program during Q1 2008 compared to \$29.1 million in Q4 2007 and \$20.7 million in Q1 2007. These expenditures for Q1 2008 and Q4 2007 are also providing significant additions of new production volumes during April 2008, and Daylight anticipates fiscal 2008 production volumes to average 20,750 to 21,250 boe/d with the investment of approximately \$140 million in our 2008 capital program. During Q1 2008, 8 gross (2.5 net) wells were drilled under a farmout arrangement which results in Daylight receiving a net interest in the wells at no cash cost up to and including the drilling and completion of the wells.

(000s)	Q1 2008	Q4 2007	Q1 2007
Land and acquisitions	\$ 3,331	\$ 1,352	\$ 631
Geological and geophysical	1,683	1,682	1,512
Drill, complete and recomplete	23,668	13,681	13,582
Equipping and facilities	14,948	12,374	4,952
Capital Expenditures	\$ 43,630	\$ 29,089	\$ 20,677

In the first three months of 2008, Daylight drilled a total of 22 gross (8.9 net) wells with 96% success. This program provided production and reserve additions within the following core areas:

- Peace River Arch Properties include Cecil, Elsworth, and Sinclair. In Q1 2008, Daylight drilled 6 gross (5.1 net) natural gas wells.
- West Central properties including Pine Creek, Kaybob, Pembina, Sturgeon, Oldman and Windfall. In Q1 2008, Daylight drilled 10 gross (2.4 net) natural gas wells, 1 gross (0.3 net) oil wells and 1 gross (0.3 net) dry hole.
- Eastern properties include Wildmere, Bon Accord and Chipman. In Q1 2008, Daylight drilled 2 gross (0.3 net) heavy oil wells.
- Southern properties include Chigwell and Sylvan Lake. In Q1 2008, Daylight drilled 2 gross (0.5 net) gas wells.

Investments

	Symbol	Number of Shares	Equity or Fair Value
Avery Resources Inc.	ARY	21,300,000	\$ 6,241
Trafalgar Energy Ltd.	TFL	740,240	2,672
Pegasus Oil & Gas Inc.	POG.A	2,440,000	3,660
Balance, March 31, 2008			\$ 12,573

Daylight owns approximately 23% of the basic issued and outstanding common shares of Avery Resources Inc. ("Avery"), a Calgary-based junior exploration company actively pursuing opportunities in Australia. This investment is composed of 21,300,000 common shares and Daylight accounts for this investment using the equity method. Avery is a public company trading on the TSX under the symbol ARY.

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On March 31, 2008, Avery common shares closed at \$0.415 per share. As at March 31, 2008, the market value of this investment was approximately \$8.8 million (December 31, 2007 - \$6.6 million). At December 31, 2007, it was determined that the decline in value of the investment in Avery was other than temporary and the investment was written down to its market value. For the three months ended March 31, 2008, the equity loss in Avery was \$0.4 million (2007 - \$1.4 million).

Daylight owns 740,240 common shares of Trafalgar Energy Ltd. ("Trafalgar"), which is approximately 6% of the issued and outstanding common shares of Trafalgar at March 31, 2008. The Trust accounts for its investment in Trafalgar at fair value based on the quoted market price. Trafalgar is a public company trading on the Toronto Stock Exchange under the symbol TFL. On March 31, 2008 the Trafalgar common shares closed at \$3.61 per share. As at March 31, 2008, the market value of this investment is approximately \$2.7 million (2007 - \$3.0 million).

Daylight also owns 2,440,000 Class A common shares of Pegasus Oil & Gas Inc. ("Pegasus"), which is approximately 7% of the issued and outstanding Class A common shares outstanding at March 31, 2008. The Trust accounts for its investment in Pegasus at fair value based on the quoted market price. Pegasus is a public company trading on the TSX Venture Exchange under the symbols POG.A and POG.B. On March 31, 2008, the class A shares closed at \$1.50 per share. As at March 31, 2008, the market value of this investment is approximately \$3.7 million (2007 - \$5.4 million).

Daylight continues to consider its equity investments in Avery, Trafalgar and Pegasus as available for disposition.

Distributions

During Q1 2008, Daylight declared three monthly cash distributions totalling \$23.3 million (\$0.30 per Trust Unit) with a resulting payout ratio of 40%. During Q4 2007, Daylight declared three monthly cash distributions totalling \$23.3 million (\$0.30 per Trust Unit) with a resulting payout ratio of 49%. During Q1 2007, Daylight declared three cash distributions totalling \$34.1 million (\$0.45 per Trust Unit).

Daylight's management and the Board of Directors continually monitor the distribution level in relation to forecast funds from operations, debt levels and capital expenditure programs. Commodity prices and production volumes are critical variables in determining funds from operations and changes in these two items have a material impact on funds from operations and Daylight's ability to fund distributions. Distributions beyond the periods declared are not guaranteed to occur in the future.

Daylight targets to fully finance its capital expenditures and cash distributions with funds from operations over the longer term, but may not fully finance these items within a quarterly or annual period. Daylight's decision to reduce its monthly cash distribution from \$0.15 per unit per month to \$0.10 per unit per month effective for the September 17, 2007 payment date improved Daylight's ability to fully finance capital expenditures and cash distributions with funds from operations and has improved Daylight's financial flexibility. To the extent that capital expenditures are not fully financed by funds from operations, Daylight may draw upon its available credit facilities or issue new trust units or debentures.

As discussed in the non GAAP measures section of this MD&A, Daylight utilizes the non GAAP term "funds from operations" to evaluate operating performance, assess leverage and considers this term to be an important measure in assessing Daylight's ability to generate the funds necessary to pay distributions, repay debt and finance capital expenditures. Funds from operations is also utilized in the calculation of "payout ratio" which is also a non GAAP measure utilized by Daylight to evaluate financial flexibility and the relative burden of distributions. National Policy 41-201 requires certain disclosures comparing distributions to cash provided by operating activities which is a GAAP measure. A reconciliation of cash provided by operating activities to funds from operations is included in the non GAAP measures section of this MD&A. The disclosures required by National Policy 41-201 are contained in the following table and paragraphs of this Distributions section of the MD&A.

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(000s)	Q1 2008	Q4 2007	Q1 2007
Cash distributions declared per unit	\$ 0.30	\$ 0.30	\$ 0.45
Cash distributions declared	\$ 23,333	\$ 23,296	\$ 34,114
Cash provided by operating activities	\$ 43,516	\$ 44,824	\$ 46,500
Net income (loss)	\$ 3,941	\$ (127,381)	\$ 5,301
Excess (shortfall) of the following items over cash distributions declared:			
Cash provided by operating activities	\$ 20,183	\$ 21,528	\$ 12,386
Net income (loss)	\$ (19,392)	\$ (150,677)	\$ (28,813)

Cash provided by operating activities of \$43.5 million for Q1 2008 exceeded Daylight's cash distributions of \$23.3 million by \$20.2 million. Cash provided by operating activities of \$44.8 million for Q4 2007 exceeded cash distributions of \$23.3 million by \$21.5 million. Cash provided by operating activities of \$46.5 million for Q1 2007 exceeded cash distributions of \$34.1 million by \$12.4 million in the period.

For Q1 2008, Q4 2007 and Q1 2007, the cash distributions declared exceeded the net income of \$3.9 million, the net loss of \$127.4 million, and the net income of \$5.3 million respectively by \$19.4 million, \$150.7 million and \$28.8 million respectively.

Cash distributions declared typically exceed the net income (loss) in these periods but do not typically exceed cash provided by operating activities and this relationship is expected to continue for future periods. Daylight has declared cash distributions in excess of net income since net income includes several non-cash charges including depletion, depreciation and accretion, unit based compensation, unrealized (gain) loss on financial instruments, and future tax, which do not impact the funds available to pay distributions declared. The depletion, depreciation and accretion charge does not necessarily represent the cost of maintaining and replacing the volume of reserves produced in the period. In those periods where cash distributions exceed the net income (loss) of the period, a portion of the distribution declared may represent an economic return of capital for unit holders and the distributions declared may be subject to increases or decreases in future periods depending on future circumstances.

Daylight has a Premium Distribution Reinvestment and Optional Trust Unit Purchase Plan ("Premium DRIP™") for eligible unitholders. On distribution payment dates eligible Premium DRIP™ unitholders may receive, in lieu of the cash distribution that unitholders are otherwise entitled to receive in respect of their units, a cash payment equal to 102% of such amount.

Unitholders may also reinvest their cash distributions in additional trust units at a price that is 95% of the average market price for the Pricing Period. The Pricing Period refers to the period beginning on the later of the 21st business day preceding the distribution payment date and the second business day following the record date applicable to that distribution payment date, and ending on the second business day preceding the distribution payment date. Eligible Premium DRIP™ unitholders may also make optional cash payments on this date to purchase additional trust units at a price that is equal to the average market price for the Pricing Period. During the three months ended March 31, 2008 Daylight issued no (2007 – 1,891,527) trust units from treasury for the Premium DRIP™ in lieu of cash distributions totalling \$nil (2007 - \$17.6 million).

Daylight can prorate or suspend requests for the receipt of amounts under the Premium DRIP™ and Daylight has not issued any trust units under the Premium DRIP™ program since August 2007 when the distribution level of \$0.10 per trust unit was announced.

DAYLIGHT RESOURCES TRUST

Liquidity and Capital Resources

(000s)	March 31, 2008	December 31, 2007	March 31, 2007
Bank debt	\$ 268,410	\$ 257,342	\$ 338,511
Working capital deficiency ⁽¹⁾	29,908	32,088	29,649
	298,318	289,430	368,160
Market value of investments	(15,172)	(13,068)	(16,673)
	283,146	276,362	351,487
Convertible debentures	120,170	119,792	3,444
Capital lease obligation - long term portion	-	-	261
Unitholders' equity	\$ 423,952	\$ 440,152	\$ 612,197

(1) Excludes unrealized gain (loss) on derivatives and future income taxes.

At March 31, 2008, Daylight had \$268 million outstanding on its credit facilities which provide up to \$350 million available under a revolving term credit facility with a syndicate of banks and are subject to semi-annual review by the banking syndicate. The next scheduled review date is November 30, 2008.

On October 3, 2007, Daylight issued \$125 million principal amount of 8.5% Convertible Unsecured Subordinated Debentures, Series B for net proceeds of \$119.6 million. The Series B Debentures pay interest semi-annually on October 31 and April 30, commencing with the initial interest payment on April 30, 2008, and have a maturity date of October 31, 2012. The Series B Debentures are convertible at the option of the holder to Trust Units at a conversion price of \$8.60 per Trust Unit. The Trust has the option to redeem the Series B Debentures at a price of \$1,050 per Series B Debenture after October 31, 2010 and on or before October 31, 2011, and at a price of \$1,025 per Series B Debenture after October 31, 2011 and before October 31, 2012.

The market value of Daylight's investments is based on the closing trading value of the related securities at the end of the periods and Daylight's ability to realize this value is subject to the changes in trading value of these securities. Daylight's working capital deficiency, excluding bank debt, unrealized loss on derivatives, and future income taxes, at March 31, 2008 was \$29.9 million.

Management anticipates that Daylight will continue to have adequate liquidity to fund future working capital and forecasted capital expenditures during 2008 through a combination of funds from operations, debt and equity. Funds from operations used to finance these commitments may reduce the amount of funding available to provide cash distributions to unitholders. Major acquisitions will require the issuance of new equity in exchange for the equity of acquired entities.

Trust Unit Information

Daylight's trust units trade on the Toronto Stock Exchange under the symbol "DAY.UN" and Daylight is a constituent of the S&P/TSX Income Trust Index and S&P/TSX Composite Index. A summary of Daylight's trading history on the TSX follows.

(per unit)	Q1 2008	Q4 2007	Q1 2007
High	\$ 9.22	\$ 7.84	\$ 10.65
Low	\$ 6.81	\$ 6.07	\$ 8.74
Close	\$ 8.97	\$ 7.23	\$ 9.64
Average daily volume	443,188	573,236	349,132

DAYLIGHT RESOURCES TRUST

As at March 31, 2008, Daylight had the following trust units and trust unit equivalents outstanding:

	Number
Trust Units	77,913,524
Convertible debentures Series A (\$3,576,000 face value)	253,997
Convertible debentures Series B (\$124,840,000 face value)	14,516,279
Restricted trust unit awards (1,005,949)	1,207,521
Performance trust unit awards (170,000)	204,676
Total Diluted	94,095,997

As at May 7, 2008, Daylight has the following trust units and trust unit equivalents outstanding:

	Number
Trust Units	78,682,514
Convertible debentures Series A (\$3,576,000 face value)	253,997
Convertible debentures Series B (\$120,052,000 face value)	13,959,535
Restricted trust unit awards (1,103,532)	1,143,251
Performance trust unit awards (170,000)	207,018
Total Diluted	94,246,315

Commitments

The following is a summary of Daylight's contractual obligations and commitments, other than bank debt, convertible debentures, and risk management as at March 31, 2008:

	2008	2009	2010	2011	2012	Thereafter
Capital Lease	\$ 889	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Leases	7,756	4,629	2,732	1,571	1,264	6,156
Natural gas transportation	700	532	188	160	44	-
	\$ 9,345	\$ 5,161	\$ 2,920	\$ 1,731	\$ 1,308	\$ 6,156

Daylight enters into multiple contractual obligations as part of conducting day to day business. Material contractual obligations include bank debt, leases for office space, a drilling rig contract and commitments for natural gas transportation. Daylight has entered into an agreement with a third party whereby commitments under a certain drilling rig contract, included in the 2008 obligation of \$9.3 million, have been assumed by the third party for 2008 totalling \$0.8 million.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by Daylight is accumulated and communicated to Daylight's management as appropriate to allow timely decisions regarding required disclosure. Daylight's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by the annual and interim filings, that Daylight's disclosure controls and procedures for the three months ended March 31, 2008 and the year ended December 31, 2007 are effective to provide reasonable assurance that material information related to Daylight, including its consolidated subsidiaries, is made known to them by others within those entities.

Daylight's Chief Executive Officer and Chief Financial Officer have designed or caused to be designed under their supervision, internal controls over financial reporting related to the Trust, including its consolidated subsidiaries, to provide reasonable assurance regarding the reliability of the Trust's financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Daylight's Chief Executive Officer and Chief Financial Officer are required to disclose herein any change in the Trust's internal control over financial reporting that occurred during the Trust's most recent interim period that has materially affected, or is reasonably likely to have materially affected, the Trust's control over financial reporting. During 2006 and 2007, the Trust engaged external consultants to assist in

documenting and assessing the Trust's design of internal controls over financial reporting. No changes in the Trust's internal control over financial reporting were identified during the three months ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

It should be noted that while Daylight's Chief Executive Officer and Chief Financial Officer believe that the Trust's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Critical Accounting Estimates

The significant accounting policies used by Daylight are disclosed in note 1 to the Consolidated Financial Statements for the years ended December 31, 2007 and 2006. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstance may result in actual results or changes to estimated amounts that differ materially from current estimates.

Changes in Accounting Principles

There are several new standards that are in effect for the annual and interim financial statements for 2008. The following summarizes these pronouncements: CICA Handbook section 1535 "Capital Disclosures" establishes guidelines for the disclosure on an entity's capital and how it is managed, section 3862 "Financial Instruments – Disclosures" provides revised standards on the disclosure of financial instruments and non-financial derivatives, section 3863 "Financial Instruments – Presentation" provides revised standards on the presentation of financial instruments and non-financial derivatives, and section 1400 was amended to include new requirements on assessing and disclosing an entity's ability to continue as a going concern. These new standards did not impact the amounts reported in the Trust's financial statements, however did increase the disclosures in the notes to the financial statements.

On February 13, 2008, Canada's Accounting Standard Board confirmed January 1, 2011 as the effective date for complete convergence of Canadian GAAP to International Financial Reporting Standards ("IFRS"). The Canadian Securities Administrators are in the process of examining changes to securities rules as a result of this initiative. Daylight will continue to monitor and assess the impact of the planned convergence of Canadian GAAP with IFRS.

Risks and Uncertainties

Daylight is subject to multiple business risks that are similar to other entities involved in the conventional energy trust sector. Daylight's financial position, results of operations, cash flows and distributions to unitholders are directly impacted by the following factors:

For a detailed discussion of Risks and Uncertainties, refer to the Trust's Annual Information Form, filed on SEDAR at www.sedar.com.

DAYLIGHT RESOURCES TRUST

Quarterly Information

Financial <i>(in thousands of dollars, except unit, per unit and boe data)</i>	2008	2007				2006		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Petroleum and natural gas revenues	\$ 113,986	\$ 99,718	\$ 82,557	\$ 92,699	\$ 91,982	\$ 92,715	\$ 69,877	\$ 68,554
Royalties	(21,733)	(18,853)	(14,454)	(18,223)	(16,237)	(17,444)	(13,312)	(14,040)
Realized gain (loss) on commodity derivatives	-	2,145	5,118	(320)	24	91	(133)	-
Operating expenses	(21,769)	(23,072)	(21,555)	(27,268)	(21,971)	(21,319)	(15,901)	(15,286)
Transportation	(1,721)	(2,019)	(1,920)	(2,085)	(1,833)	(1,871)	(1,959)	(1,354)
Operating netback	68,763	57,919	49,746	44,803	51,965	52,172	38,572	37,874
G&A – cash charge	(3,679)	(3,724)	(3,552)	(4,117)	(3,840)	(4,326)	(3,634)	(2,625)
Cash financial charges	(6,417)	(6,716)	(5,851)	(5,412)	(5,292)	(4,519)	(2,695)	(2,286)
Cash taxes	-	-	-	-	-	(54)	(1)	222
Funds from operations	58,667	47,479	40,343	35,274	42,833	43,273	32,242	33,185
Per unit								
– Basic	0.75	0.61	0.52	0.46	0.57	0.59	0.71	0.79
– Diluted	0.66	0.54	0.52	0.46	0.57	0.59	0.68	0.77
Cash provided by operating activities	43,516	44,824	38,850	37,211	46,500	21,314	31,783	42,119
Net income (loss)	3,941	(127,381)	7,131	18,682	5,301	(283,511)	(2,140)	15,735
Per unit								
– Basic	0.05	(1.64)	0.09	0.24	0.07	(3.88)	(0.05)	0.38
– Diluted	0.05	(1.64)	0.09	0.24	0.07	(3.88)	(0.05)	0.38
Cash distributions declared	23,333	23,296	27,006	34,475	34,114	43,008	31,844	26,663
Per unit	0.30	0.30	0.35	0.45	0.45	0.59	0.62	0.63
Payout ratio	40%	49%	67%	98%	80%	99%	n/a ⁽¹⁾	80%
Capital expenditures	43,630	29,089	33,727	12,887	20,677	49,761	19,358	21,034
Non-cash capital divestitures	-	-	-	-	-	-	(21,100)	(6,628)
Corporate acquisitions	-	-	-	-	-	-	527,691	-
Market value of investments	15,172	13,068	13,336	17,988	16,673	22,860	20,500	5,783
Bank debt	268,410	257,342	363,153	358,832	338,511	349,336	287,392	165,114
Working capital deficiency ⁽²⁾	29,908	32,088	40,097	25,499	29,649	22,624	50,318	28,931
Convertible debentures	120,170	119,792	3,467	3,456	3,444	3,515	3,510	3,973
Total assets	949,143	922,344	1,065,025	1,072,055	1,083,695	1,114,085	1,424,236	833,821
Units outstanding (000s)								
Basic	77,914	77,657	77,475	76,652	76,542	74,322	71,863	42,209
Diluted	94,096	93,850	78,983	78,133	77,597	75,309	72,117	44,349
Operations								
Average daily production								
Natural gas (mcf/d)	67,691	71,187	69,143	74,356	78,556	80,991	57,926	59,452
Light oil (bbls/d)	5,174	4,964	4,565	4,258	4,310	4,455	3,172	2,855
Heavy oil (bbls/d)	2,181	2,488	2,382	2,416	2,504	2,796	2,760	2,579
NGLs (bbls/d)	1,167	1,266	1,129	1,258	1,449	1,449	756	740
Oil & NGLs (bbls/d)	8,522	8,718	8,076	7,932	8,263	8,700	6,688	6,174
Combined (boe/d)	19,804	20,583	19,600	20,325	21,356	22,199	16,342	16,083
Average prices received								
Natural gas (\$/mcf)	\$ 7.92	\$ 6.45	\$ 5.33	\$ 7.24	\$ 7.31	\$ 6.75	\$ 5.74	\$ 6.18
Light oil (\$/bbl)	91.40	81.84	73.87	67.09	61.34	60.07	74.23	71.78
Heavy oil (\$/bbl)	71.54	53.50	51.97	46.05	42.50	39.59	51.27	52.01
NGLs (\$/bbl)	74.91	64.99	59.90	53.42	54.31	49.53	67.79	63.05
Oil & NGLs (\$/bbl)	\$ 84.06	\$ 71.31	\$ 65.46	\$ 58.51	\$ 54.40	\$ 51.73	\$ 64.03	\$ 62.48
Combined (\$/boe)	\$ 63.25	\$ 52.66	\$ 45.79	\$ 50.12	\$ 47.86	\$ 45.40	\$ 46.48	\$ 46.84
Wells drilled - gross (net)	22 (8.9)	11 (7.8)	18 (9.9)	4 (3.6)	11 (6.0)	9 (1.8)	12 (9.2)	5 (1.0)

⁽¹⁾ On a proforma basis, if the Sequoia acquisition had been completed on September 1, 2006, the payout ratio would have been 88% for Q3 2006.

⁽²⁾ Excludes unrealized gain (loss) on derivatives and future income taxes.

DAYLIGHT RESOURCES TRUST

Quarterly Information

Financial <i>(in thousands of dollars, except unit, per unit and boe data)</i>	2006	2005				2004
	Q1	Q4	Q3	Q2	Q1	Oct. 21 to Dec. 31
Petroleum and natural gas revenues	\$ 66,187	\$ 85,615	\$ 76,445	\$ 60,529	\$ 53,984	\$ 17,377
Royalties	(12,485)	(15,802)	(13,242)	(10,558)	(10,375)	(3,674)
Realized gain (loss) on commodity derivatives	-	(99)	(350)	59	-	-
Operating expenses	(14,848)	(13,580)	(12,981)	(13,184)	(12,328)	(4,335)
Transportation	(1,309)	(1,657)	(1,018)	(950)	(430)	(153)
Operating netback	37,545	54,477	48,854	35,896	30,851	9,215
Interest income	-	-	-	-	-	726
G&A – cash charge	(2,596)	(3,545)	(2,216)	(2,108)	(1,987)	(987)
Cash financial charges	(1,699)	(1,862)	(2,756)	(2,861)	(2,584)	(1,677)
Cash taxes	(225)	(603)	(170)	(295)	(209)	(80)
Funds from operations	33,025	48,467	43,712	30,632	26,071	7,197
Per unit – Basic	0.80	1.33	1.37	1.02	0.95	0.36
– Diluted	0.77	1.26	1.23	0.88	0.80	0.35
Cash provided by operating activities	17,889	47,285	42,922	24,095	18,917	9,392
Net income	12,093	25,447	20,525	12,201	5,887	1,045
Per unit – Basic	0.29	0.70	0.68	0.41	0.21	0.06
– Diluted	0.29	0.69	0.63	0.40	0.21	0.06
Cash distributions declared	26,407	24,316	17,023	16,284	14,962	9,777
Per unit	0.63	0.63	0.54	0.54	0.54	0.36
Payout ratio	80%	50%	39%	53%	57%	136%
Capital expenditures	35,378	20,215	23,851	14,086	14,387	5,057
Non-cash capital divestitures	-	(14,636)	-	-	-	(33,456)
Corporate acquisitions	-	116,509	-	61,000	-	587,164
Market value of investments	-	-	-	-	-	-
Bank debt	162,190	123,455	124,185	131,755	101,850	89,220
Working capital deficiency ⁽¹⁾	17,048	26,575	15,346	9,878	12,256	20,820
Convertible debentures	6,996	9,219	22,117	72,919	73,083	77,718
Total assets	845,746	841,254	689,297	676,212	610,970	615,486
Units outstanding (000s)						
Basic	41,861	40,806	33,767	30,113	27,904	27,119
Diluted	44,110	43,854	37,501	37,334	34,933	34,409
Operations						
Average daily production						
Natural gas (mcf/d)	56,012	54,438	54,096	57,890	58,875	58,264
Light oil (bbls/d)	2,575	2,368	2,527	2,292	2,721	2,671
Heavy oil (bbls/d)	2,701	2,460	2,096	1,937	-	-
NGLs (bbls/d)	677	814	785	771	892	846
Oil & NGLs (bbls/d)	5,953	5,642	5,408	5,000	3,613	3,517
Combined (boe/d)	15,288	14,715	14,424	14,648	13,426	13,228
Average prices received						
Natural gas (\$/mcf)	\$ 7.77	\$ 11.91	\$ 9.26	\$ 7.51	\$ 6.86	\$ 6.89
Light oil (\$/bbl)	65.55	63.40	68.98	62.80	56.49	44.29
Heavy oil (\$/bbl)	34.29	33.06	51.94	23.49	-	-
NGLs (\$/bbl)	60.50	58.79	56.56	52.71	46.35	45.34
Oil & NGLs (\$/bbl)	\$ 50.79	\$ 49.52	\$ 60.57	\$ 46.02	\$ 53.99	\$ 44.54
Combined (\$/boe)	\$ 48.10	\$ 63.24	\$ 57.61	\$ 45.41	\$ 44.68	\$ 42.37
Wells drilled - gross (net)	21 (15.6)	34 (21.7)	15 (6.9)	5 (3.4)	17 (8.6)	4 (2.1)

⁽¹⁾ Excludes unrealized gain (loss) on derivatives and future income taxes.

The 2004 financial results reflect the activities of Daylight from October 21, 2004 to December 31, 2004. Active oil and gas operations commenced subsequent to the Plan of Arrangement on November 30, 2004 and Operations information above applies to that one month period.

DAYLIGHT RESOURCES TRUST

Annual Information

Financial <i>(in thousands of dollars, except unit, per unit and boe data)</i>	2007	2006	2005	2004
Petroleum and natural gas revenues	\$ 366,956	\$ 297,333	\$ 276,573	\$ 17,377
Royalties	(67,767)	(57,281)	(49,977)	(3,674)
Realized gain (loss) on commodity derivatives	6,967	(42)	(390)	-
Operating expenses	(93,866)	(67,354)	(52,073)	(4,335)
Transportation	(7,857)	(6,493)	(4,055)	(153)
Operating netback	204,433	166,163	170,078	9,215
Interest income	-	-	-	726
G&A – cash charge	(15,233)	(13,181)	(9,856)	(987)
Cash financial charges	(23,271)	(11,199)	(10,063)	(1,677)
Cash taxes	-	(58)	(1,277)	(80)
Funds from operations	165,929	141,725	148,882	7,197
Per unit				
– Basic	2.16	2.80	4.59	0.36
– Diluted	2.10	2.71	4.20	0.35
Cash provided by operating activities	167,385	113,105	133,219	9,392
Net income (loss)	(96,267)	(257,823)	64,060	1,045
Per unit				
– Basic	(1.26)	(5.09)	2.06	0.06
– Diluted	(1.26)	(5.09)	1.99	0.06
Cash distributions declared	118,891	127,922	72,585	9,777
Per unit	1.55	2.47	2.26	0.36
Payout ratio	72%	n/a ⁽¹⁾	49%	136%
Capital expenditures	96,380	125,531	72,539	5,057
Non-cash capital divestitures	-	(27,728)	(14,636)	(33,456)
Corporate acquisitions	-	527,691	177,509	587,164
Market value of investments	13,068	22,860	-	-
Bank debt	257,342	349,336	123,455	89,220
Working capital deficiency ⁽²⁾	32,088	22,624	26,575	20,820
Convertible debentures	119,792	3,515	9,219	77,718
Total assets	922,344	1,114,085	841,254	615,486
Units outstanding (000s)				
Basic	77,657	74,322	40,806	27,119
Diluted	93,850	75,309	43,854	34,409
Operations				
Average daily production				
Natural gas (mcf/d)	73,279	63,648	56,306	58,264
Light oil (bbls/d)	4,526	3,269	2,476	2,671
Heavy oil (bbls/d)	2,447	2,709	1,631	-
NGLs (bbls/d)	1,275	908	815	846
Oil & NGLs (bbls/d)	8,248	6,886	4,922	3,517
Combined (boe/d)	20,461	17,494	14,307	13,228
Average prices received				
Natural gas (\$/mcf)	\$ 6.61	\$ 6.61	\$ 8.84	\$ 6.89
Light oil (\$/bbl)	71.54	67.15	62.83	44.29
Heavy oil (\$/bbl)	48.52	44.24	36.35	-
NGLs (\$/bbl)	57.99	58.09	53.47	45.34
Oil & NGLs (\$/bbl)	\$ 62.62	\$ 56.94	\$ 52.51	\$ 44.54
Combined (\$/boe)	\$ 49.14	\$ 46.57	\$ 52.97	\$ 42.37
Wells drilled - gross (net)	44 (27.3)	47 (27.6)	71 (40.6)	4 (2.1)

⁽¹⁾ On a proforma basis, if the Sequoia acquisition had been completed on September 1, 2006, the payout ratio would have been 83% for 2006.

⁽²⁾ Excludes unrealized gain (loss) on derivatives and future income taxes.

The 2004 financial results reflect the activities of Daylight from October 21, 2004 to December 31, 2004. Active oil and gas operations commenced subsequent to the Plan of Arrangement on November 30, 2004 and Operations information above applies to that one month period.

Dated May 7, 2008

Consolidated Balance Sheets

(in thousands of dollars) (unaudited)

	March 31, 2008	December 31, 2007
Assets		
Current assets		
Accounts receivable	\$ 59,096	\$ 47,311
Prepaid expenses and deposits	3,170	3,201
Future income taxes	5,621	-
	67,887	50,512
Investments (note 3)	12,573	13,068
Petroleum and natural gas assets (note 4)	864,157	854,464
Deferred financing charges (note 8)	181	208
Future income taxes	4,345	4,092
	\$ 949,143	\$ 922,344
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 83,552	\$ 73,902
Unrealized loss on derivatives (note 12)	22,270	-
Current portion of capital lease obligations (note 6)	831	932
Distributions payable	7,791	7,766
	114,444	82,600
Bank debt (note 5)	268,410	257,342
Convertible debentures (note 7)	120,170	119,792
Asset retirement obligations (note 9)	22,167	22,458
	525,191	482,192
Unitholders' Equity		
Unitholders' capital (note 10)	1,085,849	1,083,664
Contributed surplus (note 10)	3,449	2,437
Equity component of convertible debentures (note 7)	3,719	3,724
Deficit	(669,065)	(649,673)
	423,952	440,152
	\$ 949,143	\$ 922,344

Commitments (note 14)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income, Comprehensive Income and Deficit

Three months ended March 31,

(in thousands of dollars, except per unit amounts) (unaudited)

	2008	2007
Revenues		
Petroleum and natural gas	\$ 113,986	\$ 91,982
Royalties	(21,733)	(16,237)
Loss on financial instruments (note 12)	(22,403)	(9,261)
	69,850	66,484
Expenses		
Operating	21,769	21,971
Transportation	1,721	1,833
General and administrative	5,974	5,250
Financial charges (note 8)	6,898	5,332
Loss on equity investment (note 3)	362	1,394
Depletion, depreciation and accretion	35,175	36,066
	71,899	71,846
Loss before taxes	(2,049)	(5,362)
Taxes		
Future taxes reduction	(5,990)	(10,663)
Net income and comprehensive income	3,941	5,301
Deficit, beginning of period	(649,673)	(436,361)
Change in accounting policy	-	1,846
Distributions (note 10)	(23,333)	(34,114)
Deficit, end of period	\$ (669,065)	\$ (463,328)
Net income per unit (note 10)		
Basic	\$ 0.05	\$ 0.07
Diluted	\$ 0.05	\$ 0.07

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Three months ended March 31,

(in thousands of dollars) (unaudited)

	2008	2007
Cash provided by (used in):		
Operating		
Net income	\$ 3,941	\$ 5,301
Items not affecting cash:		
Depletion, depreciation and accretion	35,175	36,066
Future taxes reduction	(5,990)	(10,663)
Non-cash financial charges (note 8)	481	40
Unit based compensation	2,295	1,410
Unrealized loss on financial instruments	22,403	9,285
Equity loss on investments	362	1,394
Asset retirement expenditures (note 9)	(1,063)	(1,840)
Change in non-cash operating working capital (note 11)	(14,088)	5,507
Cash provided by operating activities	43,516	46,500
Financing		
Bank debt	11,068	(10,825)
Convertible debentures issued, net of issue costs	73	-
Issue of trust units, net of issue costs (note 10)	398	288
Cash distribution to unitholders	(23,308)	(19,476)
Repayments on obligation under capital lease	(101)	(551)
Change in non-cash financing working capital (note 11)	2,717	305
Cash used in financing activities	(9,153)	(30,259)
Investing		
Petroleum and natural gas asset additions	(43,630)	(20,677)
Change in non-cash investing working capital (note 11)	9,267	4,436
Cash used in investing activities	(34,363)	(16,241)
Change in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	\$ -	\$ -

Cash is defined as cash and cash equivalents.

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the three months ended March 31, 2008 and 2007

(Tabular amounts are stated in thousands of dollars except unit, share, and per unit amounts) (unaudited)

Daylight Resources Trust ("Daylight" or the "Trust") is an open-ended, unincorporated investment trust governed by the laws of the Province of Alberta pursuant to a Trust Indenture. Valiant Trust Company has been appointed trustee under the Trust Indenture. The beneficiaries of the Trust are the holders of the Trust units ("unitholders").

The purpose of the Trust is to explore for, develop and hold interests in petroleum and natural gas properties, through investments in securities of subsidiaries and royalty interests in oil and natural gas properties. The business of the Trust is carried on by Daylight Energy Ltd. ("Daylight Energy") and its subsidiaries. The Trust owns 100% of the common shares of Daylight Energy. The activities of Daylight Energy are financed through internally generated funds from operations and third party debt as described in note 5.

Pursuant to the terms of an agreement (the "NPI Agreement"), the Trust is entitled to a payment from Daylight Energy each month equal to the amount by which 99% of the gross proceeds from the sale of production exceed 99% of certain deductible expenditures as defined under the terms of the NPI Agreement. Deductible expenditures may include amounts, determined on a discretionary basis, to fund capital expenditures, to repay debt and to provide for working capital required to carry out the operations of Daylight Energy.

The Trust may declare payable to the unitholders all or any part of the net income of the Trust earned from the income generated under the NPI Agreement, and from any dividends paid on the common shares of Daylight Energy, less any expenses of the Trust, including interest on convertible debentures. The Trust intends to continue to make cash distributions, however, these distributions cannot be guaranteed.

Daylight is involved in the exploitation, development and production of petroleum and natural gas in Alberta, British Columbia and Saskatchewan.

1. Significant Accounting Policies

The interim consolidated financial statements are stated in Canadian dollars, have been prepared by management, in accordance with Canadian generally accepted accounting principles ("GAAP") following the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended December 31, 2007, except as described below, and include the accounts of the Trust and its wholly owned subsidiaries. Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results may differ materially from those estimates.

Specifically, the amounts recorded for the depletion and depreciation of petroleum and natural gas assets and for the accretion of asset retirement obligations are based on estimates. The ceiling test is based on estimates of reserves, production rates, oil and gas prices, future costs and other relevant assumptions. The amounts for unit based compensation are based on estimates of unit price and performance factors, while the fair value estimates for derivatives are based on expected future oil and gas prices. Future income taxes are based on estimates as to the timing of the reversal of temporary differences, and tax rates currently substantively enacted. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material.

2. Changes in Accounting Policies

On January 1, 2008, the Trust adopted Section 1535 – Capital Disclosures, Section 3862 – Financial Instruments Disclosures and Section 3863 – Financial Instruments Presentations. Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. This Section specifies disclosure about objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with all capital requirements, and if it has not complied, the consequences of such non-compliance. Sections 3862 and 3863 establish standards for the presentation and disclosure of information that enable users to evaluate the significance of financial instruments to the entity's financial position, and the nature and extent of risks arising from financial instruments and how the entity manages those risks. The implementation of these new standards did not impact the Trust's financial results, however did result in additional disclosures – refer to note 12.

Future Accounting Changes

On February 13, 2008, Canada's Accounting Standard Board confirmed January 1, 2011 as the effective date for complete convergence of Canadian GAAP to International Financial Reporting Standards ("IFRS"). The Canadian Securities Administrators are in the process of examining changes to securities rules as a result of this initiative. Daylight will continue to monitor and assess the impact of the planned convergence of Canadian GAAP with IFRS.

3. Investments

Entity	Symbol	Number of Shares	March 31, 2008	December 31, 2007
			Equity or Fair Value	Equity or Fair Value
Avery Resources Inc.	ARY	21,300,000	\$ 6,241	\$ 6,603
Trafalgar Energy Ltd.	TFL	740,240	2,672	2,073
Pegasus Oil & Gas Inc.	POG.A	2,440,000	3,660	4,392
Total			\$ 12,573	\$ 13,068

Daylight owns 21,300,000 common shares of Avery Resources Inc. ("Avery"), representing a 23% interest, and accounts for the investment using the equity method. For the three months ended March 31, 2008, the equity loss on the investment in Avery was \$0.4 million (2007 - \$1.4 million). As at March 31, 2008, the market value of the investment in Avery was \$8.8 million (December 31, 2007 - \$6.6 million).

Daylight owns 740,240 common shares of Trafalgar Energy Ltd. ("Trafalgar") with a value of \$2.7 million at March 31, 2008. Daylight accounts for this investment at fair value based on the quoted market price.

Daylight owns 2,440,000 Class A common shares of Pegasus Oil & Gas Inc. ("Pegasus") with a value of \$3.7 million at March 31, 2008. Daylight accounts for this investment at fair value based on the quoted market price.

Daylight continues to consider its equity investments in Avery, Trafalgar and Pegasus as available for disposition.

4. Petroleum and Natural Gas Assets

	Cost	Accumulated depletion and depreciation	Net book value
Petroleum and natural gas properties	\$ 1,227,807	\$ 366,772	\$ 861,035
Other assets	5,747	2,625	3,122
Balance, March 31, 2008	\$ 1,233,554	\$ 369,397	\$ 864,157

	Cost	Accumulated depletion and depreciation	Net book value
Petroleum and natural gas properties	\$ 1,183,658	\$ 332,488	\$ 851,170
Other assets	5,690	2,396	3,294
Balance, December 31, 2007	\$ 1,189,348	\$ 334,884	\$ 854,464

During the three months ended March 31, 2008, Daylight capitalized \$2.1 million (2007 - \$1.8 million) of general and administrative expenses related to exploration and development activities. Included in this amount is \$0.4 million (2007 - \$0.2 million) of non-cash unit-based compensation and the related tax effect of \$0.1 million (2007 - \$0.1 million). Future development costs of \$80.5 million (2007 - \$50.3 million) associated with proven reserves were included in the depletion and depreciation calculation. Future salvage value of production equipment and facilities of \$33.3 million (2007 - \$32.8 million) and a cost of \$33.0 million (2007 - \$45.0 million) for unproven properties have been excluded from the depletion and depreciation calculation.

5. Bank Debt

Daylight has a total of \$350 million (2007 - \$300 million) available under a revolving term credit facility with a syndicate of banks of which \$268 million was drawn at March 31, 2008. The effective interest rate for the bank debt was 5.2% for the three months ended March 31, 2008 (2007 - 5.8%). The credit facility bears interest based on the lenders' prime rate and/or at money market rates plus a stamping fee. The facility is secured with a demand debenture of \$500 million over the petroleum and natural gas assets and is subject to semi-annual review where the lenders may re-determine the borrowing base.

Pursuant to the terms of the revolving credit facility dated September 21, 2006, Daylight may, with the bank's approval, extend the revolving period for a further 364 day period. If not extended, the revolving facility will automatically convert to a one year and one day non-revolving term facility with the entire payment due on the 366th day after commencement of the term period. The next scheduled review date for the revolving credit facility is on or prior to November 30, 2008.

6. Capital Leases

Daylight has capital lease agreements for oil and gas equipment. The lease obligations expire in 2008 with the Trust required to make the remaining minimum lease payments of \$0.9 million consisting of interest of \$0.1 million and principal of \$0.8 million.

7. Convertible Debentures

On October 3, 2007, Daylight issued \$125 million principal amount of 8.5% Convertible Unsecured Subordinated Debentures, Series B ("Series B Debentures") for net proceeds of \$119.6 million. The Series B Debentures pay interest semi-annually on October 31 and April 30, commencing with the initial interest payment on April 30, 2008 and have a maturity date of October 31, 2012. The Series B Debentures are

DAYLIGHT RESOURCES TRUST

convertible at the option of the holder to Trust Units at a conversion price of \$8.60 per Trust Unit. The Trust has the option to redeem the Series B Debentures at a price of \$1,050 per Series B Debenture after October 31, 2010 and on or before October 31, 2011 and at a price of \$1,025 per Series B Debenture after October 31, 2011 and before October 31, 2012. On redemption or maturity the Trust may elect to satisfy its obligations to repay the principal and interest obligations by issuing Daylight Trust Units.

The Series B Debentures were initially recorded at the fair value of the obligation without the conversion feature. This obligation to make future payments of principal and interest was determined to be \$121.4 million. The difference between the principal amount of \$125 million and the fair value of the obligation is \$3.6 million and has been recorded in unitholders' equity as the fair value of the conversion feature of the Series B Debentures. The Series B Debenture liability has been further reduced by \$5.4 million for associated transaction costs.

On October 21, 2004, Daylight issued \$80 million principal amount of 8.5% Convertible Unsecured Subordinated Debentures, Series A ("Series A Debentures") for net proceeds of \$76.8 million. Issue costs of \$3.2 million were initially classified as deferred financing charges. Due to the change in accounting policy adopted in 2007, the balance of the unamortized costs of \$0.1 million were recorded against the convertible debenture.

The Series A Debentures pay interest semi-annually on June 1 and December 1 and have a maturity date of December 1, 2009. Series A Debentures are convertible at the option of the holder to Trust Units at a conversion price of \$14.07888 per Trust Unit. Daylight has the option to redeem the Series A Debentures at a price of \$1,050 per Series A Debenture after December 1, 2007 and on or before December 1, 2008, at a price of \$1,025 per Series A Debenture after December 1, 2008 and on or before December 1, 2009 and on maturity at \$1,000 per Series A Debenture. On redemption or maturity the Trust may elect to satisfy its obligations to repay the principal and interest obligations by issuing Daylight Trust Units.

The Series A Debentures were initially recorded at the fair value of the obligation without the conversion feature. This obligation to make future payments of principal and interest was determined to be \$77.7 million. The difference between the principal amount of \$80 million and the fair value of the obligation is \$2.3 million and has been recorded in unitholders' equity as the fair value of the conversion feature of the Series A Debentures.

The following table indicates the Convertible Debenture activities, which include the Series A Debentures and Series B Debentures, for the three months ended March 31, 2008 and the year ended December 31, 2007:

	Face Value	Debt Component	Equity Component
Balance, December 31, 2006	\$ 3,576	\$ 3,515	\$ 104
Issued, October 3, 2007	125,000	121,380	3,620
Transaction costs on October 3, 2007 issuance	-	(5,500)	-
Transaction costs on change in accounting policy	-	(83)	-
Accretion and amortization	-	480	-
Balance, December 31, 2007	\$ 128,576	\$ 119,792	\$ 3,724
Transaction costs on October 3, 2007 issuance	-	73	-
Converted to Trust Units	(160)	(149)	(5)
Accretion and amortization	-	454	-
Balance, March 31, 2008	\$ 128,416	\$ 120,170	\$ 3,719

8. Financial Charges

During the three months ended March 31, 2008 and 2007, Daylight incurred interest charges on the bank debt and the convertible debentures as well as the amortization of financial charges and accretion of the convertible debenture liability as follows:

	2008	2007
Bank debt interest	\$ 3,700	\$ 5,217
Convertible debenture interest	2,717	75
Amortization of financial charges	27	28
Accretion of convertible debenture liability	454	12
Total	\$ 6,898	\$ 5,332

A reconciliation of the deferred financing charges is provided as follows:

	March 31, 2008	December 31, 2007
Balance, beginning of period	\$ 208	\$ 400
Change in accounting policy	-	(83)
Amortization	(27)	(109)
Balance, end of period	\$ 181	\$ 208

9. Asset Retirement Obligations

Daylight's asset retirement obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. Daylight estimates the total undiscounted amount of cash flow required to settle its asset retirement obligations is approximately \$107.8 million (2007 - \$107.3 million) which will be incurred between 2008 and 2056. The majority of the costs will be incurred between 2008 and 2031. An inflation factor of 2% has been applied to the estimated asset retirement cost at March 31, 2008 and December 31, 2007. A credit-adjusted risk-free rate of 8% was used to calculate the fair value of the asset retirement obligations at March 31, 2008 and December 31, 2007.

A reconciliation of the asset retirement obligations is provided as follows:

	March 31, 2008	December 31, 2007
Balance, beginning of period	\$ 22,458	\$ 23,294
Liabilities incurred	110	457
Liabilities settled	(1,063)	(3,929)
Accretion expense	662	2,636
Balance, end of period	\$ 22,167	\$ 22,458

10. Unitholders' Equity

The Trust Indenture provides that an unlimited number of trust units may be authorized and issued. Each trust unit is transferable, carries the right to one vote and represents an equal undivided beneficial interest in any distributions from the Trust and in the assets of the Trust in the event of termination or winding-up of the Trust. All trust units are of the same class with equal rights and privileges.

DAYLIGHT RESOURCES TRUST

a) Trust Units

	Number of Units	Amount
Trust units:		
Balance, December 31, 2006	74,322,268	\$ 1,053,317
Issued through Premium DRIP™	2,559,950	23,062
Issued on vesting of unit awards	196,811	1,719
Issued through employee unit ownership plan	200,000	1,845
Issued through employee bonus plan	378,104	3,721
Balance, December 31, 2007	77,657,133	\$ 1,083,664
Issued on vesting of unit awards	573	-
Issued on conversion of debentures	18,602	154
Issued through employee unit ownership plan	97,749	796
Issued through employee bonus plan	139,467	1,235
Balance, March 31, 2008	77,913,524	\$ 1,085,849

Premium Distribution Reinvestment and Optional Trust Unit Purchase Plan ("Premium DRIP™")

Daylight has a Premium Distribution Reinvestment and Optional Trust Unit Purchase Plan ("Premium DRIP™") for eligible unitholders of the Trust. On distribution payment dates eligible Premium DRIP™ unitholders may receive in lieu of the cash distribution that unitholders are otherwise entitled to receive in respect of their units, a cash payment equal to 102% of such amount. Unitholders may also reinvest their cash distributions in additional trust units at a price that is 95% of the average market price for the Pricing Period. The Pricing Period refers to the period beginning on the later of the 21st business day preceding the distribution payment date and the second business day following the record date applicable to that distribution payment date, and ending on the second business day preceding the distribution payment date. Eligible Premium DRIP™ unitholders may also make optional cash payments on this date to purchase additional trust units at a price that is equal to the average market price for the Pricing Period. During the three months ended March 31, 2008 Daylight issued no (2007 – 2,113,577) trust units from treasury, related to unitholders electing to receive the 102% of cash distributions option, in lieu of cash distributions totalling \$nil (2007 - \$19.0 million). Daylight also issued no (2007 – 446,373) trust units from treasury, related to unitholders electing to receive the 95% reinvestment price for additional units option, in lieu of cash distributions totalling \$nil (2007 - \$4.1 million) in the same period. No units were issued through the optional cash purchase plan.

Employee Unit Ownership Plan ("EUOP")

Daylight has an Employee Unit Ownership Plan ("EUOP") whereby the Trust matches every dollar contributed by each employee, to a maximum of 11% of the employee's salary. Under the terms of the EUOP, the Trust has the option to acquire units on behalf of employees through open market purchases or to issue new units from treasury. During the three months ended March 31, 2008 the Trust elected to issue 97,749 units (\$0.8 million) from treasury in settlement of the EUOP obligations, representing the employee contributions and the Trust's matching contributions. During the year ended December 31, 2007 the Trust elected to issue 200,000 units (\$1.8 million) from treasury in settlement of the EUOP obligations, representing the employee contributions and the Trust's matching contributions. The price used to determine units issued from treasury on a monthly basis is the average market price for the period beginning on the second business day of the month and ending on the second business day preceding the monthly distribution payment date.

Redemption Right

Unitholders may redeem their trust units for cash at any time, up to a maximum of \$250,000 in any calendar month, by delivering their unit certificates to the Trustee, together with a properly completed notice of redemption. The redemption amount per trust unit will be the lesser of 90 percent of the market price of the trust units on the principal market on which they are traded during the 10 day trading period after the trust units have been validly tendered for the redemption and the closing market price of the trust units on the principal market on which they are traded on the date on which they were validly tendered for redemption, or if there was no trade of the trust units on that date, the average of the last bid and ask prices of the trust units on that date.

b) Net Income Per Unit

The following table summarizes the weighted average trust units, convertible debentures, and restricted and performance unit awards used in calculating net income per trust unit:

	2008	2007
Basic	77,727,376	75,465,109
Convertible debentures	-	253,997
Restricted and Performance unit awards	464,288	103,142
Diluted	78,191,664	75,822,248

A total of 14,785,469 units attributable to convertible debentures were excluded from the calculation for the three months ended March 31, 2008 as they were anti-dilutive. Diluted net income per unit reflects the add back of interest and accretion expense on convertible debentures. Interest and accretion for the three months ended March 31, 2008 was \$3.2 million (2007 - \$0.1 million).

c) Unit Award Incentive Plan

Daylight has a Unit Award Incentive Plan which allows the Board of Directors to grant up to 5% of the trust units outstanding, including trust units which may be issued on exchange of exchangeable shares, as Restricted and/or Performance Unit Awards to directors, officers, employees and service providers of Daylight and its affiliates. The Restricted Unit Awards and Performance Unit Awards vest over a three-year period. The number of units issued under the Performance Unit Awards granted is also subject to a performance multiplier and is dependent on the performance of the Trust relative to a peer comparison group of oil and gas trusts. A holder of a Restricted or Performance Unit Award may elect, subject to consent of Daylight, to receive cash upon vesting in lieu of the number of units held. The plan provides for adjustments to the number of units issued based on the cumulative distributions of the Trust during the period that the Restricted or Performance Unit Award is outstanding.

The following tables reconcile the number of restricted and performance units outstanding:

Restricted Awards	Number
Balance December 31, 2006	557,533
Issued	855,365
Vested and converted to trust units	(163,081)
Forfeited	(212,397)
Balance, December 31, 2007	1,037,420
Vested and converted to trust units	(514)
Forfeited	(30,957)
Balance, March 31, 2008	1,005,949
Weighted average adjustment factor	1.20038
Trust unit equivalent	1,207,521

DAYLIGHT RESOURCES TRUST

Performance Awards	Number	Performance Multiplier	Total Number
Balance, December 31, 2006	135,000	1	135,000
Issued	110,000	-	110,000
Vested	(27,500)	-	(27,500)
Forfeited	(47,500)	-	(47,500)
Balance, December 31, 2007 and March 31, 2008	170,000	1	170,000
Weighted average adjustment factor			1.20398
Trust unit equivalent			204,676

The performance multiplier is calculated on an annual basis for one third of the performance units originally granted. The performance multiplier may range from 0 to 2 in any given year as determined by the Board of Directors. For the period ended October 9, 2007, a performance multiplier of 0 was granted on the units. Daylight has assumed a multiplier of 1 on the performance units for the three months ended March 31, 2008, although the final multiplier may range anywhere from 0 to 2.

The fair value of the Unit Awards is determined at the date of grant and amortized through general and administrative expense over the vesting period as unit based compensation with a corresponding increase to contributed surplus. There were no awards granted during the three months ended March 31, 2008. The weighted average fair value at the date of grant for the Unit Awards granted during the three months ended March 31, 2007 was \$9.85 per Unit Award. During the three months ended March 31, 2008, \$1.0 million (2007 - \$0.9 million) was charged to general and administrative expense in the period.

d) Contributed Surplus

	Amount
Balance, December 31, 2006	\$ 562
Unit based compensation	3,594
Vested Unit Awards	(1,719)
Balance, December 31, 2007	\$ 2,437
Unit based compensation	1,012
Vested Unit Awards	-
Balance, March 31, 2008	\$ 3,449

e) Accumulated Distributions

The table below shows the cumulative distributions and the per unit equivalent for Daylight Energy Trust (DET) and Daylight Resources Trust:

DAYLIGHT RESOURCES TRUST

Record Date	per Daylight Unit equivalent *	per DET Unit	Amount
Total 2004 cash distributions	\$ 0.36	\$ 0.24	\$ 9,777
Total 2005 cash distributions	\$ 2.26	\$ 1.50	\$ 72,585
Open Range distribution (cost base)	0.47	0.31	15,235
Total 2005 distributions	\$ 2.73	\$ 1.81	\$ 87,820
Total 2006 cash distributions	\$ 1.68	\$ 1.12	\$ 70,901
Trafalgar distribution (cost base)	0.26	0.17	11,202
Total 2006 distributions	\$ 1.94	\$ 1.29	\$ 82,103
Total distributions since inception	\$ 5.03	\$ 3.34	\$ 179,700

* may not add exactly due to rounding.

The table below shows the cumulative distributions and per unit equivalent for Daylight Resources Trust:

Record Date	Per Unit	Amount
Total 2006 cash distributions	\$ 0.78	\$ 57,021
January 31, 2007	0.15	11,274
February 28, 2007	0.15	11,358
March 30, 2007	0.15	11,482
April 30, 2007	0.15	11,484
May 31, 2007	0.15	11,493
June 29, 2007	0.15	11,498
July 31, 2007	0.15	11,513
August 31, 2007	0.10	7,745
September 28, 2007	0.10	7,748
October 31, 2007	0.10	7,765
November 30, 2007	0.10	7,765
December 31, 2007	0.10	7,766
Total 2007 cash distributions	\$ 1.55	\$ 118,891
January 31, 2008	0.10	7,769
February 29, 2008	0.10	7,773
March 31, 2008	0.10	7,791
Total 2008 cash distributions	\$ 0.30	\$ 23,333
Total distributions since inception	\$ 2.63	\$ 199,245

11. Supplemental Cash Flow Information

	2008	2007
Changes in non-cash working capital:		
Accounts receivable	\$ (11,785)	\$ 10,132
Prepaid expenses and deposits	31	(263)
Accounts payable and accrued liabilities	9,650	122
Plan of arrangement costs settled with units	-	1,988
Working capital acquired on acquisition	-	(1,731)
Change in non-cash working capital	\$ (2,104)	\$ 10,248
Relating to:		
Operating activities	\$ (14,088)	\$ 5,507
Financing activities	2,717	305
Investing activities	9,267	4,436
Change in non-cash working capital	\$ (2,104)	\$ 10,248

	2008	2007
Interest and taxes paid:		
Interest paid	\$ 3,464	\$ 4,830
Taxes paid	\$ 152	\$ -

12. Financial Risk Management

Overview

The Trust has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Trust's risk management framework. Daylight's management has implemented and continues to maintain and monitor risk management procedures for the benefit of the organization.

The Trust's risk management policies are established to; (i) Identify and analyze the risks faced by the Trust; (ii) Set appropriate risk limits and controls; and (iii) Monitor risks and consider the implications of market conditions in relation to the Trust's activities.

Credit Risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Daylight's receivables from joint venture partners and petroleum and natural gas marketers. As at March 31, 2008 Daylight's receivables consisted of \$10.5 million (December 31, 2007 - \$8.3 million) from joint venture partners, \$46.3 million (December 31, 2007 - \$37.2 million) of receivables from petroleum and natural gas marketers and \$2.3 million (December 31, 2007 - \$1.8 million) of other trade receivables.

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Receivables from petroleum and natural gas marketers are normally collected on or about the 25th day of the month following production. Daylight's policy to mitigate credit risk associated with these balances is to maintain marketing relationships with large, established and reputable purchasers that are considered to be creditworthy. Historically, Daylight has not experienced any collection issues with its petroleum and natural gas marketers. Joint venture receivables are typically collected within one to three months of the joint venture bill being issued to the partner. Daylight attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint venture partners.

However, the receivables are from participants in the petroleum and natural gas sector, and collection of the outstanding balances is dependent on industry factors such as changes in commodity prices, escalating costs and the risk of unsuccessful drilling. In addition, further risk exists with joint venture partners as disagreements occasionally arise that increase the potential for non-collection. The Trust does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however Daylight does have the ability to withhold production from joint venture partners in the event of non-payment or may be able to register security on the assets of joint venture partners.

The carrying amount of accounts receivable represents the maximum credit exposure. Daylight does not have an allowance for doubtful accounts as at March 31, 2008 and December 31, 2007 and did not provide for any doubtful accounts nor was it required to write-off any receivables during the periods ended March 31, 2008 and December 31, 2007.

As at March 31, 2008 and December 31, 2007, Daylight considers its receivables to be fully collectible with receivable ageing as follows:

	March 31, 2008	December 31, 2007
Current (less than 90 days)	\$ 54,468	\$ 43,344
Past due (more than 90 days)	4,628	3,967
Total	\$ 59,096	\$ 47,311

Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they are due. Daylight's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to Daylight's reputation.

Daylight prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, Daylight utilizes authorizations for expenditures on both operated and non operated projects to further manage capital expenditures. To facilitate timing and liquidity requirements as well as a desirable low cost of capital, Daylight has a revolving reserve based credit facility, as outlined in note 5, that is reviewed at least annually by the lender.

The following are the contractual maturities of financial liabilities and associated interest payments as at March 31, 2008:

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	< 1 Year	1 – 2 Years	2 – 5 Years
Accounts payable and accrued liabilities	\$ 83,552	\$ -	\$ -
Unrealized loss on derivatives	22,270	-	-
Distributions payable	7,791	-	-
Capital lease obligations	831	-	-
Bank debt – principal	-	268,410	-
Convertible debentures - principal	-	3,576	124,840
	\$ 114,444	\$ 271,986	\$ 124,840

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Trust's operations, net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing long term returns.

The Trust utilizes both financial derivatives and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the Trust's established risk management procedures.

Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Trust is exposed to interest rate risk to the extent that changes in market interest rates will impact the Trust's bank debt which is subject to a floating interest rate. For the three months ended March 31, 2008, our effective interest rate was 5.2% (2007 – 5.8%). If this rate had been 4.2% for the three months ended March 31, 2008 (2007 – 4.8%), with all other variables held constant, net income for the period would have been \$0.5 million (2007 - \$0.6 million) higher, due to lower interest expense for the period of \$0.7 million (2007 - \$0.8 million). An equal and opposite impact would have occurred to net income and interest expense had interest rates increased for the three months ended March 31, 2008 to 6.2% (2007 – 6.8%). The sensitivity to changes is lower in 2008 as compared to 2007 because of a reduction in outstanding bank debt which averaged \$273 million in the first three months of 2008 compared to \$349 million for the same period in 2007.

The Trust had no interest rate swap or financial contracts in place as at or during the period ended March 31, 2008.

Foreign Currency Exchange Rate Risk:

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. While substantially all of the Trust's petroleum and natural gas sales are denominated in Canadian dollars, the underlying market prices in Canada for petroleum and natural gas are impacted by changes in the exchange rate between the Canadian and United States dollar.

Daylight had no forward exchange rate contracts in place as at or during the period ended March 31, 2008.

Commodity Price Risk:

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events that dictate the levels of supply and demand. The Trust has attempted to mitigate commodity price risk through the use of various financial derivative and physical delivery sales contracts.

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The Trust's policies permit hedging of up to 50% of its petroleum and natural gas production for up to 12 months in to the future and up to 25% of petroleum and natural gas production for the period commencing 12 months in to the future and ending 24 months in to the future. These hedge limits can be changed upon approval by the Board of Directors.

As at March 31, 2008, the following commodity derivatives were outstanding:

Type of Contract	Commodity	Hedged Volume ⁽²⁾	Hedge Price	Hedge Period
Financial (Swap) ⁽¹⁾	Natural gas	20,000 GJ/d	Cdn\$6.635/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	10,000 GJ/d	Cdn\$6.700/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$6.745/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$6.740/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$7.140/GJ	Apr 1/08 to Oct 31/08
Financial (Swap) ⁽¹⁾	Natural gas	5,000 GJ/d	Cdn\$7.170/GJ	Apr 1/08 to Oct 31/08

⁽¹⁾ Swap indicates fixed price.

⁽²⁾ A GJ converts to a mcf at the rate of 1.055056 GJs per mcf.

The following table provides a summary of the gain (loss) on financial instruments for the three months ended March 31, 2008 and 2007:

	2008	2007
Realized gain on commodity derivatives	\$ -	\$ 24
Unrealized loss on commodity derivatives	(22,270)	(7,784)
Unrealized loss on investments held for trading (note 3)	(133)	(1,501)
Total	\$ (22,403)	\$ (9,261)

The unrealized loss from commodity derivatives has been included on the balance sheet with changes in the fair value included in loss on financial instruments on the statement of income. As at March 31, 2008, if the future strip prices for natural gas were \$0.10 per GJ lower, with all other variables held constant, net income for the period would have been \$0.8 million higher, due to the reduction in the fair value of the financial contracts liability of \$1.1 million. An equal and opposite impact would have occurred to net income and the fair value of the financial contracts liability had the natural gas prices been \$0.10 per GJ higher. There were no commodity derivative contracts outstanding at December 31, 2007.

Fair Value of Financial Instruments

Financial instruments include accounts receivable, investments, accounts payable and accrued liabilities, cash distributions payable, bank debt, and convertible debentures. Unless otherwise noted, carrying values reflect the current fair value of the Trust's financial instruments due to the short term to maturity. The Trust's investments held for trading have a fair value based on quoted market value of \$6.3 million that also represents their carrying value. The equity investment has a fair value based on quoted market value of \$8.8 million that is in excess of its carrying value of \$6.2 million. The fair value of derivative contracts as presented on the balance sheet is determined by discounting the difference between the contracted price and published forward price curves as at the balance sheet date, using the remaining contracted petroleum and natural gas volumes. The Trust's bank debt bears interest at a floating market rate and accordingly the fair market value approximates the carrying value. The convertible debentures outstanding at March 31, 2008, with a face value of \$128.4 million (December 31, 2007 - \$128.6 million), had a fair value based on quoted market value of \$134.9 million (December 31, 2007 - \$124.7 million).

Capital Management

The Trust targets the maintenance of a strong capital base so as to maintain and potentially increase investor, creditor and market confidence and to sustain the future development of the business. Daylight targets to fully finance its capital expenditures and cash distributions with funds from operations over the longer term, but may not fully finance these items within a quarterly or annual period.

Daylight manages its capital structure and makes adjustments to its capital structure in consideration of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. The Trust considers its capital structure to include unitholders' equity, convertible debentures, bank debt and working capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue units, issue convertible debentures, adjust its capital spending or adjust distributions levels.

The Trust monitors its capital structure with consideration of the ratio of net debt to annualized funds from operations. This ratio is calculated as net debt, defined as outstanding bank debt plus or minus working capital, excluding unrealized gain (loss) on derivatives and future income taxes, divided by funds from operations on an annualized basis, defined as the preceding six month period times 2. Funds from operations are based on cash provided by operating activities before change in non-cash operating working capital and asset retirement expenditures.

The Trust's strategy is to maintain a ratio that is considered reasonable and prudent in the circumstances. This ratio may increase at certain times. In order to facilitate the management of this ratio, the Trust prepares annual capital expenditure budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices and production levels, success of capital expenditure program and general industry conditions. The annual and updated budgets are approved by the Board of Directors. As at March 31, 2008, Daylight's ratio of net debt to annualized funds from operations, utilizing the current and prior quarter funds from operations times 2, was 1.4 to 1 compared to 1.6 to 1 as at December 31, 2007. This decrease is a result of the increase in funds from operations due to higher production levels and product prices, partially offset by the higher net debt.

	March 31, 2008	December 31, 2007
Bank debt	\$ 268,410	\$ 257,342
Working capital deficiency ⁽¹⁾	29,908	32,088
Net debt	\$ 298,318	\$ 289,430
Cash provided by operating activities	\$ 43,516	\$ 44,824
Change in non-cash operating working capital	14,088	1,819
Asset retirement expenditures	1,063	836
Funds from operations	\$ 58,667	\$ 47,479
Prior quarter funds from operations	47,479	40,343
	\$ 106,146	\$ 87,822
	x 2	x 2
Annualized funds from operations	\$ 212,292	\$ 175,644
Ratio of net debt to annualized funds from operations	1.4	1.6

(1) Excludes unrealized gain (loss) on derivatives and future income taxes.

The Trust also monitors the payout ratio to evaluate financial flexibility and the relative burden of distributions. Payout ratio is defined on a percentage basis as distributions declared divided by funds from operations. Daylight believes that a payout ratio above 100% is a significant concern as it indicates that no funds from operations are being retained to finance capital expenditures or to repay debt. Daylight believes that a lower payout ratio corresponds to greater financial flexibility since the excess funds from operations

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can be invested in capital expenditures for the long term benefit of Daylight or be utilized to repay debt and reduce the leverage utilized by Daylight. For the three months ended March 31, 2008, the payout ratio was 40%, compared to 49% for the three months ended December 31, 2007 due to the higher funds from operations generated in the 2008 period.

	2008	2007
Distributions declared	\$ 23,333	\$ 23,296
Funds from operations	\$ 58,667	\$ 47,479
Payout ratio	40%	49%

The Trust's unit capital is not subject to external restrictions, however the bank debt facility is based on petroleum and natural gas reserves (see note 5). There were no changes in the Trust's approach to capital management during the three month period ended March 31, 2008.

13. Related Party

Daylight and Midnight Oil Exploration Ltd. ("MOX") are considered related, as Daylight's Chairman is a director and officer of MOX. In addition, Daylight's Chief Executive Officer and director is also a director of MOX and Daylight's Corporate Secretary is also MOX's Corporate Secretary. Daylight and MOX are joint venture partners in certain properties, and as a result, revenues and costs related to these properties are allocated to each partner under standard joint venture billing arrangements. Each partner's costs and revenues are based on the exchange amounts which reflect actual third party costs incurred and revenue received. All transactions are conducted under standard business terms and are considered within the normal course of Daylight's business activities and operations. In addition, certain administrative services which provide reasonable economy and do not involve competitive issues continue to be provided to MOX by Daylight Energy on a fixed fee basis negotiated by the parties, which is considered comparable to the fee an independent third party would charge for the services, and may be cancelled by either party.

For the three months ended March 31, 2008, Daylight charged MOX \$0.4 million (2007 - \$0.3 million) for administrative services and premises costs with a payable balance, which includes joint venture and commodity marketing amounts, of approximately \$2.9 million due to MOX as at March 31, 2008 (December 31, 2007 - \$4.7 million).

14. Commitments

The following is a summary of Daylight's contractual obligations and commitments, other than bank debt as disclosed in note 5 and convertible debentures as disclosed in note 7, as at March 31, 2008:

	2008	2009	2010	2011	2012	Thereafter
Capital Lease	\$ 889	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Leases	7,756	4,629	2,732	1,571	1,264	6,156
Natural gas transportation	700	532	188	160	44	-
	\$ 9,345	\$ 5,161	\$ 2,920	\$ 1,731	\$ 1,308	\$ 6,156

Included in operating leases are obligations related to office space, office equipment and a drilling rig contract. Daylight has entered into an agreement with a third party whereby commitments under a certain drilling rig contract, included in the 2008 obligation of \$9.3 million, have been assumed by the third party for 2008 totalling \$0.8 million.

In addition to the above, the Trust has commitments related to its risk management program (see note 12).

Abbreviations

/d	per day
bb(s)	barrel(s)
mbbls	thousand barrels
mmbbls	million barrels
mcf	thousand cubic feet
mmcf	million cubic feet
bcf	billion cubic feet
boe	barrels of oil equivalent
mamboe	million barrels of oil equivalent
mmbtu	million British thermal units
mmstb	million stock tank barrels of oil
Cdn	Canadian
GJ	gigajoules
NGLs	natural gas liquids
WTI	West Texas Intermediate crude oil
US	United States

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