



1500, 444 – 5 Avenue S.W.
Calgary, Alberta T2P 2T8

Telephone: (403) 265-6171
Facsimile: (403) 265-6207
Website: www.delphienergy.ca
Email: info@delphienergy.ca

press release

DEE – TSX

DELPHI ENERGY CORP. ANNOUNCES SIGNIFICANT CORPORATE ACQUISITION

CALGARY, ALBERTA – October 26, 2004 – Delphi Energy Corp. (“Delphi”) announced today that it has entered into an acquisition agreement to acquire all the issued and outstanding securities of a private Alberta oil & gas company (“PrivateCo”). The acquisition is subject to regulatory and other approvals and will be effected by way of take-over bid. The total consideration for PrivateCo is approximately \$56.85 million, which includes the assumption of debt.

The Board of Directors of each of Delphi and PrivateCo have unanimously approved the transaction, and the Directors and management of PrivateCo have entered into lockup agreements representing 89.0% of the outstanding common shares. GMP Securities is acting as financial advisor to Delphi. Jennings Capital Inc. will provide an opinion to the Board of Directors of PrivateCo that the transaction is fair from a financial point of view. The acquisition agreement includes standard provisions in a transaction of this nature including an obligation on Delphi to mail its all cash offer on or before November 3, 2004, a prohibition on PrivateCo from soliciting other offers, the right of Delphi to increase its offer in the event of a bona fide third party unsolicited offer which is financially superior to that of Delphi, and the payment of break fees of \$2.0 million by PrivateCo to Delphi and \$1.5 million by Delphi to PrivateCo under certain circumstances.

PrivateCo’s main asset-base is concentrated in NE British Columbia with current production of approximately 1,200 boe/day (92% gas). PrivateCo’s reserves were re-evaluated by Delphi and its independent engineers and as at October 1, 2004 had 4.7 million boe on a proven and probable basis. Based on current rates of production, PrivateCo has a reserve life index in excess of 10.7 years. The undeveloped land and producing assets fit Delphi’s core exploration and development expertise and enhance existing industry relationships. The assets provide development upside on the associated 21,000 net acres of undeveloped land. Delphi has initially identified a minimum of 12 drilling locations on these lands for 2005 with several additional optimization and recompletion projects.

Acquisition Parameters

Current Production	\$44,750 per producing boe
Reserves	\$11.42 per boe (proven and probable)
Reserve Life Index	10.7 years based upon proven and probable reserves
Price/Cash Flow (2005)	4.2x (Based upon \$6.60/mcf and \$40.00 WTI)

The acquisition is subject to regulatory approvals, receipt of security holder approvals, and standard due diligence reviews and is expected to close on or about December 8, 2004.

Delphi Energy is a Calgary-based company engaged in the exploration, development and production of oil and natural gas in Western Canada.

David J. Reid

President and Chief Executive Officer

DELPHI ENERGY CORP.

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Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.