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## PRESS RELEASE

DEE – TSX

### DELPHI ENERGY ANNOUNCES 2006 RESERVES AND PROVIDES OPERATIONS UPDATE

CALGARY, ALBERTA – February 13, 2007 – Delphi Energy Corp. is pleased to report the results of the evaluation of the Company's reserves for the year ended December 31, 2006 as prepared by GLJ Petroleum Consultants ("GLJ"), Delphi's independent reserves evaluator.

#### HIGHLIGHTS

- Drilled 50 gross (21.1 net) wells during 2006 with a 90 percent success rate. The Company has in excess of 100 drilling locations identified within its core areas of operations.
- Proved plus probable reserves, weighted 82 percent to natural gas, increased 20 percent to 17.3 million barrels of oil equivalent (boe) and increased nine percent on a per share basis.
- Capital program in 2006 of \$130.4 million (net of dispositions) with 70 percent spent on the natural gas resource development project in the Bigfoot area of North East British Columbia and 20 percent spent in the Bigstone area of North West Alberta.
- Finding and development costs for 2006 on a proved plus probable reserves basis are \$32.04 per boe, which includes future development capital. The Company's three year average finding and development costs on a comparative basis are \$21.46 per boe.
- Achieved a reserve replacement ratio of 2.5 times and maintained a reserve life index of over 9 years.
- Net asset value per share is estimated at \$3.24 per share (PV8 before tax).

#### RESERVES SUMMARY

Delphi's reserves have been prepared in accordance with National Instrument 51-101 in Canada. During 2006, the Company increased proved reserves by nine percent and increased proved plus probable reserves by 20 percent. The following schedule summarizes Delphi's reserves at December 31, 2006 as compared to December 31, 2005.

|                            | December 31, 2006 |                    |                             | % of Proved | December 31, 2005           |          |
|----------------------------|-------------------|--------------------|-----------------------------|-------------|-----------------------------|----------|
|                            | Gas (mcf)         | Oil & NGLs (mbbls) | Total (mboe) <sup>(2)</sup> |             | Total (mboe) <sup>(2)</sup> | % Change |
| Reserves <sup>(1)</sup>    |                   |                    |                             |             |                             |          |
| Proved                     |                   |                    |                             |             |                             |          |
| Producing                  | <b>39,401</b>     | <b>1,294</b>       | <b>7,861</b>                | <b>69</b>   | 8,424                       | (7)      |
| Non-producing              | <b>12,212</b>     | <b>231</b>         | <b>2,266</b>                | <b>20</b>   | 1,533                       | 48       |
| Undeveloped                | <b>6,941</b>      | <b>105</b>         | <b>1,262</b>                | <b>11</b>   | 463                         | 173      |
| Total proved               | <b>58,554</b>     | <b>1,630</b>       | <b>11,389</b>               | <b>100</b>  | 10,420                      | 9        |
| Probable                   | <b>26,562</b>     | <b>1,495</b>       | <b>5,922</b>                |             | 4,004                       | 48       |
| Total proved plus probable | <b>85,116</b>     | <b>3,125</b>       | <b>17,311</b>               |             | 14,424                      | 20       |

#### Notes:

(1) Delphi's reserves represent the operated and non-operated working interest share of reserves before deduction of royalties and include any royalty interests of the Company.

(2) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil (6:1).

Approximately 60 percent of the Company's proved non-producing reserves are expected to be on production during the first half of 2007, including the Company's exploration discovery at Tower Creek of 0.8 million boe (1.1 million boe in proved plus probable), which should be on production in the second quarter. The increase in proved undeveloped reserves is primarily associated with reserve additions at Bigfoot in North East British Columbia, which represents only a small percentage of the identified drilling inventory.

## NET PRESENT VALUE OF RESERVES

The estimated future net revenues associated with Delphi's reserves at December 31, 2006 based on the GLJ January 1, 2007 price forecast are summarized in the following table.

| (\$ 000's) <sup>(1)</sup>  | Future net revenues before income taxes discounted at a rate of: |                |                |                |
|----------------------------|--|----------------|----------------|----------------|
|                            | 0%   | 5%             | 8%             | 10%            |
| Proved                     |  |                |                |                |
| Producing                  | <b>216,254</b>   | <b>174,490</b> | <b>156,888</b> | <b>147,199</b> |
| Non-producing              | <b>63,895</b>  | <b>47,596</b>  | <b>41,157</b>  | <b>37,717</b>  |
| Undeveloped                | <b>30,577</b>  | <b>16,093</b>  | <b>11,478</b>  | <b>9,263</b>   |
| Total proved               | <b>310,726</b>   | <b>238,179</b> | <b>209,523</b> | <b>194,179</b> |
| Probable                   | <b>162,714</b>   | <b>98,534</b>  | <b>77,420</b>  | <b>67,109</b>  |
| Total proved plus probable | <b>473,440</b>   | <b>336,713</b> | <b>286,943</b> | <b>261,288</b> |

### Notes:

(1) The estimated future net revenues are before the deduction of estimated future site restoration costs but are reduced for estimated future abandonment costs for reserve wells and estimated capital for future development associated with the reserves.

## FUTURE PRICE FORECAST

The future price forecast as determined by GLJ effective January 1, 2007 used in estimating future net revenues is summarized as follows:

| Year | WTI @ Cushing<br>(US \$/bbl) | Edmonton Light crude oil<br>(Cdn \$/bbl) | Natural gas at AECO/NIT spot<br>(Cdn \$/mmbtu) |
|------|------------------------------|--|--|
| 2007 | 62.00                        | 70.25                                    | 7.20   |
| 2008 | 60.00                        | 68.00                                    | 7.45   |
| 2009 | 58.00                        | 65.75                                    | 7.75   |
| 2010 | 57.00                        | 64.50                                    | 7.80   |
| 2011 | 57.00                        | 64.50                                    | 7.85   |
| 2012 | 57.50                        | 65.00                                    | 8.15   |
| 2013 | 58.50                        | 66.25                                    | 8.30   |
| 2014 | 59.75                        | 67.75                                    | 8.50   |
| 2015 | 61.00                        | 69.00                                    | 8.70   |
| 2016 | 62.25                        | 70.50                                    | 8.90   |
| 2017 | 63.50                        | 71.75                                    | 9.10   |
| 2018 | +2.0%/year                   | +2.0%/year                               | +2.0%/year                                     |

## RESERVES RECONCILIATION

The following reconciliation of Delphi's reserves compares changes in the Company's reserves as at December 31, 2005 to the reserves as at December 31, 2006, each evaluated in accordance with National Instrument 51-101 definitions.

|                                       | Proved<br>(mboe) | Probable<br>(mboe) | Proved plus Probable<br>(mboe) |
|---------------------------------------|------------------|--------------------|--------------------------------|
| Reserves at December 31, 2005         | <b>10,420</b>    | <b>4,004</b>       | <b>14,424</b>                  |
| Exploration and development additions | <b>4,865</b>     | <b>2,550</b>       | <b>7,415</b>                   |
| Revisions                             | <b>(1,338)</b>   | <b>(265)</b>       | <b>(1,603)</b>                 |
| Acquisitions                          | <b>79</b>        | <b>7</b>           | <b>86</b>                      |
| Dispositions                          | <b>(728)</b>     | <b>(374)</b>       | <b>(1,102)</b>                 |
| Production                            | <b>(1,909)</b>   | <b>-</b>           | <b>(1,909)</b>                 |
| Reserves at December 31, 2006         | <b>11,389</b>    | <b>5,922</b>       | <b>17,311</b>                  |

## DRILLING ACTIVITY

During the year the Company drilled 50 gross (21.1 net) wells for a 90 percent success rate.

| Wells Drilled     | Gross       | Net         |
|-------------------|-------------|-------------|
| Oil               | <b>1.0</b>  | <b>0.6</b>  |
| Gas               | <b>41.0</b> | <b>18.4</b> |
| Dry and Abandoned | <b>8.0</b>  | <b>2.1</b>  |
| Total             | <b>50.0</b> | <b>21.1</b> |
| Success Rate      | <b>82%</b>  | <b>90%</b>  |

## FINDING AND DEVELOPMENT COSTS (unaudited)

Finding and development costs in 2006 were affected by the significant capital program directed towards Bigfoot in North East British Columbia whereby Delphi paid 90 percent of the capital (\$91.4 million) to earn a 50 percent working interest in the property.

| (\$ 000's except per boe data)                                       | 2006<br>Proved plus<br>Probable | 2004-2006<br>Proved plus<br>Probable |
|--|---------------------------------|--------------------------------------|
| Capital expenditures (including acquisitions)                        | <b>165,352</b>                  | <b>363,527</b>                       |
| Proceeds on dispositions   | <b>(34,918)</b>                 | <b>(40,780)</b>                      |
| Change in future development costs (FDC)                             | <b>23,231</b>                   | <b>40,116</b>                        |
| Finding and development costs (\$/boe)                               |                                 |                                      |
| Exploration, development and acquisitions, without FDC               | <b>28.04</b>                    | <b>19.31</b>                         |
| Exploration, development and acquisitions, with FDC                  | <b>31.97</b>                    | <b>21.44</b>                         |
| Exploration, development, acquisitions and dispositions, without FDC | <b>27.20</b>                    | <b>19.09</b>                         |
| Exploration, development, acquisitions and dispositions, with FDC    | <b>32.04</b>                    | <b>21.46</b>                         |

## RESERVE LIFE INDEX (unaudited)

The reserve life index of Delphi has been calculated by using average 2006 production of 5,229 boe/d. The reserve life index is greater than nine years on a proved plus probable basis.

|                                      | Proved plus Probable |
|--------------------------------------|----------------------|
| Reserves at December 31, 2006 (mboe) | 17,311               |
| 2006 production (mboe)               | 1,909                |
| Reserve life index (years)           | 9.1                  |

## NET ASSET VALUE PER FULLY DILUTED SHARE (unaudited)

The net asset value of the Company at December 31, 2006 is summarized in the table below.

| (\$ 000's except per share data)                        | December 31, 2006 |
|---|-------------------|
| Value of proved plus probable reserves discounted at 8% | 286,943           |
| Undeveloped land and seismic <sup>(1)</sup>             | 22,000            |
| Mark-to-market value of hedging contracts               | 7,900             |
| In-the-money option proceeds <sup>(2)</sup>             | 1,397             |
| Total assets value                                      | 318,240           |
| Estimated bank debt plus working capital deficiency     | (118,178)         |
| Estimated net asset value                               | 200,062           |
| Basic shares outstanding and in-the-money options       | 61,727,191        |
| Estimated net asset value per share                     | 3.24              |

Notes:

(1) Undeveloped land and seismic includes \$18.7 million at December 31, 2006, being the estimated land value based on Seaton-Jordan & Associates Ltd. land valuation report.

(2) In-the-money option proceeds are based on the closing December 31, 2006 share price of \$2.48.

(3) The Company estimates it has approximately \$200 million of tax deductions available to offset future taxable income.

## OPERATIONS UPDATE

### BIGSTONE, NORTH WEST ALBERTA

The Company has drilled 5 wells (1.9 net) in the Bigstone area so far this winter season resulting in two gas wells, two oil wells, and one potential oil well awaiting completion. Production from these wells is expected to commence during March once pipeline and wellsite facility construction has been completed. Up to 3 more wells may be drilled during this winter drilling season. In addition, several recompletion and optimization projects are proceeding on schedule. Field compression in the eastern producing area of the field has been upgraded, reducing production downtime.

The development of the Cardium light oil play is progressing successfully. Two vertical wells (0.5 net) have been drilled, completed and tested at rates in excess of 350 boe/d per well. A horizontal well, (0.55 net) targeting light oil in the Cardium formation has also been drilled and is awaiting completion. The Company holds working interests ranging from 5 to 100 percent (average of 36 percent) on 4,000 acres of land and has identified approximately 20 drilling locations targeting this light oil play.

### BIGFOOT, NORTH EAST BRITISH COLUMBIA

Drilling operations are expected to commence later this month in Bigfoot where up to three horizontal wells (50 percent net to Delphi) are scheduled to be drilled. Tie-in operations of three previously drilled wells are proceeding on schedule with anticipated start-up over the next two weeks. Plunger lift installation and well optimization, designed to reduce production downtime on the existing producing wells, is anticipated to be completed in March.

## **EXPLORATION**

### **Tower Creek, Alberta**

At Tower Creek, operations to equip and tie-in the Company's exploration discovery are proceeding on schedule and are anticipated to be completed in the second quarter of 2007. As previously announced, Delphi and its working interest partners have signed an agreement with a midstream company that will construct an 18 kilometre, 8-inch diameter, high-pressure, sour gas pipeline to tie-in the well to the Kaybob South # 3 gas plant for processing, where significant excess capacity is available. Initial gross raw gas production rates are estimated to be between 20 and 25 mmcf/d (500 to 600 boe/d net to Delphi).

The second exploration test is scheduled to start drilling after spring break-up. This seismically defined deep exploration test is targeting high pressure sweet gas from the highly fractured Wabamun formation. Wabamun analogs in the area have commenced production at gross raw rates of up to 30 mmcf/d of sweet gas. Delphi will pay 23.9 percent of the costs of the well to earn a 20.8 percent in the wellbore and surrounding acreage.

## **OUTLOOK**

Delphi remains focused on creating shareholder value through its development and exploration programs on its high quality assets concentrated in North West Alberta and North East British Columbia. The Company is well positioned for long term sustainable growth with an inventory of drilling opportunities in excess of 5 years.

Capital spending for 2007 is anticipated to be approximately \$45-50 million, dependent on both field service costs and commodity prices. The Company plans to spend the majority of its capital during the second half of the year, timed with an expected stronger natural gas environment and lower cost of services. During the near-term period of potentially volatile natural gas prices due to the continued over-supply of natural gas in storage, the drilling program will favor the Company's oil projects with spending on Delphi's natural gas projects focused on robust capital efficient well recompletions and optimization projects. Delphi's exploration program which requires longer lead-times and targeting natural gas will continue with the view of a natural gas price recovery into 2008.

Delphi is providing production guidance for 2007 of 5,200 boe/d to 5,400 boe/d. The Company anticipates exiting 2007 at 5,700 boe/d. Current production is estimated to be 4,300 boe/d, down from approximately 5,000 boe/d during the fourth quarter as a result of the property dispositions completed in November 2006, natural declines on the Company's base production, and lower capital spending over the past four months in order to reduce the Company's bank debt. The Company has approximately 900 boe/d in the process of being tied in and scheduled for start-up late in the first quarter to mid second quarter.

The Company is forecasting its AECO gas price for 2007 at \$7.25/mcf. Delphi continues to benefit from its risk management program and a decreasing cost structure. The weakness in natural gas prices is viewed as short term as supply and demand fundamentals support an improved natural gas price environment into 2008. The Company has approximately 55 percent of its current production hedged at a minimum floor price of Cdn \$8.96 per thousand cubic feet from January 1, 2007 through to March 31, 2008. Delphi expects 2007 cash flow to be approximately \$47 million (\$0.77 per share) to \$50 million (\$0.82 per share).

The Company's bank debt plus working capital deficiency at December 31, 2006 was approximately \$118 million, a \$17 million decrease from the previous quarter ending September 30, 2006. The Company's credit facility consists of a \$115 million revolving facility, with a one-year term-out provision, plus a Bigfoot development facility of \$10 million. The total credit was reconfirmed at those levels by the Company's lenders after the closing of two property dispositions late in 2006. With the completion of Delphi's reserves report for December 31, 2006, the lenders have begun their scheduled annual review of the credit facility. This process is expected to be completed over the next several months.

## **FINANCIAL RESULTS**

Delphi expects to release its year end financial statements on March 8, 2007. Additional detailed information relating to the Company's reserves will be provided together with audited year end financial results on that date.

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. 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.*

*Finding and development costs have been calculated using capital invested during the year, both including and excluding acquisitions and dispositions, plus the change in future development costs divided by the reserves additions for the year. Delphi presents finding and development costs for proved reserves additions and proved plus probable reserves additions. The aggregate of the exploration and development costs incurred in the most recent financial year, included in capital invested, and the change in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.*

*Net asset value is calculated as the before tax present value of future net revenue of proved plus probable reserves using escalated pricing discounted at eight percent plus the estimated value of undeveloped land, as determined by Seaton Jordan & Associates, and seismic plus mark-to-market hedge contracts value and proceeds from in-the-money options less net debt divided by the number of basic shares outstanding at the end of the year plus in-the-money options.*