



January 9, 2009

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Members of the International Accounting Standards Board:

Re: Exposure Draft of Proposed Amendments to IFRS 1 *Additional Exemptions for First-Time Adopters*

We are responding to your invitation to comment on the above exposure draft. We agree with the proposed amendments to IFRS 1 and are of the opinion that they will significantly reduce the cost of adopting IFRS. Daylight Resources Trust is an oil and gas trust located in Calgary, Canada with petroleum and natural gas assets spread over a large geographic area (3 Canadian provinces). These assets include interests in approximately 1,500 wells and their related infrastructure.

Our detailed comments and answers to your questions are attached in the appendix to this letter.

Sincerely,

DAYLIGHT RESOURCES TRUST

Pamela Kazeil
Vice President, Finance

Appendix

Question 1—Deemed cost for oil and gas assets

The exposure draft proposes that an entity that used full cost accounting under its previous GAAP may elect, at the date of transition to IFRS, to measure exploration and evaluation assets at the amount determined under the entity's previous GAAP and to measure oil and gas assets in the development or production phases by allocating the amount determined under the entity's previous GAAP for those assets to the underlying assets pro rata using reserve volumes or reserve values as of that date.

Question 1

Do you agree with the proposed deemed cost option for entities using full cost accounting under previous GAAP? Why or why not? If not, what alternative do you propose and why?

Yes, we agree with the proposed deemed cost option for entities using full cost accounting under previous GAAP. As you are aware, information about our oil and gas assets is recorded using 'full cost accounting' which is often at a larger unit of account than what is acceptable under IFRS with depletion and depreciation booked at an entity level. In addition, assets are often acquired through the acquisition of entire entities, many of which used different accounting systems. Daylight has a relatively short history, having formed in November of 2004, yet our assets come from more than 20 entities which have used at least 6 different accounting systems. It would be difficult, if not impossible, to accurately determine the carrying amounts of our oil and gas assets at the date of transition to IFRS, and even if we had the time and ability to locate all the records, the cost involved would be very significant. We have considered what, if any, benefit this would offer users and have concluded that this exercise would not offer users better or more useful information.

Question 2—Oil and gas assets—disclosure

The exposure draft proposes that if an entity uses the exemption described in Question 1 above, it must disclose that fact and the basis on which it allocated the carrying amounts to the underlying assets.

Question 2

Do you agree with the proposed disclosure requirements relating to the deemed cost option for oil and gas assets? Why or why not?

Yes, we agree with the proposed disclosure requirements as they offer users a means of understanding how all financial statement issuers have implemented IFRS.

Question 3—Deemed cost for operations subject to rate regulation

The exposure draft proposes an exemption for an entity with operations subject to rate regulation. Such an entity could elect to use the carrying amount of items of property, plant and equipment held, or previously held, for use in such operations as their deemed cost at the date of transition to IFRS if both retrospective restatement and using fair value as deemed cost are impracticable (as defined in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).

Question 3

Do you agree with the proposed deemed cost option for entities with operations subject to rate regulation? Why or why not? If not, what alternative do you propose and why?

Yes, we agree with the proposed deemed cost option for entities with operations subject to rate regulation to facilitate implementation of IFRS; however, we find the wording regarding the 'impracticable' test confusing and somewhat inconsistent and would request that this piece of the proposed amendment be reworded to clarify.

Question 4—Leases

The exposure draft proposes that if a first-time adopter made the same determination under previous GAAP as that required by IFRIC 4 Determining whether an Arrangement contains a Lease but at a date other than that required by IFRIC 4, the first-time adopter need not reassess that determination when it adopts IFRS.

Question 4

Do you agree with the proposal not to require the reassessment of whether an arrangement contains a lease in the circumstances described in this exposure draft? Why or why not?

Yes, we agree with the proposal not to require a reassessment of whether an arrangement contains a lease as described in the exposure draft. We agree that this is the same determination as under current Canadian GAAP and as such, there is no additional benefit to support a reassessment.

Question 5—Assessments under previous GAAP before the date of transition to IFRS

The Board considered whether to modify IFRS 1 so that entities need not reassess, at the date of transition to IFRS, prior accounting if that prior accounting permitted the same prospective application as IFRS with the only difference from IFRS being the effective date from which that accounting was applied. In this regard, the Board noted that any such proposal must apply to identical, rather than similar accounting, because it would be too difficult to determine and enforce what constitutes a sufficient degree of similarity. The Board decided not to adopt such a modification because it concluded that the situation referred to in Question 4 is the only one in which relief of this type is needed.

Question 5

Do you agree that the situation referred to in Question 4 is the only one in which additional relief of this type is needed? If not, in what other situations is relief necessary and why?

No, we believe that there are other situations in which relief should apply. Over the past several years and currently, many Canadian accounting standards are being modified to converge with IFRS. As we adopt these changes to Canadian GAAP, there may be assessments done where the date may be different than the implementation date of IFRS 1. We also believe other countries that have yet to adopt IFRS may also face these circumstances. So although we agree that in order for relief to apply the prior accounting should be identical to IFRS, as in the case with leases, a reassessment under identical principles would provide no additional benefit.