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# NEWS Release

For Immediate Release

("DEE" - TSX-V)

## DELPHI ENERGY CORP. ANNOUNCES YEAR-END 2003 RESULTS

CALGARY, ALBERTA – March 31, 2004 - Delphi Energy Corp. is pleased to announce the consolidated financial and operational results for the three months and year ended December 31, 2003. Comparisons between 2003 and 2002 are affected by acquisitions during 2003.

### HIGHLIGHTS

#### Fourth Quarter

- Production averaged 1,461 boe/d, an increase of 17% over the third quarter of 2003 and an increase of 399% over the fourth quarter of 2002.
- Cash flow from operations was \$1.9 million (\$0.08 per share) compared to \$0.44 million (\$0.04 per share) in the fourth quarter of 2002 primarily as a result of higher production.
- Earnings were \$217 thousand (\$0.01 per share) compared to \$87 thousand (\$0.01 per share) in the fourth quarter of 2002.
- Drilling for the three months ended December 31, 2003 resulted in four gross (0.8 net) wells drilled for a success rate of 73%.
- The Fish Creek Resources acquisition closed October 31, for \$2.4 million. The property adds production of approximately 160 bopd.
- Closed flow through common share private placement financing for gross proceeds of \$2.5 million.

#### Year 2003

- Average production increased 491% to 1,063 boe/d (250% increase on a per share basis), a result of acquisition and development volume additions offset by natural declines.
- Cash flow for 2003 was \$6.7 million (\$0.31 per share), increasing 766% over the prior year.
- Earnings were \$1.3 million (0.06 per share) compared to a loss of \$3.3 million (\$0.31 per share) for the year ended December 31, 2002.
- Drilling during 2003 resulted in 16 gross wells (6.9 net) with a 93% success rate. The exploration and development program resulted in 6 net natural gas wells and 0.4 net oil wells.

- Capital costs in 2003 of \$27.6 million resulted in a net 3.0 million boe of proved plus probable reserves at \$8.86/boe.
- In 2003, Delphi closed three corporate acquisitions as well as a number of property purchases for total costs of \$16.6 million. Cost of corporate acquisitions was \$10.36 on a proved reserve basis.
- Reserve additions resulted in growth of 157% in proved reserves replacing 2002 production by a factor of 6.2 times, while proved plus probable reserves increased 139%.
- Corporate proved reserve life index was extended to 5.2 years from 4.8 years in 2002.

## Highlights

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
<b>Financial Results</b>				
(\$ thousands except per share amounts)				
Gross petroleum and natural gas sales	<b>4,330</b>	700	<b>13,705</b>	1,908
Cash flow from operations	<b>1,924</b>	443	<b>6,666</b>	770
Per share – Basic	<b>0.08</b>	0.04	<b>0.31</b>	0.07
– Diluted	<b>0.08</b>	0.04	<b>0.30</b>	0.07
Earnings (loss)	<b>217</b>	87	<b>1,277</b>	(3,250)
Per share – Basic & Diluted	<b>0.01</b>	0.01	<b>0.06</b>	(0.31)
Capital costs	<b>7,319</b>	9,244	<b>27,580</b>	15,911
Debt, net	<b>10,688</b>	-	<b>10,688</b>	-
Total assets	<b>48,521</b>	21,584	<b>48,521</b>	21,584
<b>Share Information (thousands)</b>				
Shares outstanding				
Basic	<b>25,218</b>	18,232	<b>25,218</b>	18,232
Diluted	<b>27,216</b>	18,232	<b>27,216</b>	18,232

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
<b>Operating</b>				
Production				
Natural gas (mcf/d)	5,648	1,131	5,082	814
Oil and natural gas liquids (bbl/d)	520	43	216	44
Oil equivalent (boe/d)	1,461	232	1,063	180
Average wellhead prices				
Natural gas (\$/mcf)	5.81	5.77	6.24	4.52
Oil and natural gas liquids (\$bbl/d)	27.39	25.05	27.10	34.73
Oil equivalent (\$boe/d)	32.21	32.84	35.34	29.00
Wells drilled (net)	0.8	0.4	6.9	2.4
Undeveloped land				
Gross acres			291,032	252,343
Net acres			48,714	41,876
Average working interest (%)			16.7	16.6
Reserves				
Total proved				
Natural gas (mmcf)			12,507.0	6,850.0
Oil and natural gas liquids (mbbls)			1,112.0	100.5
Oil equivalent (mboe)			3,196.5	1,242.2
Proved plus probable				
Natural gas (mmcf)			17,055.0	10,239.0
Oil and natural gas liquids (mbbls)			1,637.5	166.8
Oil equivalent (mboe)			4,480.0	1,873.3
Finding and development costs				
Total proved			\$12.44	\$12.80
Proved plus probable (1)			\$8.86	\$8.49
Reserve life index (2)				
Total proved			5.2	4.8
Proved plus probable			7.4	7.2
Pre-tax net present value of reserves (000's) (3)				
Total proved			\$34,079	\$16,125
Proved plus probable			\$43,974	\$24,574

(1) Established (proved plus one half probable) reserves and values were used as a comparison to December 31, 2003 proved plus probable reserves.

(2) Reserve life index is calculated on annualized December production.

(3) Based on Gilbert Laustsen Jung Associates Ltd. January 2004 escalated price forecasting using a 10% discount factor.

## Management's Discussion and Analysis

The following is Management's Discussion and Analysis (MD&A) of Delphi Energy Corp.'s ("Delphi") operating and financial results for the three months and year ended December 31, 2003 compared with 2002. The discussion is intended to provide both a historical and prospective analysis of the Company's activities and includes information and opinions concerning Delphi's future outlook based on currently available information. Estimates and the outlook are based on assumptions regarding future events and are subject to change. This discussion should be read in conjunction with the unaudited consolidated interim financial statements for the three months ended December 31, 2003 and 2002 and the audited consolidated financial statements for the year ended December 31, 2003 and 2002.

MD&A contains the term "cash flow from operations", which should not be considered an alternative to, or more meaningful than, "cash flow from operating activities" as determined in accordance with Canadian generally accepted accounting principles ("GAAP") as an indicator of the Company's performance. Delphi's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between net earnings and cash flow from operations can be found in the consolidated statements of cash flows. The Company also presents cash flow from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.

Production information and reserves are reported in units of barrels of oil equivalent (boe). Disclosure provided in respect of boe units may be misleading particularly if used in isolation. Where amounts are stated on a boe basis, gas volumes have been converted to barrels of oil equivalent at a ratio of 6,000 cubic feet of gas to a barrel of oil equivalent. This conversion ratio is based upon an energy equivalent method primarily applicable at the burner tip and does not represent value equivalence at the wellhead.

DT Energy Ltd. ("DT"), a private company engaged in oil and gas exploration and development, merged with Rise Energy Ltd. ("Rise"), a public company engaged in oil and gas exploration and development, effective June 19, 2003 and continued as Delphi Energy Corp. ("Delphi" or the "Company"), a public company. Reference should be made to the Arrangement Agreement, dated March 18, 2003, and Amended Arrangement Agreement, dated April 30, 2003. Following completion of the arrangement, previous shareholders and special warrant holders of DT held approximately 87.5% of the common shares of the Company. Accordingly, the combination has been treated as a reverse take-over of Rise by DT. As part of the plan of arrangement, the shares of DT were consolidated and these financial statements reflect this consolidation.

On September 15, 2003 and October 31, 2003 respectively, Delphi acquired all of the issued and outstanding shares of Murias Energy Corporation ("Murias") and of Fish Creek Resources Inc. ("Fish Creek"). The consolidated financial statements reflect the historical accounts of the Company together with the accounts of Murias and Fish Creek from the effective date of the acquisition.

### Production

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Natural gas (mcf/d)	5,648	1,131	5,082	814
Crude oil (bbl/d)	482	4	185	6
Natural gas liquids (bbl/d)	38	39	31	38
Total (boe/d)	1,461	232	1,063	180

Production during the fourth quarter of 2003 increased 17% compared to the third quarter of 2003 and increased 530% compared to the fourth quarter of 2002. This increase is primarily a result of corporate and property acquisitions closed throughout 2003, combined with successful development activities on acquired assets. Production for the year ended December 31, 2003 of 1,063 boe/d, is comprised of 80% natural gas and 20% crude oil and natural gas liquids. Average production volumes have increased 491% on a year-over-year basis in 2003 when compared to 2002.

Natural gas production increased 399% during the fourth quarter of 2003 compared to the same quarter in 2002, primarily a result of an asset acquisition at Fontas, which closed late in the fourth quarter of 2002, and the addition of production from the amalgamation with Rise, which closed in June 2003. The Company also added production during 2003 from the development program in Fontas completed during the first quarter of 2003 and the successful drilling program in the second and third quarter of 2003 bringing on-stream four natural gas wells in the fourth quarter of 2003.

Crude oil and liquids production was 1,112% higher in the fourth quarter of 2003 averaging 520 bbl/d compared to 43 bbl/d in the same quarter of 2002. This increase is primarily due to the effect of the amalgamation with Rise and the acquisition of Murias and Fish Creek.

Delphi expects production for the full year of 2004 to average approximately 2,200 boe/d. This estimate incorporates the Company's natural decline rate, anticipated operating interruptions and estimated production additions from the 2004 capital program. Factors influencing the estimated average production for 2004 include drilling success and the time required to bring new or recompleted wells on-stream.

## Commodity Pricing

### Benchmark Prices

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Natural gas (AECO \$/mcf)	\$ 5.59	\$ 5.26	\$ 6.67	\$ 4.07
Crude oil (U.S. WTI \$/bbl)	\$ 31.18	\$ 28.14	\$ 31.04	\$ 26.08
Crude oil (Cdn \$/bbl)	\$ 41.03	\$ 42.56	\$ 43.35	\$ 40.94

### Average sales prices

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Natural gas (\$/mcf)	\$5.81	\$5.77	\$6.24	\$4.52
Crude oil, before hedging (\$/bbl)	\$26.63	\$39.24	\$28.06	\$34.60
Hedging settlements (\$/bbl)	-	-	(\$1.23)	-
Crude oil, after hedging (\$/bbl)	\$26.63	\$39.24	\$26.83	\$34.60
Natural gas liquids (\$/bbl)	\$37.11	\$23.70	\$28.68	\$34.75
Total (\$/boe)	\$32.21	\$32.84	\$35.34	\$29.00

During 2003 commodity prices were generally higher than in 2002, with the Company's average realized sales price increasing 22% in 2003 over 2002. Delphi's average natural gas sales price remained relatively constant in the fourth quarter of 2003 compared to fourth quarter of 2002 and increased 38% annually matching the trend of AECO benchmark prices. Crude oil prices were volatile throughout 2003. West Texas Intermediate at Cushing, Oklahoma ("WTI"), the benchmark for North American crude oil prices, increased 11% for the fourth quarter of 2003 and 19% for the year, while the Canadian equivalent price decreased by 4% for the quarter and increased 6% annually, due to strengthening in the Canadian/US dollar exchange rate. Delphi's crude oil sales price before the effect of hedging decreased 32% for the last quarter of 2003, while the annual price decreased 19%.

The Company enters into financial instruments to reduce commodity price volatility, increase cash flow stability and protect acquisition economics.

At December 31, 2003 the Company had the following physical gas sales contracts outstanding:

YEAR	TIME PERIOD	COMMODITY	TYPE OF CONTRACT	QUANTITY CONTRACTED	PRICE
2004	November 2003 – March 2004	Natural Gas	Costless collar	1,000 GJ/d	\$6.00 floor/ \$7.00 ceiling
2004	January 2004 – March 2004	Natural Gas	Costless collar	2,000 GJ/d	\$7.00 floor/ \$8.00 ceiling
2004	March 2004	Natural Gas	Fixed price	2,000 GJ/d	\$7.00 fixed
2004	April 2004 – October 2004	Natural Gas	Fixed price	1,000 GJ/d	\$5.19 fixed

Natural gas prices for 2004 remained strong due to continued cold weather in eastern North America which has resulted in strong storage withdrawals combined with already lower winter storage exit levels. These lower storage levels combined with demand for storage re-injection is forecast to support prices through the summer and fall of 2004. Crude oil prices are estimated to remain strong throughout 2004 with the forward price at mid March for the remainder of 2004 at \$45.99

### Revenue

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands)				
Natural gas	<b>3,020</b>	600	<b>11,572</b>	1,343
Crude oil (1)	<b>1,180</b>	14	<b>1,808</b>	80
Natural gas liquids	<b>130</b>	86	<b>325</b>	485
Total	<b>4,330</b>	700	<b>13,705</b>	1,908
Hedging loss included above (1)	-	-	<b>82.0</b>	-

For the three months ended December 31, 2003, total revenues increased 519% compared to the same period in 2002. Of the increase in total revenue in the fourth quarter, 67% is attributable to natural gas, which increased 403% over the same period in 2002 primarily due to increased production from the Fontas property acquisition and the amalgamation with Rise. Crude oil revenue increased 833% in the fourth quarter of 2003 compared to the same period in 2002, accounting for 32% of the overall increase in the quarter. Revenue growth in the fourth quarter of 2003 was the result of increased production, primarily due to acquisitions. Year-over-year revenue increased by 618%, a result of stronger natural gas prices and increased production from corporate acquisitions.

### Royalties

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands except per boe amounts)				
Crown	<b>452</b>	112	<b>2,572</b>	405
Freehold and gross overriding	<b>164</b>	62	<b>383</b>	142
Total royalties	<b>616</b>	174	<b>2,955</b>	547
Royalty credits	<b>70</b>	24	<b>133</b>	107
Net royalties	<b>546</b>	150	<b>2,822</b>	440
Per boe	<b>\$4.07</b>	\$7.04	<b>\$7.28</b>	\$6.69
Percent of total revenue	<b>12.6%</b>	21.4%	<b>20.6%</b>	23.1%

For the three months and the year ended December 31, 2003, royalty expense increased 254% and 440% respectively, compared to the same periods in 2002, as a result of increased production. Royalties as a percentage of revenue decreased for the fourth quarter and for the year ended December 31, 2003 compared to the same period in 2002, due to increased gas cost allowance rebates for 2003, recorded in December.

Delphi is estimating the royalty rate for Company production to average 20% of revenue. Royalty rates can vary according to a number of factors including the difference of reference prices compared to wellhead prices, royalty holiday status of wells, individual well production and proportionate types of royalties.

### Operating Expenses

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands except per boe amounts)				
Total operating costs	<b>1,364</b>	122	<b>3,073</b>	334
Per boe	<b>10.15</b>	5.75	<b>7.92</b>	5.07
Percent of total revenue	<b>31.5%</b>	17.5%	<b>22.4%</b>	17.5%

Operating expenses increased \$1.2 million in the fourth quarter of 2003 compared to the same quarter in 2002 and are \$2.7 million higher annually in 2003 compared to 2002. A primary factor for the increase in costs was the 491% increase in volumes in 2003. On a per boe basis fourth quarter and annual operating costs have increased 76% and 56% respectively, over the same periods in 2002, primarily a result of the acquisition of higher operating cost oil properties in the second half of 2003.

Total operating costs, on a per unit basis, are expected to decrease as more production volumes are added and the Company continues to create operating synergies in its core areas of operation.

### General and Administrative

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands except per boe amounts)				
General and administrative costs	<b>527</b>	157	<b>1,300</b>	579
Overhead recoveries	<b>39</b>	-	<b>175</b>	-
Salary reallocations	<b>154</b>	177	<b>356</b>	177
Net	<b>334</b>	(20)	<b>769</b>	402
Per boe	<b>2.48</b>	(0.94)	<b>1.98</b>	6.11

General and administrative costs ("G&A") for the fourth quarter of 2003 were higher than 2002 fourth quarter costs due to additional staff and higher office rent and public company expenses. Overhead recoveries increased in the fourth quarter of 2003 due to the acquisition of operated areas in the Rise amalgamation. General and administrative expenses are forecasted to be approximately \$2.00 per boe in 2004, which includes higher reserve evaluation costs due to the adoption of National Instrument 51-101 and non cash costs associated with the adoption of the amended Stock Based Compensation regulations.

## Interest

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands except per boe amounts)				
Financing	105	(17)	209	(57)
Other	(10)	-	62	(3)
Total Interest	95	(17)	271	(60)
Per boe	0.70	(0.78)	0.70	(0.91)

Interest expense for the three months ended December 31, 2003 increased over the same quarter in 2002 a result of increased average debt balances offset slightly by lower interest rates. Interest expense for the year increased by \$266 thousand dollars due to increased debt levels throughout 2003. Debt levels increased as a result of acquisitions, which were financed with a combination of bank debt and shares, combined with an increased capital program during 2003.

## Depletion and Depreciation

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands except per boe amounts)				
Depletion and depreciation	1,355	360	4,169	1,367
Provision for site restoration	302	-	425	-
Total	1,657	360	4,594	1,367
Per boe	12.32	16.89	11.84	20.78
Write down of P&NG assets	-	-	-	4,880

Compared to third quarter 2003 the depletion and depreciation rate and expense decreased in the fourth quarter of 2003 resulting in a fourth quarter rate of \$10.08 for depletion and depreciation (not including abandonment and restoration costs), compared to \$13.03 in the third quarter of 2003. The decrease is primarily attributable to year-end additions of proved reserves. For the fourth quarter of 2003, depletion and depreciation expense was higher than that reported in the same quarter of 2002, primarily due to increased production and capital base in 2003. On a per boe basis, the depletion and depreciation rate decreased by 14% and 43% respectively, for the fourth quarter and year 2003 compared to the same periods in 2002, a result of lower cost proved reserve additions.

The Company performs a ceiling test calculation at each balance sheet date which compares the net book value of capital assets to an estimate of the future net revenue from proved reserves from independent reserve evaluators, less estimated future financing costs, general and administrative costs and income taxes. At December 31, 2003 in accordance with stated accounting policies, Delphi has performed a ceiling test using commodity prices as at the measurement date December 31, 2003. Using the December 31, 2003 commodity prices of \$5.90/mcf for natural gas and \$28.25/bbl for crude oil, results in a ceiling test surplus.

## Income Taxes

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
(\$ thousands)				
Current	67	22	106	22
Future (recovery)	51	(5)	795	(2,226)
Total income taxes	118	17	901	(2,204)

The higher future tax provision for the year ended December 31, 2003 compared to 2002 is a result of the ceiling test write-down recorded by the Company in 2002, which affected future taxes by approximately (\$2.1) million, resulting in an

effective tax rate of 30% for 2003 compared 40% for 2002. The lower effective rate in 2003 is attributable to an additional recovery associated with the rate reductions and deduction changes enacted by the federal government in 2003. Current taxes for the year ended December 31, 2003 are comprised of Federal Large Corporations Tax (LCT) of \$66 thousand and Part 1 current tax of \$40 thousand, compared to \$22 thousand of LCT in 2002. As at December 31, 2003 the Company had over \$30 million in tax pools available for use and will not likely be cash-taxable in 2004.

## Net Income

Cash flow in the three months ended December 31, 2003 was \$1.9 million (\$0.08 per share) compared to \$443 thousand (\$0.04 per share) for the same quarter of 2002. Net income for the fourth quarter of 2003 was \$217 thousand (\$0.01 per share) compared to \$87 thousand (\$0.01 per share) in the fourth quarter of 2002. For the year ended December 31, 2003 cash flow was \$6.7 million (\$0.31 per share) compared to \$770 thousand (\$0.07 per share) for 2002. For 2003, net income was \$1.3 million (\$0.06 per share) compared to a loss of \$3.3 million (\$0.31 per share) for 2002. The 2003 cash flow and net income reflect the effects of increased revenues resulting primarily from higher production volumes. The 2002 loss includes a \$4.9 million write-down in the book value of properties offset by a \$2.2 million future tax benefit.

## Netback Analysis

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Barrels of oil equivalent (\$/boe)				
Sales price, after hedging	<b>\$32.21</b>	\$32.84	<b>\$35.34</b>	\$29.00
Royalties	<b>4.07</b>	7.04	<b>7.28</b>	6.69
Operating expenses	<b>10.15</b>	5.75	<b>7.92</b>	5.07
Operating netback	<b>17.99</b>	20.05	<b>20.14</b>	17.24
G&A	<b>2.48</b>	(0.94)	<b>1.98</b>	6.11
Interest	<b>0.70</b>	(0.78)	<b>0.70</b>	(0.91)
Current income taxes	<b>0.50</b>	1.01	<b>0.27</b>	0.33
Cash netback	<b>14.31</b>	20.76	<b>17.19</b>	11.71
Depletion and depreciation	<b>10.08</b>	16.89	<b>10.75</b>	20.78
Write down of P&NG assets	-	-	-	74.17
Abandonment and restoration	<b>2.24</b>	-	<b>1.09</b>	-
Future income taxes (recovery)	<b>0.38</b>	(0.22)	<b>2.05</b>	(33.84)
Net Income	<b>\$1.61</b>	\$4.09	<b>\$3.30</b>	\$(49.40)

## Recycle Ratio

For the year ended	December 2003
Barrels of oil equivalent (\$/boe)	
Operating netbacks	<b>20.14</b>
Current year proved reserves finding, development and acquisition costs	<b>12.37</b>
Proved recycle ratio	<b>1.6</b>
Current year proved plus probable reserves finding, development and acquisition costs	<b>8.81</b>
Proved plus probable recycle ratio	<b>2.3</b>

The recycle ratio is a measure for evaluating the effectiveness of a company's re-investment program. The recycle ratio is a key indicator in the oil and gas industry of efficiency and profitability. The recycle ratio is calculated by dividing the current year average finding, development and acquisition costs into the company's operating netback. Delphi places significant emphasis on achieving a high recycle ratio.

## Liquidity and Capital Resources

### Capitalization and Debt

As at (\$ thousands except share amounts)	December 2003
Common shares outstanding	25,218,092
Share price (end of period)	\$1.75
Market value of common shares	\$44,132
Debt including working capital deficit	\$10,688
Total capitalization	\$54,820
Debt as a % of capitalization	19%

At December 31, 2003 the Company had \$9.0 million outstanding on its credit facility and a working capital deficit of \$1.7 million, totaling \$10.7 million of total net debt. At December 31, 2003 the Company had a \$16 million credit facility consisting of an \$11 million demand revolving operating facility and a \$5 million acquisition and development credit facility. Subsequent to year-end the Company renegotiated its operating credit facility resulting in an increase to \$16 million. On December 18, 2003 the Company closed a bought deal private placement financing whereby 1,136,364 flow through common shares were issued at a price of \$2.20, for gross proceeds of \$2.5 million. The proceeds, net of under-writing fees and expenses were \$2.3 million. For the year ended December 31, 2003 the Company funded the \$18.1 million cash component of its \$27.6 million capital program through cash flow generation of \$6.7 million, common share equity issues of \$3.9 million and an increase in net debt of \$7.5 million. The \$9.5 non cash component of the 2003 capital program was financed through common share issues. The Company expects to fund its 2004 capital program primarily through internally generated cash flow.

### Drilling Results

	Three Months Ended December 2003		Year Ended December 2003	
	Gross	Net	Gross	Net
Natural gas wells	3.0	0.6	10.0	6.0
Oil wells	-	-	2.0	0.4
Dry holes	1.0	0.2	4.0	0.5
Total wells	4.0	0.8	16.0	6.9
Success rate (%)	75%	73%	75%	93%

## Capital Invested

(\$ thousands)	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Land	484	-	728	587
Seismic	23	-	486	25
Drilling and completions	1,371	1,752	5,863	6,250
Equipping and facilities	1,564	112	3,510	1,460
Property acquisitions	3,697	7,380	16,565	7,380
Capitalized expenses	100	-	302	177
Other	80	-	126	32
<b>Total</b>	<b>7,319</b>	<b>9,244</b>	<b>27,580</b>	<b>15,911</b>

During the fourth quarter of 2003, 4.0 gross (0.8 net) wells were drilled for a 73% net success rate. Fourth quarter drilling was focused in the core area of Northern Alberta, where the Company participated in the drilling of three gross (0.78 net) development wells in Fontas, and an operated 3,500 metre exploration well in the Berland River area.

During the fourth quarter of 2003, the Company spent \$7.3 million compared to \$9.2 in the same quarter of 2002. In October 2003, the Company completed the acquisition of Fish Creek Resources Inc. The assets of Fish Creek are located in the Company's core areas of East Central Alberta. With this purchase, Delphi added to its already strong operational presence in the greater Provost area. In addition, the Company closed three additional property acquisitions in this region in December 2003. The Company, in preparing for the winter drilling season, began drilling three wells from a multi-well winter development program in our core area of Fontas and in keeping with the strategy of balancing our low risk opportunities with certain high risk/high reward opportunities, participated in two exploratory wells in the Berland River area.

Delphi's 2003 capital program was the largest in its history and totaled \$27.6 million. Of the total capital spent in 2003, \$5.9 million was spent on Delphi's drilling program. Delphi's exploration and development program in 2003 resulted in 16 wells (6.9 net) being drilled with an overall success rate of 93% (net). Seven of these wells (1.05 net) were drilled in the Company's core region of Northwest Alberta resulting in five natural gas wells (1.0 net), and one dry hole (0.1 net). During the year, nine wells (5.8 net) were drilled in the East Central area of Alberta, resulting in five natural gas wells (5.0 net), two oil wells (0.5 net) and two dry holes (0.2 net).

# DELPHI ENERGY CORP.

## Consolidated Balance Sheets

	December 31, 2003	December 31, 2002
<b>Assets</b>		
Current assets:		
Cash	\$ -	\$ 1,595,103
Accounts receivable	4,610,458	851,282
Prepaid expenses	658,807	39,982
	<b>5,269,265</b>	2,486,367
Property, plant and equipment (Note 4)	42,468,559	19,097,949
Goodwill (Note 3)	783,500	-
	<b>\$ 48,521,324</b>	\$ 21,584,316
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,951,227	\$ 1,734,227
Bank indebtedness (Note 5)	9,005,620	-
	<b>\$ 15,956,847</b>	\$ 1,734,227
Future income tax liability (Note 6)	4,007,233	1,076,312
Future abandonment and restoration costs	768,109	17,280
Shareholders' equity:		
Share capital (Note 7)	29,802,427	22,046,966
Deficit	(2,013,292)	(3,290,469)
	<b>\$ 27,789,135</b>	\$ 18,756,497
	<b>\$ 48,521,324</b>	\$ 21,584,316

# DELPHI ENERGY CORP.

Consolidated Statements of Earnings (Loss) and Deficit

Unaudited

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Revenue:				
Petroleum and natural gas sales	\$ 4,329,568	\$ 699,879	\$ 13,705,346	\$ 1,907,797
Royalties (net of Alberta Royalty Tax Credit)	(545,942)	(149,991)	(2,821,589)	(440,308)
	\$ 3,783,626	\$ 549,888	\$ 10,883,757	\$ 1,467,489
Expenses:				
Operating	1,363,658	122,433	3,072,611	333,554
General and administrative	333,934	(20,120)	768,972	402,066
Interest (income)	94,650	(16,566)	270,545	(59,811)
Depletion and depreciation	1,656,440	359,974	4,593,595	1,366,964
Impairment of capital assets (Note 4)	-	-	-	4,879,749
	\$ 3,448,682	\$ 445,721	\$ 8,705,723	\$ 6,922,522
Earnings (loss) before taxes	\$ 334,944	\$ 104,167	\$ 2,178,034	\$ (5,455,033)
Taxes:				
Current taxes	66,903	21,500	105,879	21,500
Future income taxes (reduction) (Note 6)	50,717	(4,621)	794,978	(2,226,194)
	\$ 117,620	\$ 16,879	\$ 900,857	\$ (2,204,694)
Net earnings (loss)	\$ 217,324	\$ 87,288	\$ 1,277,177	\$ (3,250,339)
Deficit, beginning of year	(2,230,616)	(3,377,757)	(3,290,469)	(40,130)
Deficit, end of year	\$ (2,013,292)	\$ (3,290,469)	\$ (2,013,292)	\$ (3,290,469)

Net earnings (loss) per Common Share: (Note 7(e))

Basic and diluted	0.01	0.00	0.06	(0.31)
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# DELPHI ENERGY CORP.

## Consolidated Statements of Cash Flows

Unaudited

	Three Months Ended December 31		Year Ended December 31	
	2003	2002	2003	2002
Cash provided by (used in):				
Operations:				
Net earnings (loss)	\$ 217,324	\$ 87,288	\$ 1,277,177	\$ (3,250,339)
Add non cash items:				
Depletion and depreciation	1,656,440	359,974	4,593,595	1,366,964
Impairment of capital asset	-	-	-	4,879,749
Future income taxes (reduction)	50,717	(4,621)	794,978	(2,226,194)
Funds from operations	\$ 1,924,481	\$ 442,641	\$ 6,665,750	\$ 770,180
Site restoration expenditures	(5,778)	-	(5,778)	-
Change in non cash working capital	(868,666)	1,008,135	(591,137)	(200,710)
	\$ 1,050,037	\$ 1,450,776	\$ 6,068,835	\$ 569,470
Financing:				
Issue of shares, net of share issue costs	2,354,716	6,217,926	3,896,775	9,316,103
Increase in bank indebtedness	2,439,944	-	6,540,620	-
	\$ 4,794,660	\$ 6,217,926	\$ 10,437,395	\$ 9,316,103
Investing:				
Property, plant and equipment additions	(4,390,212)	(9,244,113)	(15,206,888)	(15,911,347)
Cash paid for business acquisitions (Note 3)	(1,513,300)	-	(2,953,260)	-
Change in non cash working capital	58,815	(543,757)	58,815	345,447
	\$ (5,844,697)	\$ (9,787,870)	\$ (18,101,333)	\$ (15,565,900)
Decrease in cash	-	2,119,168	1,595,103	5,680,327
Cash, beginning of year	-	3,714,271	1,595,103	7,275,430
Cash, end of year	\$ -	\$ 1,595,103	\$ -	\$ 1,595,103
Cash interest paid (received)	169,650	(16,566)	270,545	(59,811)
Cash taxes paid	11,163	-	31,398	-

# **DELPHI ENERGY CORP.**

## **Notes to Consolidated Financial Statements**

Years ended December 31, 2003 and 2002

The consolidated financial statements of Delphi Energy Corp. have been prepared by management in accordance with accounting principles generally accepted in Canada. The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenue and expenses during the reported period. Actual results may differ from these estimates.

### **Note 1: BASIS OF PRESENTATION**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Murias Energy Corporation and Fish Creek Resources Inc., from the dates of acquisition. The consolidated financial statements are stated in Canadian dollars.

### **Note 2: SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Petroleum and natural gas operations:**

The Company follows the full cost method of accounting whereby all costs associated with the acquisition of, exploration for, and development of, petroleum and natural gas reserves are capitalized. Such costs include land acquisition costs, geological and geophysical costs, lease rental costs on undeveloped properties, drilling both productive and unproductive wells, production equipment and overhead charges directly related to these activities. Proceeds received from disposal of petroleum and natural gas properties are credited to capitalized costs unless the rate of depletion and depreciation would be altered by more than 20 percent, in which case, a gain or loss on disposal is recorded.

##### **(i) Ceiling Test**

The Company places a limit on the aggregate cost of capital assets which may be carried forward for depletion against net revenues of future periods (the ceiling test). The ceiling test is a cost recovery test whereby capitalized costs less accumulated depletion and depreciation, and accumulated provision for abandonment and restoration costs, and future income taxes, are limited to an amount equal to estimated undiscounted future net revenues from proved reserves, less estimated future general and administrative expenses, abandonment and restoration costs, future financing costs and applicable income taxes. Costs and prices at the balance sheet date are used. Any costs carried on the balance sheet in excess of the ceiling test limitation are charged to income.

##### **(ii) Abandonment and reclamation provision:**

A provision for estimated future abandonment and restoration costs for petroleum and natural gas properties is provided using the unit-of-production method. Costs are based on the Company's engineering estimates considering current regulations, costs, technology and industry standards. The provision is included in depletion and depreciation expense and actual site restoration costs are charged to the accumulated provision as incurred.

##### **(iii) Depletion and depreciation:**

All capitalized costs and future development costs of proved reserves, less the costs of undeveloped properties, are depleted and depreciated using the unit-of-production method based on total net proved reserves as determined annually by independent engineers and updated by management during interim periods. Depreciation and amortization of head office furniture and equipment is provided for at rates ranging from 10% to 30%.

Costs of undeveloped properties are initially excluded from petroleum and natural gas properties for the purpose of calculating depletion. These undeveloped properties are assessed periodically to ascertain whether impairment has occurred. When proved reserves are assigned or the property is considered to be impaired, the cost of the property or the amount of the impairment is added to costs subject to depletion and depreciation.

**(b) Future income taxes:**

The Company follows the tax liability method of accounting for income taxes. Under this method, estimated future income tax liabilities and assets are recognized based on the tax effects of differences between net costs of assets reported in the financial statements and their respective tax bases, using enacted or substantively enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs.

**(c) Per share information:**

Per share amounts are calculated on the basis of the weighted average number of common shares outstanding during the fiscal year. Diluted per share information reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Diluted per share information is calculated using the treasury stock method that assumes any proceeds received by the Company upon the exercise of stock options would be used to buy common shares at the average market price for the period.

**(d) Flow through shares:**

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow through share arrangements are renounced to investors in accordance with income tax legislation. To recognize the foregone tax benefits to the Company, the future income tax liability and share capital are adjusted by the estimated cost of the renounced tax deduction on the effective date of renouncement.

**(e) Joint venture accounting:**

Substantially all of the Company's exploration, development and production activities are conducted jointly with others and the financial statements reflect the Company's proportionate interest in such activities.

**(f) Stock-based compensation:**

No compensation expense is recognized in the financial statements for share options granted to employees or directors when the options are issued at market value. Consideration paid by directors, officers and employees on the exercise of stock options under the stock option plan is recorded as share capital.

**(g) Financial Instruments:**

The Company uses financial instruments to manage its exposure to fluctuations in commodity prices. The Company does not use financial instruments for speculative trading purposes and, accordingly, they are accounted for as hedges. Gains and losses on hedging activities are reflected in revenue at the time of sale of the related hedged production.

**(h) Measurement uncertainty:**

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Company's best information and judgment. Such amounts are not expected to change materially in the near term. They include the amounts for depletion and depreciation and future abandonment and restoration costs which depend on estimates of oil and gas reserves and the economic lives and future cash flows from related assets.

(i) **Goodwill**

Goodwill is measured for impairment on an annual basis. If indications of impairment are present, a loss would be charged to earnings for the amount that the carrying value of goodwill exceeds its fair value.

**Note 3: CORPORATE ACQUISITIONS**

DT Energy Ltd. ("DT"), a private company engaged in oil and gas exploration and development, merged with Rise Energy Ltd. ("Rise"), a public company engaged in oil and gas exploration and development, effective June 19, 2003 and continued as Delphi Energy Corp. ("Delphi" or the "Company"), a public company. Reference should be made to the Arrangement Agreement, dated March 18, 2003, and Amended Arrangement Agreement, dated April 30, 2003. Following completion of the arrangement, previous shareholders and special warrant holders of DT held approximately 87.5% of the common shares of the Company. Accordingly, the combination has been treated as a reverse take-over of Rise by DT. This transaction was accounted for using the purchase method with the results of operations included from the date of acquisition.

The following table shows the cost of the purchase as at June 19, 2003.

Allocated:	
Property and equipment	\$ 6,977,770
Working capital deficiency	(1,668,449)
Revolving production loan	(1,725,000)
Future abandonment and restoration costs	(236,999)
Future income taxes	(383,045)
	\$ 2,964,277
Purchase price:	
Share consideration (20,067,920 shares)	\$ 2,720,705
Warrant consideration (146,250 warrants)	49,831
Acquisition costs	193,741
	\$ 2,964,277

On September 15, 2003, the Company acquired all of the issued and outstanding shares of Murias Energy Corporation, ("Murias"), a private company involved in the exploration, development and production of oil and natural gas. The consideration paid was \$1,300,000 cash and the issuance of 358,000 common shares of the Company. The value of the transaction, based on an adjusted average of closing prices of the Company of \$1.54, was \$1,880,962. The transaction was accounted for using the purchase method. The consolidated accounts of the Company include the results of Murias from the closing date, September 15, 2003.

On October 31, 2003, the Company acquired all of the issued and outstanding shares of Fish Creek Resources Inc., ("Fish Creek"), a private company involved in the exploration, development and production of oil and natural gas. The consideration paid was \$1,455,000 cash and the issuance of 540,540 common shares of the Company. The value of the transaction, based on an adjusted average of closing prices of the Company of \$1.76, was \$2,404,999. The transaction was accounted for using the purchase method. The consolidated accounts of the Company include the results of Fish Creek from the closing date, October 31, 2003.

	<b>Murias</b>		<b>Fish Creek</b>
<b>Allocated:</b>			
Cash	9,714	\$	15,767
Working capital	128,301		168,827
Capital assets	2,422,877		2,638,000
Goodwill	-		783,500
Operating loan	(200,000)		(540,000)
Future Income tax liability	(449,930)		(596,068)
Future abandonment and restoration costs	(30,000)		(65,027)
	<b>1,880,962</b>	<b>\$</b>	<b>2,404,999</b>
<b>Purchase Price:</b>			
Cash	1,300,000	\$	1,455,000
Shares issued	550,962		949,999
Transaction costs	30,000		-
	<b>1,880,962</b>	<b>\$</b>	<b>2,404,999</b>

#### **Note 4: PROPERTY, PLANT AND EQUIPMENT**

<b>December 31, 2003</b>	Cost	Accumulated depletion and depreciation	Net book value
Petroleum and natural gas properties	<b>\$ 42,921,945</b>	<b>\$ 9,925,289</b>	<b>\$ 32,996,656</b>
Production equipment	<b>9,871,430</b>	<b>571,737</b>	<b>9,299,693</b>
Furniture, fixtures and office equipment	<b>312,792</b>	<b>140,582</b>	<b>172,210</b>
	<b>\$ 53,106,167</b>	<b>\$ 10,637,608</b>	<b>\$ 42,468,559</b>

#### **December 31, 2002**

Petroleum and natural gas properties	\$ 21,424,211	\$ 6,222,552	\$ 15,201,659
Production equipment	4,015,752	154,932	3,860,820
Furniture, fixtures and office equipment	86,052	50,582	35,470
	<b>\$ 25,526,015</b>	<b>\$ 6,428,066</b>	<b>\$ 19,097,949</b>

As at December 31, 2003, undeveloped properties with capitalized costs of \$6.5 million (December 31, 2002 - \$670,000) were not subject to depletion. Also at December 31, 2003 the Company had provided for \$768,000 (2002- \$17,000) of approximately \$8,712,000 (2002- \$393,000) in future undiscounted abandonment and restoration costs. This estimate is subject to change based on amendments to environmental laws and as new information relating to operations becomes available.

During the year, the Company capitalized \$301,725 (2002 - \$nil), of general and administrative costs directly related to exploration and development activities.

The Company performed a ceiling test using commodity prices of \$5.90/mcf for natural gas and \$28.25/bbl for crude oil at December 31, 2003, which resulted in a ceiling test surplus.

The Company recorded a ceiling test write-down of \$4,879,749 for the year ended December 31, 2002. A ceiling test calculation as at March 31, 2002 indicated that the net book value of the Company's petroleum and natural gas properties exceeded the estimated future net revenues from proved reserves. The prices used in the ceiling test were based on prices at March 31, 2002 being \$4.67/mcf for natural gas and \$33.19/bbl for crude oil.

#### **Note 5: BANK INDEBTEDNESS**

At December 31, 2003 the Company had drawn \$9.0 million (2002- nil) on its banking facility. The Company has a financing commitment with a Canadian chartered bank for a demand loan credit facility. Subsequent to December 31, 2003, the credit facility was increased to \$16.0 million. The facility bears interest at bank prime rate plus 0.25% payable monthly and is secured by a \$35.0 million demand floating charge debenture and a general security agreement. The borrowing base is subject to a semi-annual review by the lender.

#### **Note 6: INCOME TAXES**

##### **(a) Expected tax rate**

The provision for income taxes in the financial statements differs from the result that would have been obtained by applying the combined federal and provincial tax rates to the Company's net earnings before income taxes.

The difference results from the following items:

	<b>Year Ended December 31, 2003</b>	<b>Year Ended December 31, 2002</b>
Earnings (loss) before income taxes	\$ 2,178,034	\$ (5,455,033)
Statutory tax rate	40.6%	42.1%
Expected income tax expense (reduction)	884,717	(2,296,568)
Crown charges	957,622	182,533
Resource allowance	(738,488)	(31,175)
Alberta royalty tax credit	(54,040)	(57,169)
Rate reduction	(213,202)	-
Other	(2,171)	(23,815)
Large corporations tax	66,419	21,500
<b>Total income taxes</b>	<b>\$ 900,857</b>	<b>\$ (2,204,694)</b>

**(b) Future tax liability**

The tax effect of temporary differences that give rise to significant portions of the future tax assets and liabilities at December 31, 2003 and 2002 are presented below:

	<b>December 31, 2003</b>	December 31, 2002
Future income tax assets:		
Future site restoration	\$ 263,261	\$ -
Security issue costs	492,544	424,835
Non capital losses	132,379	250,453
Future income tax liabilities:		
Capital assets	(4,895,417)	(1,751,600)
Net future income tax liability	\$ (4,007,233)	\$ (1,076,312)

Non-capital losses carried forward of \$334,000 expire at various times from 2004 to 2010.

**Note 7: SHARE CAPITAL**

**(a) Authorized:**

An unlimited number of voting common shares.

An unlimited number of preferred shares issuable in series.

**(b) Issued:**

Common shares/warrants:

	Number of shares/warrants		Amount
<b>Class A common shares:</b>			
<b>Balance, December 31, 2001</b>	9,244,560	\$	13,868,795
Issue of common shares	6,218,737		6,613,162
Issue of flow through special warrants	2,768,623		3,257,203
Share issue costs, net of future tax effect of \$233,350	-		(320,926)
Tax effect of flow through special warrants	-		(1,371,268)
<b>Balance, December 31, 2002</b>	18,231,920	\$	22,046,966
Issued for cash pursuant to a private placement	1,836,000		1,800,000
Issued to DT shareholders with respect to the reverse take over of Rise	20,067,920		
Common shares of Rise at date of acquisition	2,861,714		2,720,705
Issue of common shares with respect to the acquisition of Murias	358,000		550,962
Issue of common shares with respect to the acquisition of Fish Creek	540,540		949,999
Issue of common shares with respect to asset acquisitions	153,554		294,089
Issue of flow through common shares for cash	1,136,364		2,500,000
Tax benefit renounced to shareholders			(932,079)
Exercise of stock options for cash	100,000		145,000
Share issue costs, net of future tax effect of \$225,179			(323,046)
<b>Balance, December 31, 2003</b>	<b>25,218,092</b>	<b>\$</b>	<b>29,752,596</b>
<b>Warrants:</b>			
Outstanding as at December 31, 2002	146,250		49,831
<b>Balance, December 31, 2003</b>		<b>\$</b>	<b>29,802,427</b>

**(c) Stock Based Compensation**

The Company has established a stock option plan (the "Plan") under which it has granted options to acquire common shares to certain officers, directors and employees. The Plan provides for the granting of up to ten percent of the issued and outstanding common shares of the Company. Options issued under the Plan have a term of five years to expiry and vest equally over a three year period starting on the date of the grant. The exercise price of each option equals the market price of the Company's common shares on the date of the grant. As of December 31, 2003 there were 2,292,000 common shares reserved for issuance to eligible participants of the Plan.

On December 31, 2003, 1,851,750 options were outstanding with an exercise price between \$0.99 and \$1.61, and a weighted-average remaining contractual life of 4.01 years.

The following table sets forth a reconciliation of the Plan activity to December 31, 2003.

	Number of options	Weighted average exercise price
Balance, December 31, 2002	-	\$ -
Granted	1,951,750	\$ 1.39
Exercised	(100,000)	\$ 1.45
<b>Balance, December 31, 2003</b>	<b>1,851,750</b>	<b>\$ 1.38</b>

As at December 31, 2003, 695,583 options under the Plan had vested.

Subsequent to December 31, 2003, options to purchase 50,000 common shares were granted at an exercise price of \$1.75 and 175,417 options at an average exercise price of \$1.45 were cancelled.

**(d) Pro-forma disclosure**

The Company has calculated its stock based compensation expense using the Black-Scholes option pricing model to estimate the fair value of stock options issued at the date of the grant. Canadian generally accepted accounting principles require disclosure of the effect on net earnings had the fair value method been used for stock options issued on or after January 1, 2002. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2003: zero dividend yield; expected volatility of 50%; risk-free rates of 3.5%; and expected life of five years. The weighted average fair value of stock options granted during the year was \$0.66 per share. Had compensation cost for the Company's stock options been determined based on the fair value at the grant date, the Company's net earnings and net earnings per share for the year ended December 31, 2003 and 2002 would have been the pro forma amounts shown below:

	2003	2002
<b>Net earnings</b>		
As reported	\$ 1,277,177	\$ (3,250,339)
Pro-forma	\$ 608,891	\$ (3,250,339)
<b>Net earnings per common share – basic and diluted</b>		
As reported	\$ 0.06	(0.31)
Pro-forma	\$ 0.03	(0.31)

**(e) Weighted Average Number of Shares**

The weighted average number of common shares issued and outstanding used in calculating earnings per share for the years ended December 31, 2003 and 2002, after giving effect to the reverse take-over of Rise (Note 3) are as follows:

	2003	2002
Weighted average shares outstanding		
Basic	21,711,134	10,649,822
Diluted	21,897,573	10,649,822

**(f) Flow through Share Expenditures**

Pursuant to the December 18, 2003 flow through share offering, the Company renounced \$2.5 million of qualifying expenditures effective December 31, 2003. The qualifying expenditures will be made during 2004.

**Note 8: FINANCIAL INSTRUMENTS**

**(a) Fair Value of Financial Instruments**

The Company's exposure under its financial instruments is limited to financial assets and liabilities, all of which are included in these financial statements. The fair values of financial assets and liabilities that are included in the balance sheet approximate their carrying amounts due to the short-term maturity of those instruments.

**(b) Credit Risk**

Substantially all of the Company's accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks.

**(c) Foreign Currency Exchange Risk**

The Company is exposed to foreign currency fluctuations as crude oil and natural gas prices are referenced to U.S. dollar denominated prices.

**(d) Commodity Price Risk Management**

The Company has a price risk management program whereby the commodity price associated with a portion of its future production is fixed. The Company sells forward a portion of its future production through a combination of fixed price sale contracts with customers and commodity swap agreements with financial counterparties. The forward and futures contracts are subject to market risk from fluctuating commodity prices and exchange rates; gains and losses on the contracts are offset by changes in the value of the Company's production and recognized in income in the same period and category as the hedged item.

At December 31, 2003 the Company had the following physical gas sales contracts outstanding:

YEAR	TIME PERIOD	COMMODITY	TYPE OF CONTRACT	QUANTITY CONTRACTED	PRICE
2004	November 2003 – March 2004	Natural Gas	Costless collar	1,000 GJ/d	\$6.00 floor/ \$7.00 ceiling
2004	January 2004 – March 2004	Natural Gas	Costless collar	2,000 GJ/d	\$7.00 floor/ \$8.00 ceiling
2004	March 2004	Natural Gas	Fixed price	2,000 GJ/d	\$7.00 fixed
2004	April 2004 – October 2004	Natural Gas	Fixed price	1,000 GJ/d	\$5.19 fixed

## **2004 FIRST QUARTER RESULTS**

2004 first quarter results are scheduled for release on Tuesday, May 4, 2004.

## **ANNUAL GENERAL MEETING**

Delphi Energy Corp.'s Annual Meeting of Shareholders will be held Thursday, May 20, 2004 at 3:00p.m. Mountain Daylight Time in the Cardium Room of the Calgary Petroleum Club, Calgary, Alberta. All shareholders are invited to attend.

Contact:

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Vice President and Chief Financial Officer

**DELPHI ENERGY CORP.**

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*The TSX Venture Exchange has neither approved nor disapproved the contents of this news release.*

*Certain information regarding the Delphi Energy Corp. contained herein may constitute forward looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.*