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press release

DEE – TSX

DELPHI ENERGY INCREASES PRODUCTION, CASH FLOW, RESERVES IN 2004

CALGARY, ALBERTA – March 23, 2005 – Delphi Energy Corp. is pleased to announce the consolidated financial and operational results for the year ended December 31, 2004.

2004 Highlights

- Increased average production by 60 percent to 1,706 boe/d, largely a result of development activities on existing assets offset by natural declines.
- Increased cash flow from 2003 by 81 percent to $12.1 million ($0.45 per share).
- Achieved net earnings of $2.0 million ($0.07 per share) compared to $2.1 million ($0.10 per share) for 2003.
- Capital costs in 2004 of $85.7 million resulted in a net addition of 6.1 million boe of proved plus probable reserves at $16.70/boe.
- Increased proved and probable reserves by 122 percent to 9.96 million boe.
- Closed the corporate acquisition of a private company, giving Delphi a significant presence in North East British Columbia and long-life natural gas production.
- Graduated from the TSX Venture Exchange to the Toronto Stock Exchange on August 3, 2004.

Subsequent Events

- Closed a $50.7 million acquisition of natural gas assets at Bigstone in Delphi's core area of Berland River, Alberta.
- Increased proved and probable reserves from December 31, 2004 by 31 percent to 13.1 million boe at February 1, 2005.
- Extended corporate reserve life index to a current nine years from 7.4 years in 2003.
- Announced a flow-through financing for gross proceeds of $12 million expected to close in March 2005.
- Divested of non-core properties for $6 million.

Financial Highlights [1] ($000s except per boe and per share amounts)

Year Ended December 31	**2004**	2003	% Change
Gross petroleum and natural gas sales	**24,474**	14,305	71
Per boe	**39.19**	36.87	6
Cash flow from operations	**12,124**	6,666	82
Per boe	**19.41**	17.19	13
Per share – Basic	**0.45**	0.31	45
Per share – Diluted	**0.43**	0.30	43
Net earnings	**1,952**	2,134	(9)
Per boe	**3.12**	5.50	(43)
Per share – Basic and diluted	**0.07**	0.10	(30)
Capital costs	**85,707**	27,580	211
Debt plus working capital deficit	**61,274**	10,688	473
Total assets	**171,947**	51,468	234
Shares outstanding			
Basic	**47,704**	25,218	89
Diluted	**49,599**	27,216	82

(1) Certain amounts for 2003 are restated.

Operating Highlights

Year Ended December 31	**2004**	2003	% Change
Natural gas production (mcf/d)	**5,822**	5,082	15
Oil and NGLs production (bbl/d)	**736**	216	241
Total production (boe/d)	**1,706**	1,063	60

Company Interest Reserves [1]	February 1, 2005	% Change from Dec. 31, 2004	December 31, **2004**	December 31, 2003	% Change
Proved oil and NGLs (mbbls)	2,145.7	23	**1,748.7**	1,112.0	57
Proved natural gas (mmcf)	41,900.9	39	**30,076.0**	12,507.0	140
Total proved (mboe)	9,129.2	35	**6,761.4**	3,196.5	112
Probable oil and NGLs (mbbls)	1,159.6	10	**1,050.6**	525.5	100
Probable natural gas (mmcf)	16,822.0	31	**12,886.0**	4,548.0	183
Total probable (mboe)	3,963.3	24	**3,198.3**	1,283.5	149
Proved plus probable oil and NGLs (mbbls)	3,305.3	18	**2,799.3**	1,637.5	71
Proved plus probable natural gas (mmcf)	58,722.9	37	**42,962.0**	17,055.0	152
Total proved plus probable (mboe)	13,092.5	31	**9,959.7**	4,480.0	122

(1) Gross reserves represent the Company's interest including royalty interests before the deduction of royalties.

In 2004, Delphi operated out of three core areas, based on a defined strategy of balancing low-risk development opportunities in East Central Alberta with high-impact exploration and development drilling in North West Alberta. In December 2004, the Company added North East British Columbia to its inventory. All three core areas carry a substantial drilling prospect inventory.

Delphi increased production by 60 percent to 1,706 barrels of oil equivalent per day during 2004 and announced more than $109 million in corporate and property acquisitions. Delphi exited 2004 at 2,900 boe/d. The two major acquisitions position the Company for an exceptional 2005, with current production of approximately 4,000 boe/d.

Delphi redefined itself in 2004 as a Company capable of capturing significant opportunities by capitalizing on key relationships. Delphi is set apart from its peers through a proven acquisitions strategy and niche joint-venture relationships with major producers. Delphi announced the $57 million acquisition of a private company on October 26, 2004, giving the Company a significant presence in North East British Columbia with a long reserve life and a 100 percent natural gas focused asset base. Delphi then capitalized on a strong relationship with a major producer to negotiate the purchase on December 6, 2004 of properties at Bigstone, Alberta for $50.7 million further enhancing the Company's exposure to long-life natural gas producing assets with significant development and exploration upside.

The assets in North East British Columbia added 1,100 boe/d and 4.7 million boe of proved plus probable reserves in 2004. The reserve life index on these properties equates to a solid 11.7 years based on proved plus probable reserves. This acquisition was an excellent fit for Delphi's exploration and development expertise in the area. The assets provide development and exploration upside on 21,000 net acres of undeveloped land.

The acquisition of assets in the Bigstone area northwest of Edmonton in the Company's core area of Berland River added production of 1,200 boe/d of natural gas and natural gas liquids (100 percent working interest). The acquisition included ownership in significant field pipeline infrastructure and a 29 percent working interest in an 80 mmcf/d processing facility, providing for low operating cost production and excess processing capacity for future development. The current reserve life index is 7.8 years on proved plus probable reserves of 3.4 million boe.

The effect of Delphi's major acquisitions announced at the end of 2004 create a larger, stronger production and cash flow base to fund the significant development and exploration upside within the Company's assets that are expected to be realized over the next two to three years. Delphi has moved quickly to initiate its capital programs and has already begun to exploit the non-producing development upside within both the North East British Columbia and Bigstone assets. The Company expects to capitalize on several simple optimization, facility, and workover opportunities prior to spring break-up, resulting in immediate production growth from both areas of approximately 300 to 500 boe/d.

Delphi funded its 2004 capital program through cash flow of $12.1 million, common share equity issues of $26.5 million and an increase in net debt of $37.8 million. The total net debt at the end of 2004 was $61.3 million compared with $10.7 million in 2003. The Company intentionally leveraged the balance sheet to fund the acquisitions, reducing the dilutive effect of incremental equity. A solid asset base, strong commodity prices and a well-managed capital program will provide significant production and cash flow growth throughout 2005 and enable Delphi to reduce its net debt levels. Delphi expects to exit the year at 1 to 1.2 times debt to forecast cash flow. Subsequent to the end of 2004, Delphi negotiated an increase in its operating credit facility to $79.5 million, used to fund the acquisition of assets at Bigstone, Alberta.

Delphi's growth strategy has translated into returns for its shareholders. In March 2005, the share price was up 110 percent from year-end 2003 and 167 percent from startup.

A key element of Delphi's success is ensuring the right team is in place to drive the Company's growth. Delphi has quickly responded to its rapid growth by adding six high-quality people to its management, technical, and administrative teams. Delphi has been able to attract skilled people with complementary skill sets to an already solid and proven team that has allowed us to hit the ground running at closing of the recent acquisitions.

Outlook

Delphi looks significantly different in 2005 than it did in 2004. The Company now has almost 300 percent more reserves and more than twice the average daily production than it did a year ago, a longer reserve life, a greater weighting to gas, a lower decline profile and a significantly greater inventory of growth opportunities. The Company is operating from a solid, focused asset base with record cash flow to fund its capital programs.

Delphi expects production volumes for 2005 to increase significantly as its development program is successfully executed. Delphi anticipates production growth of more than 280 percent from 2004 to 2005, between 4,800 and 5,300 boe/d during 2005. This would equate to a growth of 165 percent in production per share over three years. Delphi forecasts cash flow of $40 - 45 million in 2005, which would result in more than 300 percent growth in cash flow per share over the past three years.

Delphi has developed a proven ability to deliver organic growth on its existing asset base throughout 2003 and 2004. Although the acquisitions have dominated the Company's recent growth profile, the 2005 capital program is focused on development and exploration opportunities within its asset base. In 2005, Delphi plans are to spend approximately 80 percent of projected cash flow, with the remainder directed toward reducing the Company's debt. The $35 - 40 million capital program will be focused 75 percent to development projects, with the remainder allocated to high-impact exploration programs. Delphi expects to drill 40 wells, with an average working interest of 55 percent, taking advantage of its more than 70,000 net acres of undeveloped land in 2005. During the first quarter of 2005, the Company drilled 15 wells in Fontas and four wells in Bigstone.

Delphi's 2004 financial statements and management's discussion and analysis will be available on SEDAR at www.sedar.com and on Delphi's website at www.delphienergy.ca by March 28, 2005.

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

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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.