



DAYLIGHT RESOURCES TRUST ANNOUNCES ACQUISITION OF HIGHPINE OIL & GAS LIMITED

DAYLIGHT TAKES THE NEXT STEP - COMBINING BALANCE WITH OPPORTUNITY

CALGARY, Alberta - August 23, 2009 – Daylight Resources Trust (“Daylight” or the “Trust”) (DAY.UN - TSX) and Highpine Oil & Gas Limited (“Highpine”) (HPX – TSX) are pleased to announce that they have entered into an arrangement agreement (“Arrangement Agreement”) pursuant to which Daylight will acquire all of the issued and outstanding class “A” common shares of Highpine (the “Transaction”). At the election of the holder, Highpine shareholders will receive 0.85 of a Daylight trust unit, or \$7.00 in cash per share held, representing a 38% premium to the 20-day weighted average Highpine share price. In the event that Highpine shareholders elect to receive more than \$75 million cash in aggregate, such consideration will be distributed pro rata among holders of Highpine shares who have elected to receive such consideration, with the balance of the consideration to be received in Daylight trust units. Total consideration for the Transaction is approximately \$530 million, including the assumption of Highpine’s net debt and transaction costs.

TRANSACTION RATIONALE

The combination of Highpine’s high netback, high cash flow light oil properties with Daylight’s abundant portfolio of high impact Deep Basin natural gas resource plays creates an emerging senior energy player with 38,000 boe per day of production and an enterprise value of \$1.8 billion based on Daylight’s current trading price. The Transaction provides a substantial increase to cash flow and further strengthens Daylight’s balance sheet. This Transaction is highly accretive to Daylight’s per unit cash flow and production. The combined entity will have the capacity to accelerate Daylight’s strategy of building an even more dominant position in its key growth areas of Elmworth and West Central Alberta, through acquisitions and an active drilling program, funded at a level more appropriate to the scale of opportunities already available in its inventory. Highpine’s Wapiti Montney and Brazeau Rock Creek prospects will complement Daylight’s diversified portfolio of opportunities.

Combined Q2 2009 production of both Daylight and Highpine was 39,864 boe per day. Based on Daylight’s prudent capital expenditure practices, combined with its intended production management approach to the Highpine light oil assets, Daylight anticipates production from completion of the Transaction to year-end 2009 to average approximately 38,000 boe per day. Highpine’s light oil assets are primarily focused in the Pembina/Brazeau area, where Highpine has been the dominant player, combining technical expertise with a dominant land position and ownership of facility infrastructure. Highpine’s excellent reputation as an operator in the Pembina area will be a strong fit with Daylight’s highly capable and experienced technical staff. This Transaction re-balances Daylight’s production to 42% oil and natural gas liquids (“NGLs”) and 58% natural gas, providing a built in hedge against commodity price volatility.

It is anticipated that the combined entity will provide higher visibility and enhanced liquidity for both current Daylight unitholders and Highpine shareholders with an enterprise value expected to be over \$1.8 billion. Given the highly accretive nature of this Transaction, which provides additional cash flow and production per unit, and the reduced leverage of the combined entity on a debt to cash flow basis, the Transaction provides increased capacity for Daylight to fund a larger capital program and maintain flexibility to hold cash distributions at the current level. As Daylight approaches the Federal Government’s planned implementation of the new SIFT Tax regulations on January 1, 2011, this Transaction provides

additional financial flexibility as the Trust considers converting to a corporation in 2010. The additional cash flow per unit and significant increase to Daylight's tax pools to in excess of \$1.4 billion will allow the Trust to manage a potential conversion effectively on behalf of its equity holders beyond 2011.

Highpine's lands outside of Pembina have a strong synergy with Daylight's core West Central and Elmworth assets. Daylight has proven up an exceptional resource play development in the Elmworth area with over 20 producing wells utilizing horizontal and multi-stage fracturing technology in the Cadomin and uphole Cretaceous zones. The internal Daylight estimate of the resource potential in this play is estimated to be approximately 1 Tcf of natural gas. Utilizing this same technology in its West Central core area, including the Pine Creek and Kaybob assets, Daylight has recently begun the development of the Bluesky and Montney zones, following up on recent industry success in the area. Highpine's lands in Ansell are adjacent to Daylight's West Central Obed property where the Trust has been successful in developing a multi-zone stacked Cretaceous play. These lands are also on trend for potential horizontal Bluesky development.

As announced on July 7, 2009 Daylight is also in the early stages of assessing a new resource play opportunity in the Nikanassin zone in Elmworth. During Q1 2009, Daylight drilled two vertical wells (1.5 net) into the Nikanassin zone and encountered average sand thicknesses of over 100 metres in each of the two wells. These wells were brought on production in March and April 2009 and showed initial production rates between 2.0 and 3.0 mmcf per day. Daylight's preliminary review of the geology of the Nikanassin zone indicates that it is present across all of its lands in Elmworth, where Daylight holds the Nikanassin rights in over 100 net sections (64,000 acres) of land. Although the quality and thickness of the Nikanassin zone will be delineated through additional drilling across its property base, natural gas in place in the two sections of land where Daylight has drilled indicate the presence of approximately 100 Billion cubic feet ("Bcf") per section of land. On an unrisksed basis, Daylight's internal estimates indicate that these resource play opportunities combine to expose Daylight to 4 Tcf of natural gas on its land base. Daylight expects to drill an additional vertical delineation well and a horizontal well into the Nikanassin prior to the end of the 2009-2010 winter drilling season. Highpine has over 40 net sections of land adjacent to Daylight's Elmworth property. These lands are prospective for the both the Montney and Nikanassin zones that Daylight has been actively pursuing through its 2009 capital program.

Anthony Lambert, President and CEO of Daylight stated, "The transaction with Highpine takes us to the next level, combining the strong balance sheet and cash flow of Highpine with the exceptional resource play inventory of Daylight."

Jonathan Lexier, President and CEO of Highpine added "The combination with Daylight provides Highpine's shareholders with immediate value for our high quality assets and opportunities and provides exposure to Daylight's impressive conventional and resource play assets. I believe this transaction serves our shareholders, employees and other stakeholders exceptionally well. "

A presentation highlighting this Transaction can be accessed on Daylight's website at www.daylightenergy.ca.

SIGNIFICANT TRANSACTION HIGHLIGHTS

Operational Impact

- The Transaction supports Daylight's goal of maintaining a balanced portfolio between oil and natural gas, increasing Daylight's proportion of oil and NGLs production from 28% to 42%.
- Completion of the Transaction allows Daylight to guide production of 38,000 boe per day from closing until year end 2009. Closing is estimated to occur in mid-October 2009, subject to the approval of Highpine shareholders and standard regulatory approvals.
- The Transaction is highly accretive to both per unit cash flow and production.
- The Transaction provides significant additional cash flow to develop Daylight's portfolio of resource play opportunities.

- The Transaction increases Daylight's working interest undeveloped land holdings to approximately 600,000 acres.

Transaction Metrics

- Utilizing the 20-day weighted average trading price of Daylight trust units on the TSX, the production acquisition cost is approximately \$37,900 per boe per day (based on post closing managed production level of 14,000 boe per day) and 2P reserve acquisition cost is approximately \$17.00 per boe (based on Daylight's internal reserve estimate of 31.2 million boe).
- Total consideration represents approximately 4.3 times Highpine's estimated annual funds from operations based on current strip pricing.

Reserves and Drilling Inventory Impact

- Based on Daylight's independent reserve engineer's NI 51-101 compliant Proved Plus Probable Reserves ("2P") for Daylight at December 31, 2008 of 70.0 million boe plus the 2P reserves acquired in the Intrepid Energy Corporation acquisition (Daylight internal estimate of 6.9 million boe at June 30, 2009) and the proposed Transaction (Daylight internal estimate of a minimum of 31.2 million boe at June 30, 2009) increases Daylight's reserves to approximately 108.1 million barrels, an increase of over 40%.
- Highpine shareholders will participate in the upside in Daylight's portfolio of assets including: significant established horizontal Cadomin and uphole Cretaceous development in Elmworth (with over 20 horizontal locations on production), a developing Nikanassin play in Elmworth, Montney and Bluesky resource play developments in its West Central assets, heavy oil development in Wildmere and significant shallow gas potential in Sylvan Lake.
- The combined entity will contain over 600 drilling locations in inventory in a variety of high quality resource plays and conventional assets.
- Reserve Life Index as a combined entity will be approximately 8 years.

Financial and Balance Sheet Impact

- Highly accretive to production and cash flow per unit.
- Reported Q2 2009 combined net debt of \$253 million, including \$204 million of drawn bank debt against combined credit facilities of \$550 million.
- It is anticipated that the debt to cash flow ratio of the combined entity will be approximately 0.9 times based on 38,000 boe per day and 12 month forward strip pricing of approximately US \$85.00 WTI per bbl and CAD \$5.00 AECO per mcf and US to Canadian exchange rate of 0.92.
- Increases Daylight's tax pool base from \$1.1 billion to over \$1.4 billion.

Distributions, Budget Considerations and Guidance

- Daylight has previously announced monthly distributions of \$0.08 per trust unit for Q3 2009.
- The Transaction provides increased capacity for Daylight to fund a larger capital program and maintain flexibility to hold cash distributions at the current level.
- Daylight will provide additional guidance with respect to the Trust's production upon successful completion of the Transaction.

Highpine Transaction Details

Completion of the Transaction, anticipated to occur through a plan of arrangement, is subject to customary stock exchange, court and regulatory approvals, as well as the approval of at least 66 2/3 percent of the votes cast by the Highpine shareholders present, in person or by proxy, at the Highpine shareholders meeting. It is expected that the Highpine shareholders meeting to vote on the arrangement and closing will occur in mid to late October 2009. An information circular is expected to be mailed to shareholders of Highpine in mid to late September 2009.

The Arrangement Agreement prohibits Highpine from soliciting or initiating any discussion regarding any other business combination or sale of material assets, contains provisions enabling Daylight to match competing unsolicited proposals and, subject to certain conditions, provides for a reciprocal termination fee of \$20 million.

Board Approval

The Board of Directors of Daylight and Highpine have unanimously approved the Arrangement Agreement. Highpine's Board of Directors have unanimously determined that the proposed Transaction is fair from a financial point of view to Highpine shareholders, is in the best interests of Highpine shareholders and have unanimously resolved to recommend that Highpine shareholders vote in favor of the Transaction. Highpine Board of Directors and Officers, who own approximately 9.5% of the outstanding Highpine shares, will enter into support agreements and agree to vote their Highpine shares in favor of the proposed Transaction.

Safe Harbor

This Transaction is within Daylight's current safe harbor capacity and it is anticipated that, following closing of the Transaction, Daylight's safe harbor capacity will be approximately \$300 million.

Advisors

GMP Securities LP is acting as exclusive financial advisor to Daylight with respect to this Transaction. Tristone Capital Inc. ("Tristone") is acting as exclusive financial advisor to Highpine and has provided a verbal fairness opinion with respect to this Transaction. Tristone has advised the Board of Directors of Highpine, that subject to the review of definitive legal agreements, it is of the opinion, as of the date hereof, that the consideration to be received by Highpine shareholders pursuant to the proposed Transaction is fair from a financial point of view to Highpine shareholders.

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Advisory Regarding Forward-Looking Information and Statements

This joint press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this joint press release contains forward-looking statements and information concerning: timing of mailing of the information circular for the Transaction; the proposed timing of the meeting of Highpine shareholders and completion of the Transaction; the combined entities' petroleum and natural gas production, reserves and resources, undeveloped land holdings, reserve life index, business strategy, future development and growth opportunities, prospects and asset base; the anticipated benefits from the Transaction including further development of growth opportunities; enhanced liquidity and increased investor attention and future cash flows, distributions; value and debt levels; capital programs; future tax pools and positions; treatment under tax laws; and oil and natural gas prices.

The forward-looking statements and information in this joint press release are based on certain key expectations and assumptions made by Highpine and Daylight, including expectations and assumptions concerning: prevailing commodity prices and exchange rates; applicable royalty rates and tax laws; future well production rates; reserve and resource volumes; the performance of existing wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the receipt, in a timely manner, of regulatory, securityholder and third-party approvals. Although Highpine and Daylight believe that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance

should not be placed on the forward-looking statements and information because Highpine and Daylight can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the oil and gas industry in general such as: operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation of petroleum and natural gas and loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory, securityholder and other third-party approvals; and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations. There are risks also inherent in the nature of the proposed Transaction, including: failure to realize anticipated synergies; risks regarding the integration of the two entities; incorrect assessments of the values of the other entity; and failure to obtain the required securityholder, court, regulatory and other third-party approvals (or to do so in a timely manner). This joint press release also contains forward-looking statements and information concerning the anticipated completion of the proposed Transaction and the anticipated timing for completion of the Transaction. Highpine and Daylight have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail Highpine securityholder meeting materials; the timing of receipt of the necessary regulatory, court and other third party approvals; and the time necessary to satisfy the conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory, court or other third-party approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this joint press release concerning these times.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Highpine, Daylight or the combined entity are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

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

Barrels of Oil Equivalent

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