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press release

DEE – TSX

DELPHI ENERGY CLOSES \$36 MILLION BOUGHT DEAL FINANCINGS

CALGARY, ALBERTA – December 23, 2004 – Delphi Energy Corp. is pleased to report that it has closed its previously announced flow-through common share and common share subscription receipt private placement offerings for gross proceeds of \$36 million.

Delphi issued a total of 1,622,352 flow-through common shares at a price of \$3.70 per share for gross proceeds of \$6 million. The proceeds of the flow-through common share offering will be used to incur Canadian exploration expenses associated with the exploration joint venture drilling program announced in Delphi's December 6, 2004 press release. Delphi will renounce such expenditures to subscribers effective on or before December 31, 2004.

Delphi also issued 10,169,494 common share subscription receipts at a price of \$2.95 per share for gross proceeds of \$30 million. The gross proceeds of the subscription receipts offering will be held in trust and used by Delphi to pay for its previously announced \$52 million acquisition of natural gas assets in the Berland River area. Closing of that acquisition is expected to occur on or about February 1, 2005. Upon closing, each holder of subscription receipts will receive one common share of Delphi for each subscription receipt without further action or payment.

The private placement offerings were made on a bought deal basis by a syndicate of underwriters, led by GMP Securities Ltd., and including Dundee Securities Corporation, First Associates Investments Inc. and Acumen Capital Finance Partners Ltd. The flow-through common shares and common share subscription receipts are subject to a four month hold period.

Upon closing of the Berland River acquisition, Delphi will have 47,703,774 common shares issued and outstanding.

Delphi Energy is a Calgary-based company engaged in the exploration, development and production of oil and natural gas in Western Canada.

David J. Reid

President and Chief Executive Officer

DELPHI ENERGY CORP.

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