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DRILLING SUCCESS PUSHES DELPHI ENERGY PAST 5,000 BOE/D IN Q1 2006

CALGARY, ALBERTA – May 3, 2006 – Delphi Energy Corp. is pleased to announce its financial and operational results for the interim period ended March 31, 2006.

Q1 2006 Highlights

- Drilled 36 wells (14.5 net) in the first quarter with a 78 percent (86 percent net) success rate, resulting in six new pool discoveries.
- Increased first quarter production by 36 percent to 5,011 barrels of oil equivalent per day (boe/d). Current production is approximately 6,400 boe/d.
- Increased funds from operations by 108 percent to \$12.4 million (\$0.22 per share) compared to \$6 million (\$0.12 per share) in 2005.
- Achieved net earnings of \$1.2 million (\$0.02 per share) in the first quarter compared to a loss of \$1.9 million (\$0.04 per share) for the first quarter of 2005.
- Increased cash netbacks to \$27.45 per boe, an improvement of 53 percent compared to the same quarter in the prior year.
- Maintained operating costs at \$8.06 per boe from \$7.97 in 2005 and \$7.90 per boe in the fourth quarter of 2005 despite significant inflationary pressures.
- Subsequent to quarter end, Delphi and its joint venture partner brought on production from the Bigfoot area of North East British Columbia ahead of schedule and on budget.

Operational Highlights

Three Months Ended March 31
2006 2005 % Change

	2006	2005	% Change
Production			
Natural gas (mcf/d)	23,695	16,880	40
Crude oil (bbls/d)	544	713	(24)
Natural gas liquids (bbls/d)	518	159	226
Total (boe/d)	5,011	3,685	36

Financial Highlights (\$000s except per boe and per share amounts)

	2006	2005	% Change
Petroleum and natural gas sales	23,809	13,978	70
Per boe	52.79	42.13	25
Funds from operations	12,380	5,958	108
Per boe	27.45	17.96	53
Per share – Basic	0.22	0.12	83
Per share – Diluted	0.22	0.12	83
Net earnings	1,187	(1,943)	-
Per boe	2.64	(5.85)	-
Per share – Basic	0.02	(0.04)	-
Per share – Diluted	0.02	(0.04)	-
Capital invested	81,029	60,036	35
Debt plus working capital	128,901	61,020	111
Total assets	317,160	244,666	30

MESSAGE TO SHAREHOLDERS

Delphi's capital program was focused in North East British Columbia and in North West Alberta, which are a combination of winter and all season access areas. The winter program resulted in the drilling of 36 wells (14.5 net) by the end of the first quarter for a net success rate of 86 percent. The Company has four rigs currently drilling and all are scheduled to operate through spring break-up.

Capital expenditures for the first quarter were \$81 million. Delphi had contracted all required services for its winter program and had up to five operated and seven non-operated drilling rigs active during the winter season. The Company completed all planned operations with the exception of three tie-in projects, two of which will be completed after spring break-up and the other will be postponed until next winter.

The oilfield service sector was extremely busy through the winter season as a result of the significant level of industry activity to drill or rework wells, stimulate wells through fracture or acid operations and equip and tie-in successful wells. While Delphi was able to complete nearly all its planned operations, the Company did experience delays, particularly in well completion, stimulation and tie-in operations as a result of this high level of activity.

OPERATIONS

Bigstone, North West Alberta

In the Bigstone area of North West Alberta, Delphi continued its low-risk exploitation program through the winter, drilling and casing seven wells (5.2 net) in addition to successfully reactivating five standing cased wells (4.0 net). The Company also completed a major field infrastructure expansion including eight kilometres of new natural gas pipelines and significant expansion of a field compression facility. All of these wells were on production by the end of April with the exception of one tie-in that is expected to be completed after spring break-up. Two new discoveries, including a light oil discovery, and the successful delineation of our existing natural gas trends have increased the drilling inventory at Bigstone to approximately 30 potential locations.

Bigfoot, North East British Columbia

At Bigfoot in North East British Columbia, the Company's capital program has been successful with the completion of major infrastructure for Area 1, including a 54-kilometre all season road, providing Delphi the ability to continue drilling on a year-round basis. Thirty kilometres of 12-inch natural gas transmission pipeline were installed to transport the natural gas from seven new and five reactivated wells to an existing processing facility owned and operated by the Company's joint venture partner in the Greater Sierra area. The Company completed drilling seven wells (3.5 net) with a 100 percent success rate. Two drilling rigs are anticipated to remain active in the area until July/August 2006, drilling the remaining 12 earning wells (6.0 net). Upon completion of the drilling program, Delphi will have earned a 50 percent working interest in approximately 75,000 gross acres in Area 1. Future operations in Area 1 will thereafter be done on a 50/50 working interest basis between Delphi and its joint venture partner. Currently, the project is ahead of schedule and on budget. A 3D seismic program over the southern land block, designated Area 2, has been acquired and will be interpreted over the next several months. Delphi has until August 31, 2006 to evaluate the seismic and elect to participate in the development of Area 2 (an additional 65,000 gross acres).

EXPLORATION DRILLING

Delphi has drilled and cased three of its last four exploration prospects, with one well successful in the primary target of the Wabamun formation and two wells cased for secondary targets. The Valhalla well (18 percent net to Delphi) was successfully completed in the primary target and is being tied in with first production anticipated during the second quarter of 2006. The Cutbank well (50 percent net to Delphi) tested natural gas from two secondary zones at rates in excess of 1 million cubic feet per day (mmcf/d) during the first quarter. The well is being tied in and first production is anticipated during the third quarter of 2006. The Brazeau well (27 percent net to Delphi) was drilled and cased in the first quarter with several secondary zones appearing productive. Completion operations are planned for after spring break-up. A successful completion would result in production during the fourth quarter of 2006.

The Company is participating in a 5,000 metre Leduc test in the Tower Creek area in North West Alberta. This exploration well (21.7 percent net to Delphi) is targeting a Leduc pinnacle reef. Successful Leduc wells in the area are characterized by initial gross raw natural gas rates in excess of 20 mmcf/d and ultimate gross recoveries in excess of 30 billion cubic feet of natural gas. The well is currently drilling and is anticipated to reach total depth early in the third quarter. A second prospect, on the same lease block, will target the Wabamun formation and is anticipated to spud after the drilling operations are completed on the Leduc well. Wabamun analogs in the area have commenced production at gross raw rates of up to 30 mmcf/d of sweet gas. Both of these prospects are fully defined on 3D seismic and are part of Delphi's high-impact exploration program.

FINANCIAL REVIEW

Funds from operations for the first quarter of 2006 were \$12.4 million (\$0.22 per share), an increase of 108 percent over the prior year. Cash flow netbacks were \$27.45 per boe, an increase of 53 percent compared to the first quarter of 2005. Delphi's cost structure improved further through the first quarter of 2006. With higher production volumes anticipated in the second quarter, this trend is expected to continue as winter projects are brought on-stream. Net earnings for the first quarter of 2006 were \$1.2 million (\$0.02 per share) compared to a loss of \$1.9 million (\$0.04 per share) in the same quarter of 2005. Net earnings for the first quarter of 2006 were reduced significantly by stock-based compensation expenses resulting from stock options granted in the quarter.

Delphi invested \$81 million into its drilling program in the first quarter of 2006, incurring most of the expenditures (52 percent) at Bigfoot. Most of the remaining capital costs were incurred in the Company's winter access operating areas. The capital program was funded by cash flow from operations, bank debt and increase in the Company's working capital deficiency. Subsequent to quarter end, the Company entered into an agreement to dispose of a non-core, non-operated property producing approximately 50 barrels of oil equivalent per day and undeveloped land for proceeds and working capital adjustments of approximately \$10 million. The transaction is expected to close at the end of May. Delphi is proceeding with the planned divestment of its East Central Alberta assets through Scotia Waterous. Current production from these assets is approximately 625 boe/d. The bid date is scheduled for May 15, 2006, with closing anticipated by the end of June. The Company expects to fund its remaining 2006 capital program through cash flow from operations. Proceeds from the disposition of non-core properties will be used to pay down debt.

Delphi continues to use financial leverage to pursue its low-risk development capital program. The basis for this strategy is confidence in the solid producing asset base, an active commodity hedging program and a well-managed low-risk capital program designed to deliver consistent production additions, reserves and cash flow growth. The significant capital program of \$81 million in the first quarter has resulted in outstanding bank debt at March 31, 2006 of \$62.3 million and a working capital deficiency of \$66.6 million, including accrued liabilities of \$59 million, for a total debt plus working capital deficiency of \$128.9 million. At March 31, 2006, the Company did not meet the working capital ratio covenant of its credit facility. The Company's lenders are in the process of finalizing the annual credit review based upon the December 31, 2005 engineering report, with the lending limit anticipated to be increased, and granted a waiver related to the working capital covenant. Based on annualized first quarter cash flow, Delphi's debt to cash flow ratio at March 31, 2006 is 2.6:1 and 2.4:1 after proceeds from the non-core property disposition. As was the case in 2005, the Company's debt to cash flow ratio is expected to be at its peak after the first quarter and decrease throughout the remainder of the year as capital programs going forward are much lower than the winter program and cash flow increases. Cash flow is anticipated to increase as a result of production growth from the successful winter program and production from Bigfoot.

The Company maintains an active risk management program as an integral part of its overall financial strategy to mitigate cash flow volatility resulting from fluctuating commodity prices. As additional natural gas volumes have been brought on-stream, the Company has executed additional physical natural gas forward contracts for the summer contract period of 2006, the winter contract period of 2006/2007 and has begun entering into forward contracts for the summer of 2007. Delphi's risk management program consists of both fixed price contracts as well as costless collars, which provide both downside protection and the opportunity to share in the upside if market prices move above the floor price. Approximately 40 percent of production is hedged at a

minimum floor price of Cdn \$8.73 per million cubic feet for the summer contract period of 2006 and at a minimum floor price of Cdn \$9.84 per million cubic feet for the winter contract period of 2006/2007.

Delphi's first quarter 2006 financial statements and management's discussion and analysis are available on Delphi's website at www.delphienergy.ca and will be available on SEDAR at www.sedar.com within the next 24 hours.

OUTLOOK

Delphi has demonstrated its ability to successfully identify and exploit high quality assets and leverage industry relationships to participate in exciting resource plays with tremendous potential. Current production is approximately 6,400 boe/d, up 28 percent from the first quarter average as a result of the successful drilling results of the winter program. Further production increases over the second quarter are expected as new facilities are commissioned and wells are brought on-stream.

As the Company prepares for its summer and fall capital program, apart from the ongoing Bigfoot drilling program, management is mindful of the current inflationary environment of oilfield service costs and pressures on equipment availability. The Company is planning ahead to mitigate project timing risks, but remains exposed to potential delays.

At this time, the Company continues to forecast average production for 2006 of approximately 7,000 boe/d and an exit production rate of 8,000 boe/d, representing an increase in average production of 66 percent over 2005 with all the production growth being achieved through the drill bit. 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 \$1.27 to \$1.32 per share.

Delphi Energy is a Calgary-based Company that explores, develops and produces oil and natural gas in Western Canada. Delphi trades on the Toronto Stock Exchange under the symbol DEE.

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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.

Operating netbacks are calculated as the net revenue received per unit of production after deducting royalties, operating expenses and transportation expenses. Cash netbacks are determined from operating netbacks less general and administrative expenses, interest expense and cash taxes.