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## **PRESS RELEASE**

**DEE – TSX**

### **DELPHI ENERGY ANNOUNCES 2006 CAPITAL PROGRAM, INCREASES GUIDANCE**

CALGARY, ALBERTA – December 6, 2005 – Delphi Energy Corp. is pleased to update its recent operational activities, outline its capital program and increase its 2006 guidance.

#### **2006 CAPITAL PROGRAM**

Delphi has a planned capital expenditure program for 2006 of \$120 million to \$125 million with three operated and nine non operated drilling rigs active during the first quarter of 2006. The 2006 program will include drilling 65 - 75 gross (31 – 36 net) wells with approximately 95 percent of the capital directed to the Company's core areas of North West Alberta, North East British Columbia and its recently announced joint venture on more than 200 sections at Bigfoot in North East British Columbia, primarily targeting natural gas and natural gas liquids.

#### **PRODUCTION**

Current production for the Company is approximately 5,300 barrels of oil equivalent per day (boe/d), consisting of 90 percent natural gas and natural gas liquids. Delphi continues to tie in new production from the drilling program at Bigstone, Alberta where production has increased to the current level of 2,600 boe/d, up 117 percent from 1,200 boe/d at the time Delphi acquired the field in February 2005. Delphi is on track to achieve its forecast exit production rate of 6,000 boe/d.

#### **OPERATIONS**

##### **Bigstone, North West Alberta**

In the Bigstone area, Delphi is continuing its low risk development drilling program and has cased its 13<sup>th</sup> operated 100 percent working interest well with 11 of these wells tied in and on production. Since late July, the Company has participated in 15 gross (13.8 net) wells with a 95 percent success rate. In addition to the current production level of 2,600 boe/d, the Company has approximately 500 boe/d of tested production behind pipe in the area, which is expected to be on-stream by the end of 2005 or early in 2006. Drilling will continue throughout the upcoming winter with one operated drilling rig active in the area to drill nine (7.6 net) wells through the first quarter of 2006.

##### **North East British Columbia**

In North East British Columbia, all required equipment and services have been contracted to pursue a 19 (6.3 net) well drilling program, primarily on operated properties. The Company expects to begin drilling the first well of the program during the second half of December. It is anticipated all successful wells will be tied in and on-stream before spring break-up at the end of the first quarter of 2006. In addition to the drilling program, Delphi will be tying in five (1.8 net) standing cased wells. Delphi expects to add approximately 750 to 1,000 boe/d by the end of the first quarter in North East British Columbia from this capital program.

At Bigfoot, the Company's infrastructure and drilling program has started with the recent cold weather. All equipment and services have been contracted to construct required winter access, an all season road and natural gas transmission infrastructure, drill development wells and shoot 3-D seismic. Delphi will participate in the drilling of 19 (9.5 net) development wells and tie in four existing wells to earn a 50 percent working interest in 107 sections of land. Initial production from this project is anticipated to commence in April 2006 from 12 wells, with the remainder being brought on-stream through August 2006. Bigfoot is anticipated to add average production of 750 to 1,000 boe/d in 2006. The capital program will be undertaken over the next eight months and will cost Delphi approximately \$81 million, representing 65 percent of the 2006 capital program.

## **2005 Exploration Joint Venture, North West Alberta - North East British Columbia**

On the exploration front, Delphi has cased its latest two prospects and is very encouraged as multiple intervals in both wells appear productive based on a combination of hydrocarbon shows during drilling, electric logs and production testing. All zones are being evaluated and further testing is to be undertaken. It is expected that one of these two wells will be tied in and on production during the first quarter of 2006. The Company has completed drilling three exploration wells under the joint venture with a 66 percent success rate. The fourth exploration prospect of the joint venture is expected to spud in the first quarter of 2006 at Brazeau, Alberta to test a Nisku prospect at a depth of approximately 4,000 metres. The Company continues to allocate 10 percent to 15 percent of its capital to high impact exploration.

## **2006 GUIDANCE**

With the recent announcement of the joint venture agreement at Bigfoot in North East British Columbia, Delphi has revised its guidance upward for 2006. The Company has planned a capital program of \$120 million to \$125 million, up from \$50 million to \$55 million, with average production for the year to range between 7,250 and 7,800 boe/d and an exit production rate in 2006 of 7,800 to 8,300 boe/d. Cash flow for 2006, based on an AECO natural gas price of approximately Cdn. \$8.20 per thousand cubic feet, is expected to be between \$70 million to \$73 million or \$1.30 to \$1.36 per share. Funding for the 2006 capital program will be provided by a combination of cash flow, the recently announced flow-through common share equity financing and increases to the Company's credit facilities, namely a \$30 million development loan for the Bigfoot joint venture.

As part of the Company's stated goal of focusing on long life, high netback natural gas production and reserves in North West Alberta and North East British Columbia, Delphi is evaluating the divestment of its East Central Alberta mature oil properties currently producing approximately 700 boe/d.

Delphi Energy is a Calgary-based company that explores, develops and produces oil and natural gas in Western Canada. The Company is managed by a proven technical team currently producing approximately 5,300 boe/d, weighted 90 percent to natural gas and natural gas liquids. Delphi trades on the Toronto Stock Exchange under the symbol DEE.

*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.*

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