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press release

DEE – TSX

## **DELPHI ENERGY CLOSES \$52 MILLION PROPERTY ACQUISITION**

CALGARY, ALBERTA - February 1, 2005 - Delphi Energy Corp. is pleased to announce that it has closed the previously announced \$52 million acquisition of natural gas assets at Bigstone in the company's core area of Berland River, 250 kilometers northwest of Edmonton.

This is Delphi's second major acquisition in the last two months. Delphi closed the \$56 million acquisition of Tercero Energy, a private oil and gas company, on December 9, 2004.

The natural gas assets at Bigstone are operated properties, predominantly 100% working interest and are expected to add 1,200 barrels of oil equivalent per day (boe/d) of production (83% gas) and 3.4 million boe of proven plus probable reserves (81% gas), as determined by independent engineering firm Gilbert Laustsen Jung Associates. At current production levels, the properties have a reserve life index of 7.8 years based on proven plus probable reserves.

The Bigstone acquisition includes approximately 10,000 net acres of undeveloped land and a 29% interest in an 80 mmcf/d sweet gas processing facility currently operating at 75% capacity, providing significant third-party processing revenue.

As a result of Delphi's two recent significant acquisitions, the company has raised its production forecast for 2005. Average daily production targets for Delphi in 2005 have been increased to more than 5,000 boe/d.

In addition to the acquisition of assets in Bigstone, Delphi has entered into two new joint venture arrangements with the major company that provide for a five-well exploration drilling program and a 30-well development re-entry program.

Delphi financed the Bigstone acquisition with an increased credit facility provided by its lender plus a \$30 million subscription receipt private placement that closed on December 23, 2004. Upon closing of the Bigstone acquisition, Delphi will have 47,777,357 common shares issued and outstanding.

"We're proceeding aggressively to optimize the existing production and related infrastructure over the next several months, prior to commencing with our ambitious development and exploration program", Delphi President and CEO David Reid said. "The new assets are a key part of our plan to enhance our long life, natural gas production within our existing core areas."

Drilling operations on the new Bigstone property have already begun. One partner operated exploration well has been drilled and cased with three more wells scheduled to be drilled before the end of the quarter.

In other news, the Company has closed two separate minor Alberta property sales totaling approximately 200 boe/d for net proceeds of \$6 million.

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

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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*This news release contains forward-looking statements with respect to Delphi. 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. These statements speak only as of the date of this news release.*

*A barrel of oil equivalent (boe), derived by converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil, may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*