



Daylight Resources Trust – News Release

(DAY.UN – TSX)

DAYLIGHT RESOURCES TRUST PROVIDES 2007 GUIDANCE, ANNOUNCES CASH DISTRIBUTIONS FOR FIRST QUARTER 2007 AND PROVIDES FOURTH QUARTER 2006 OPERATIONAL UPDATE

CALGARY, January 9, 2007 (DAY.UN - TSX) Daylight Resources Trust ("Daylight") is pleased to provide operational and financial guidance for 2007 and also announces a monthly cash distribution of Cdn\$0.15 per trust unit payable to unitholders for each of the months of January, February and March 2007 based on our 2007 guidance, stable production volumes and existing hedging program. Daylight is also providing a fourth quarter 2006 operational update which includes hedging and tax pool information. Daylight is scheduled to release its fourth quarter and full year 2006 financial and operating results on March 21, 2007.

2007 Guidance

Daylight is pleased to announce that the Board of Directors has approved a 2007 capital expenditure budget of \$90 million. Daylight plans to fund the 2007 capital program and cash distributions entirely from internally generated cash flow. Based on budgeted capital expenditures, Daylight expects to deliver average annual production of 22,000 to 23,000 boe per day. Production is expected to be derived approximately 58% from natural gas, 25% from light oil, 12% from heavy oil and 5% from natural gas liquids ("NGLs").

Capital Expenditures

The 2007 capital program reflects continued development activities in each of our core areas. Capital has been allocated to our core areas as follows:

- West Central \$37 million
- Peace River Arch \$23 million
- South \$15 million
- East \$15 million

Daylight expects to drill approximately 45 gross (36 net) wells and to operate the drilling of 80% of these wells. Daylight has identified approximately 250 to 300 development drilling prospects for future development activity within our core areas that will be pursued over the next several years.

Approximately 55% of the 2007 capital program is allocated to crude oil development with a focus in our West Central area at Pembina and Sturgeon as well as our East area heavy oil property at Wildmere.

The remaining 45% of the 2007 capital program is allocated to our natural gas plays which are focused in our West Central area within the Greater Pine Creek region, in the Peace River Arch area at Elmworth and within our Southern area at Sylvan Lake. Approximately \$3 million will be allocated to further delineation of our coalbed methane resources at Sylvan Lake with minimal production volumes expected from this delineation activity during 2007.

To continue building our development portfolio and maintain a competitive position in our core areas, Daylight has allocated \$15 million to land, geological and geophysical expenditures during 2007 with a focus on our West Central natural gas opportunities.

In addition to the capital expenditure program, Daylight also expects asset retirement expenditures of approximately \$8 million to be incurred during 2007.

Production Volumes

Production volumes are expected to remain between 22,000 and 23,000 boe per day during 2007 with the rate remaining relatively consistent throughout the year. Increased allocation of capital to our light and heavy oil programs with related successes provides more balance to the composition of our production volumes which will be derived approximately 58% from natural gas, 25% from light oil, 12% from heavy oil and 5% from NGLs during 2007.

Financial

Daylight expects combined royalty rates of approximately 20.5% of revenue (prior to the impact of hedging) during 2007.

Operating costs will continue to be actively managed through several cost saving initiatives that continue to be developed and implemented by our staff of dedicated professionals. Many of the significant cost pressures that were experienced in 2005 and the majority of 2006 are showing signs of easing and will benefit our operating costs. Daylight expects operating costs of approximately \$10.50 per boe during 2007.

Daylight actively manages the marketing of our commodities to obtain the highest available price for our production and to pursue opportunities which enhance economics whenever possible. Daylight also manages the related transportation of our commodities and expects 2007 transportation expenses to be approximately \$0.95 per boe.

Daylight is actively engaged in managing and operating its assets with a team of high end technical and business execution professionals. Investing in these teams is necessary to generate value through our prospect inventory, play development, technical operations and production management. Daylight expects cash general & administrative charges of approximately \$1.95 per boe during 2007.

Daylight has budgeted cash financial charges based on an estimated realized interest rate of 5.5% which results in cash financial charges of approximately \$2.40 per boe. Cash taxes are relatively minor due to the elimination of the large corporation tax during 2006 and Daylight expects cash taxes of \$0.02 per boe during 2007.

2007 Guidance Summary

Capital Expenditures (millions)

Land, geological and geophysical	\$15
Drill, complete and recomplete	\$50
Equipping and facilities	\$25
Total	\$90

Production Volumes

Average daily production (boe/d)	22,000 to 23,000
Mid point of guidance	
Natural gas (mcf/d)	78,600
Light oil (bbls/d)	5,700
Heavy oil (bbls/d)	2,600
NGLs (bbls/d)	1,100
Oil & NGLs (bbls/d)	9,400
Combined (boe/d)	22,500

Financial

Royalties (% of revenue)	20.5%
Operating expenses (per boe)	\$10.50
Transportation (per boe)	\$0.95
General & Administration charges - cash (per boe)	\$1.95
Cash financial charges (per boe)	\$2.40
Cash taxes (per boe)	\$0.02

Cash Distributions

Daylight is providing a first quarter 2007 cash distribution to unitholders of \$0.15 per unit per month based on our 2007 guidance, stable production volumes and existing hedging program as follows:

Record Date	Ex-Distribution Date	Distribution Payment Date	Distribution Per Unit
January 31, 2007	January 29, 2007	February 15, 2007	\$0.15
February 28, 2007	February 26, 2007	March 15, 2007	\$0.15
March 30, 2007	March 28, 2007	April 16, 2007	\$0.15

Fourth Quarter 2006 Operational Update

Exit production volumes for December 2006 are estimated at approximately 22,800 boe per day. The integration of our asset base and technical teams has been completed. Over 40 technical professionals have developed the 2007 capital program to create significant value for our unitholders and we will continue to maintain a strong focus on our operations and production levels.

During the fourth quarter of 2006, Daylight's average production volumes are estimated at 22,000 to 22,500 boe per day. Daylight also completed net property acquisitions within our core areas of approximately \$32 million during December 2006. In addition, Daylight expanded its credit facilities to \$380 million which includes a \$70 million bridge facility. Daylight's bank debt drawn at the end of 2006 was approximately \$350 million. The bridge facility matures on May 31, 2007 and Daylight is in the process of considering a variety of options to refinance this bridge facility.

Hedging Summary

Daylight provides downside risk protection to realized commodity prices through its hedging program with the objective of preserving cash flow for the benefit of unitholders. Daylight's hedging program is focused on natural gas as this is our most significant commodity price exposure. The hedging program is designed to reduce exposure to commodity price downside while still maintaining participation in commodity price upside.

Daylight has hedged 40,000 GJs per day (37,900 mcf per day) of natural gas production for the winter months of December 2006 through to the end of March 2007. This volume represents approximately 48% of Daylight's budgeted 2007 natural gas production volumes with a weighted average floor price at AECO of \$6.94 per GJ (\$7.32 per mcf) during the first quarter of 2007.

Daylight has also hedged 30,000 GJs per day (28,400 mcf per day) of natural gas production for the summer months of April 2007 through to the end of October 2007. This volume represents approximately 36% of Daylight's budgeted 2007 natural gas production volumes with a floor price at AECO of \$6.75 per GJ (\$7.12 per mcf) during the second and third quarters as well as the first month of the fourth quarter of 2007.

Daylight may consider entering into additional hedging transactions throughout 2007. As at January 9, 2007, Daylight has the following financial commodity price contracts in place:

Type of Contract	Commodity	Hedged Volume ⁽³⁾	Hedged Price	Hedged Period
Financial - Collar ⁽¹⁾	Natural Gas	10,000 GJs/d	Cdn\$7.50-\$12.77/GJ	Nov 1/06 to Mar 31/07
Financial - Funded Collar ⁽²⁾	Natural gas	30,000 GJs/d	Cdn\$6.75 - \$9.50/GJ	Dec 1/06 to Mar 31/07
Financial - Funded Collar ⁽²⁾	Natural gas	30,000 GJs/d	Cdn\$6.75 - \$8.50/GJ	Apr 1/07 to Oct 31/07

⁽¹⁾ Collar price indicates floor (minimum) and ceiling (maximum). Collar has no premium payable.

⁽²⁾ Funded Collar price indicates floor (minimum) and ceiling (maximum). Funded Collar has a premium payable of \$0.10/GJ.

⁽³⁾ GJs convert to Mcf at a rate of 1.055056 GJs per mcf.

Tax Pools

As at September 30, 2006, Daylight and its subsidiaries had combined tax pools of approximately \$642 million. These tax pools are of high value since they reside primarily at the corporate level where income is generated and significant balances are available for high rates of annual claim such as Canadian exploration expense at 100%, non-capital losses at 100%, Canadian development expense at 30% and undepreciated capital cost at approximately 25%. Fourth quarter 2006 activities have increased Daylight's tax pool balances by approximately \$40 to \$50 million at the end of 2006. With the recently announced changes to the taxation of Trusts, these tax pools provide Daylight with significant flexibility going forward and beyond 2011.

(000s)	Corporate Level	Trust Level	Combined
Canadian exploration expense	\$ 52,000	\$ -	\$ 52,000
Canadian development expense	208,000	-	208,000
Canadian oil and gas property expense	-	75,000	75,000
Undepreciated capital cost	240,000	-	240,000
Non-capital losses	33,000	-	33,000
Share issue costs	6,000	28,000	34,000
Total	\$ 539,000	\$ 103,000	\$ 642,000

Daylight Resources Trust is a Calgary-based, open-ended, unincorporated investment trust with a high quality balanced natural gas and crude oil property base, extensive prospect inventory and large undeveloped land base that is managed by a team of highly skilled technical professionals. Daylight's properties include focused high potential assets in the Peace River Arch and West Central Alberta complemented by stable production and repeatable opportunities in Southern and Eastern Alberta. Daylight's prospect inventory is balanced across natural gas and crude oil with near, medium, long-term and high impact opportunities that will generate significant increased value into the future. Daylight's large undeveloped land base will provide additional opportunities to create value through our highly skilled technical teams as well as through selective farm out's to targeted industry partners. Daylight has approximately 75 million trust units currently outstanding.

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Forward Looking Statements: This press release contains forward-looking statements as to the internal projections, expectations, estimates or beliefs relating to future events or future performance of Daylight Resources Trust ("Daylight"), including Daylight's guidance for 2007 and the amount and type of 2007 budgeted capital expenditures set forth herein. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "believes", "expects", "intends", "projects", "plans", "anticipates", "estimates" or "contains" or similar words or the negative thereof. These statements represent management's expectations or beliefs concerning, among other things, future capital expenditures and future operating results and various components thereof or the economic performance of Daylight and include, without limitation, statements with respect to the future financial position, business strategy, budgets, projected costs and plans, objectives of or involving Daylight or any of its respective affiliates; amounts to be retained by Daylight for growth; the amount and timing of the payment of distributions of Daylight; payout ratios; access to credit facilities; capital taxes; income taxes; commodity prices; administration costs; commodity price risk management activities; expectation of future

production rates and components of cash flow and earnings. Actual events or results may differ materially. The projections, estimates and beliefs contained in such forward-looking statements are based on management's estimates, opinions and assumptions at the time the statements were made including assumptions relating to the production performance of Daylight's oil and gas assets, the cost and competition for services throughout the oil and gas industry in 2006 and 2007 and the continuation of the current regulatory and tax regime in Canada, and necessarily involve known and unknown risks and uncertainties which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. Daylight does not undertake to update any forward-looking information contained in this press release whether as to new information, future events or otherwise except as required by securities rules and regulations.

Barrels of Oil Equivalency: Barrels of oil equivalent (BOE's) may be misleading, particularly if used in isolation. In accordance with NI 51-101, a BOE conversion ratio for natural gas of 6 Mcf:1bbl has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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