



1500, 444 – 5 Avenue S.W.
Calgary, Alberta T2P 2T8

Telephone: (403) 265-6171
Facsimile: (403) 265-6207
Website: www.delphienergy.ca
Email: info@delphienergy.ca

press release

DEE – TSX

DELPHI ENERGY CORP. ANNOUNCES THIRD QUARTER 2004 RESULTS

CALGARY, ALBERTA – November 15, 2004 – Delphi Energy Corp. is pleased to announce the consolidated financial and operational results for the interim period ended September 30, 2004.

Third Quarter 2004 Highlights

- Increased cash flow 147 percent to \$3.6 million for the third quarter of 2004 (\$0.14/share) compared to \$1.4 million (\$0.06/share) in 2003.
- Achieved the highest quarterly cash flow in the Company's history, increasing nine percent over the second quarter of 2004 and eight percent on a per share basis.
- Earned \$0.9 million (\$0.03 per share) compared to a loss of \$0.2 million (\$0.01 per share) for the same period in 2003.
- Increased average production 41 percent to 1,749 barrels of oil equivalent per day (boe/d), from production of 1,245 boe/d in the third quarter of 2003, a result of successful well reactivations combined with acquisition and development volume additions.
- Accomplished the most active capital program in the Company's history with \$11.1 million expended on projects primarily in east central Alberta.
- Graduated from the TSX-V to the Toronto Stock Exchange on August 3, 2004.

Subsequent Events

- Announced the proposed acquisition of a private company (PrivateCo) on October 26, 2004 for \$56.85 million.
- Announced a \$16 million to \$20 million financing, scheduled to close on or about November 23, 2004, with proceeds to be used for the acquisition of PrivateCo. Closed a \$4 million flow-through share financing on November 10, 2004.

Financial Highlights ⁽¹⁾ (\$000s except per boe and per share amounts)	Three Months Ended September 30			Nine Months Ended September 30		
	2004	2003	% Change	2004	2003	% Change
Gross petroleum and natural gas sales	6,233	3,893	60	17,017	9,835	73
Per boe	38.73	33.99	14	38.57	38.81	(1)
Cash flow from operations	3,557	1,442	147	9,377	4,741	98
Per boe	22.02	12.58	75	21.22	18.71	13
Per share – Basic	0.14	0.06	133	0.37	0.23	61
Per share – Diluted	0.14	0.06	133	0.36	0.22	64
Earnings (loss)	855	(209)	509	2,631	1,092	141
Per boe	5.30	(1.84)	388	5.96	4.33	38
Per share – Basic & Diluted	0.03	(0.01)	400	0.10	0.05	100
Capital expenditures	11,508	5,029	129	23,670	20,261	17
Debt, net				24,501	8,685	182
Total assets				69,330	40,331	72
Shares outstanding - weighted average (000s)						
Basic				25,315	20,984	21
Diluted				27,714	21,155	31
Operating Highlights						
Natural gas (mcf/d)	5,353	5,779	(7)	5,554	4,891	14
Crude Oil (bbl/d)	812	244	233	646	84	669
Natural gas liquids (bbl/d)	45	38	18	44	29	52
Total (boe/d)	1,749	1,245	40	1,616	928	74

(1) Certain amounts for 2003 are restated.

Delphi followed a successful third quarter of 2004 with the announcement of a \$57-million corporate acquisition. The importance of the proposed transaction is outlined in the Outlook section below. Before announcing the acquisition, Delphi increased its cash flow and earnings in the third quarter of 2004 compared with the same period of 2003 and made considerable progress on its capital program.

Delphi engaged in record levels of activity during the third quarter of 2004, primarily in east central Alberta. The Company spent \$11.1 million during the third quarter on recompletions, workovers and facility upgrades compared with \$7 million in the previous quarter and \$5 million in the same period of 2003. These capital expenditures are expected to decrease the Company's operating costs, increase efficiencies and enhance production levels over the next number of months.

The Company's focus on development projects has proven successful during a time of historically high commodity prices. Delphi achieved record quarterly cash flow for the third quarter of 2004, increasing 147 percent to \$3.6 million (\$0.14/share) compared with \$1.4 million (\$0.06 per share) in the same period of 2003. The Company increased its earnings to \$855,000 (\$0.03 per share) in the third quarter of 2004 compared with a loss in the corresponding period of 2003.

The Company's successful well reactivation program helped increase production volumes for the third quarter of 2004 by 41 percent to 1,749 barrels of oil equivalent per day (boe/d) compared with 1,245 boe/d during the same period of 2003. This increase came despite plant problems and restrictions on a third-party pipeline at Fontas, Alberta that shut in approximately 250 bbls/d, or 14 percent of the Company's overall production. Although Delphi is optimistic the challenges at Fontas will be overcome, the Company expects this production to remain shut-in until the end of 2004 when weather conditions will allow for installation of a hydrocarbon dewpoint facility to remedy the problem. In addition to Delphi's shut-in production, wet weather limited Delphi's production increase in the third quarter compared with the previous quarter.

Outlook

Delphi's operational and financial outlook will be further strengthened on December 9, 2004 when the previously announced corporate acquisition is scheduled to close. The acquisition is accretive on all key measures. Delphi's production will immediately increase by 50 percent to approximately 3,000 boe/d and reserves will jump by 100 percent – an increase of 4.7 million boe. The acquisition provides development upside on 21,000 net acres of undeveloped land and offers at least 12 identified drilling locations for 2005 with several optimization and recompletion projects.

Financing of the acquisition has been designed to maintain a healthy balance sheet. Delphi's decision to fund 38 percent of the acquisition with debt and 62 percent with equity will keep the Company on track to exit 2004 with a debt ratio of 1.4 to 1.6 times annualized cash flow. Delphi's hedging program will help protect the Company's capital program.

Delphi looks forward to an active winter drilling program on its newly acquired assets and on its properties at Berland River and Fontas. At Berland River, a 10-22 Cadomin development well has spud. At Fontas, the Company plans to drill 15 wells (3 net) over the winter. Delphi is well positioned to continue its successful organic growth model while aggressively pursuing opportunities for expansion.

For a copy of Delphi's complete third quarter 2004 report, including financial statements and management's discussion and analysis, please visit www.sedar.com or Delphi's website at www.delphienergy.ca.

Delphi Energy is a Calgary-based company managed by a proven technical team. The company explores, develops and produces oil and natural gas in Western Canada.

FOR FURTHER INFORMATION PLEASE CONTACT:

David J. Reid
President and Chief Executive Officer
(403) 265-6171

Delphi Energy Corp.
1500, 444 - 5th Avenue SW
Calgary, Alberta T2P 2T8
www.delphienergy.ca
info@delphienergy.ca

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.