



✦ PRESS RELEASE

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**DELPHI DELIVERS.**

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## **DELPHI ENERGY ANNOUNCES CREDIT FACILITY AND EXPANDS TEAM**

CALGARY, ALBERTA – June 11, 2009 – Delphi Energy Corp. (“Delphi” or “the Company”) is pleased to announce the renewal of its credit facilities and the expansion of its technical team.

Delphi’s lenders (National Bank of Canada and Bank of Nova Scotia) have completed their annual review of the Company’s credit facilities. The detailed review utilized the Company’s December 31, 2008 reserves engineering report, adjusted for the lenders’ outlook on commodity prices, and takes into consideration current production, including the results of the winter drilling program. Based on this review, the lenders have maintained the Company’s total credit facilities at \$140.0 million, now comprised of a revolving \$125.0 million production credit facility and a non-revolving \$15.0 million acquisition/development credit facility. At the same time, the pricing on the facilities has been adjusted to reflect current market rates for credit facilities of this nature. All other terms of the credit facilities remain unchanged from the previous arrangements.

As at March 31, 2009, Delphi had net debt of approximately \$113.2 million upon completion of its successful winter drilling program. During the second quarter, the Company expects production of 6,750 to 6,850 boe/d, representing the ninth consecutive quarter of production growth, while capital requirements are expected to be significantly less than cash flow due to spring break-up. As a result, the Company’s net debt is expected to decrease to between \$105.0 and \$107.0 million by the end of the second quarter, representing a reduction of net debt from December 31, 2008 despite the challenging commodity price environment.

The current oil and natural gas environment has provided the opportunity to recruit individuals with a breadth of experience and knowledge in the Company’s focus area of the deep gas basin of North West Alberta. Delphi has taken advantage of this environment by expanding its technical team with the addition of two geologists, an exploitation engineer and a land administrator. The additional staff will complement the expertise and experience of Delphi’s existing dedicated professionals as the Company further develops internally generated opportunities in its core areas of Hythe and Bigstone and evaluates the numerous opportunities available to expand its land position in North West Alberta through farm-ins and acquisitions.

For the second half of 2009, the Company continues to plan a capital program of \$18.0 to \$23.0 million for a total capital program of \$35.0 to \$40.0 million for the year. Cash flow is expected to be between \$38.0 to \$43.0 million for the year on average annual production of 6,500 to 7,000 boe/d in 2009. The Company has approximately 52 percent of its natural gas production hedged at an average floor price of \$7.35 per mcf for April to December 2009 designed to achieve this forecasted cash flow. Over the year, Delphi expects an overall reduction in net debt of approximately \$2.0 to \$4.0 million from the amount outstanding at December 31, 2008.

David J. Reid, President and Chief Executive Officer of Delphi is scheduled to present at the CAPP Oil & Gas Investment Symposium in Calgary on Tuesday, June 16, 2009 at 11:05am (MST) and Wednesday, June 17, 2009 at 1:30pm (MST).

*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.*

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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**Forward-Looking Statements.** *This release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intends”, “forecast”, “plans”, “guidance” and similar expressions are intended to identify forward-looking statements or information.*

*More particularly and without limitation, this release contains forward looking statements and information relating to the Company’s risk management program, petroleum and natural gas production, future funds from operations, capital programs, commodity prices, costs and debt levels. The forward-looking statements and information are based on certain key expectations and assumptions made by Delphi, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the capital availability to undertake planned activities and the availability and cost of labour and services.*

*Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. Additional information on these and other factors that could affect the Company’s operations or financial results are included in reports on file with the applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The forward-looking statements and information contained in this press release are made as of the date hereof for the purpose of providing the readers with the Company’s expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. Delphi undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

**Basis of Presentation.** *For the purpose of reporting production information, reserves and calculating unit prices and costs, natural gas volumes have been converted to a barrel of oil equivalent (boe) using six thousand cubic feet equal to one barrel. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with the Canadian Securities Administrators’ National Instrument 51-101 when boes are disclosed. Boes may be misleading, particularly if used in isolation.*

**Non-GAAP Measures.** *The release contains the terms “funds from operations”, “funds from operations per share”, “net debt”, “cash operating costs” and “netbacks” which are not recognized measures under Canadian generally accepted accounting principles. The Company uses these measures to help evaluate its performance. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company’s ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-GAAP measure and has been defined by the Company as net earnings plus the addback of non-cash items (depletion, depreciation and accretion, stock-based compensation, future income taxes and unrealized gain/(loss) on risk management activities) and excludes the change in non-cash working capital related to operating activities and expenditures on asset retirement obligations and reclamation. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. Delphi’s determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. The Company has defined net debt as the sum of long term debt plus working capital excluding the current portion of future income taxes and risk management asset/liability. Net debt is used by management to monitor remaining availability under its credit facilities. Cash operating costs have been defined as the sum of operating expenses, transportation expenses, general and administrative expenses and interest costs.*