



1500, 444 – 5 Avenue S.W. Calgary, Alberta T2P 2T8
 Telephone: (403) 265-6171 Facsimile: (403) 265-6207

Email: info@delphienergy.ca
 Website: www.delphienergy.ca

PRESS RELEASE

DEE – TSX

DELPHI ENERGY ANNOUNCES RECORD SECOND QUARTER 2005 RESULTS

CALGARY, ALBERTA – August 11, 2005 – Delphi Energy Corp. is pleased to announce its financial and operational results for the interim period ended June 30, 2005.

Highlights

- Increased production 144 percent to 4,192 barrels of oil equivalent per day (boe/d) in the second quarter of 2005 from 1,716 boe/d in the second quarter of 2004 and up 14 percent from 3,685 boe/d in the first quarter of 2005.
- Increased cash flow from operations before change in non-cash working capital 144 percent to \$7,936,766 (\$0.16 per share) in the second quarter compared to \$3,248,047 (\$0.13 per share) in the second quarter of 2004.
- Net earnings increased 20 percent in the second quarter to \$1,004,410 (\$0.02 per share) from \$838,123 during the second quarter 2004.
- Commenced summer drilling program at Bigstone, Alberta with two drilling rigs operating. One well has been drilled and an additional 17 locations are in various stages of drilling or preparation for drilling.
- Increased production at Bigstone from 1,200 boe/d to 1,550 boe/d, up 29 percent since February 1, 2005.
- Currently in the field equipping and tying in three standing cased wells under the Company's Development Joint Venture.
- Commenced drilling on the first of four deep, high impact wells under the Company's Exploration Joint Venture.

Operational and Financial Information

	Three Months Ended June 30			Six Months Ended June 30		
	2005	2004	% Change	2005	2004	% Change
Average Daily Production						
Natural gas (mcf/d)	19,961	5,943	236	18,429	5,626	228
Crude oil (bbl/d)	591	684	(14)	652	559	17
Natural gas liquids (bbl/d)	274	42	552	217	43	405
Total (boe/d)	4,192	1,716	144	3,941	1,540	156

Financial Highlights (\$)						
	2005	2004	% Change	2005	2004	% Change
Petroleum and natural gas revenue	17,335,359	5,859,503	196	31,313,314	10,784,238	190
Per boe	45.45	37.53	21	43.91	38.47	14
Cash flow from operations	7,936,766	3,248,047	144	13,894,988	5,819,944	139
Per boe	20.81	20.80	-	19.48	20.76	(6)
Per share – basic and diluted	0.16	0.13	23	0.28	0.23	22
Net earnings (loss)	1,004,410	838,123	20	(937,862)	1,777,196	-
Per boe	2.63	5.37	(51)	(1.33)	6.33	-
Per share – basic and diluted	0.02	0.03	(33)	(0.02)	0.07	-
Capital expenditures	7,072,869	6,361,075	11	15,858,878	11,497,004	38

	June 30 2005	December 31 2004	% Change
Debt plus working capital deficit	68,711,200	61,274,113	12
Total assets	196,313,969	171,946,974	14
Shares outstanding			
Basic	50,584,991	47,703,775	6
Diluted	53,274,691	49,598,858	7

Message to Shareholders

In the second quarter, Delphi finalized activity from the active winter drilling season and commenced licensing operations for the upcoming drilling, completion and tie-in programs underway at Bigstone, Alberta and in the Grande Prairie region. Although the early breakup and wet weather conditions restricted activity in the field, Delphi completed several compressor installations and upgrades and infrastructure optimization projects at Bigstone, Alberta. The Company achieved production of more than 4,400 boe/d for April with production declining the remainder of the quarter due to the inability to get back into the field until late in the second quarter.

The Company's production increased 144 percent to 4,192 boe/d in the second quarter of 2005, compared to 1,716 in the second quarter of 2004. For the six months ended June 30, 2005, Delphi has produced an average of 3,941 boe/d versus 1,540 boe/d in 2004. The Company's current production is approximately 4,300 boe/d.

OPERATIONS REVIEW

In the second quarter of 2005 Delphi drilled two gross (0.4 net) wells with a 100 percent success rate. The Company continues to focus its operations in North West Alberta, East Central Alberta and North East British Columbia.

North West Alberta

A six well infill drilling program commenced with the spudding of the Bigstone 2-18 on July 14 in the Bigstone Field. This first well, where Delphi is the operator with a 100 percent working interest has reached total depth in the base of the Cretaceous. Three intervals appear productive based on electric log and pressure data obtained during the drilling operation. Completion operations are currently underway and a second drilling rig has recently been moved to the field to expedite the drilling program. Delphi has identified an additional 11 infill locations. Work is in progress to license these wells for an extended summer and winter drilling program which could result in up to 17 wells being drilled in this area of the field.

Delphi also has an 18 to 100 percent working interest in 9,440 net acres of undeveloped land at Bigstone. One of the three wells drilled during the first quarter, the Placid 8-31, where Delphi has an 18 percent working interest, had its first full month of production in April and averaged 2.5 mmcf/d gross from two Cretaceous intervals. The other two wells will be completed and tied-in during the fourth quarter when surface access is available. One of these wells, the Berland River 3-32, has similar log characteristics to the Placid 8-31. In addition to the previously mentioned infill drilling program, Delphi has identified an additional six locations on high working interest (55 percent to 100 percent) acreage in the immediate area and is in the process of obtaining the necessary regulatory approvals to execute a winter drilling program to exploit the identified multi-zone sweet gas potential.

Optimization of the existing production continued into the second quarter with the installation/upgrade of five booster compressors, nine plunger lift systems, and a re-activation increasing on-time and production rates. Due to a wet spring much of this work was postponed until late June but the results are clearly evident with an average July production rate of 1,550 boe/d and a July exit rate approaching 1,600 boe/d. These volumes are up significantly from the 1,200 boe/d the property was producing when Delphi acquired the field on February 1, 2005. In addition to the drilling and optimization work already discussed, Delphi has identified six to eight well optimization and tie-in projects that will be executed during the third and fourth quarters as surface access permits.

In the Berland River area, Delphi is completing the technical evaluation on 12 additional locations prospective for multi-zone sweet gas targets. This potential is on lower working interest lands (5 to 23 percent) and Delphi is evaluating drilling these wells at its present working interest or trading the rights for similar opportunities with a higher working interest in lands contiguous to our Bigstone position.

Fontas, North West Alberta

During the second quarter Delphi and its partners followed up the successful winter drilling program by continuing to optimize the producing wells, gathering system, and facilities at Fontas with a capital expenditure of \$0.8 million. Production levels exiting the second quarter were 640 boe/d net to Delphi. The Fontas working interest owners are currently generating plans for the 2005/2006 winter program and Delphi anticipates a program similar in terms of capital and opportunities as this past drilling season.

East Central Alberta

Although the majority of Delphi's 2005 capital program has been devoted to the higher netback gas properties in North West Alberta and North East British Columbia, the strengthening of product prices has warranted reactivation/optimization projects in East Central Alberta. Delphi has either tied-in or re-activated fifteen wells during the second quarter for a capital expenditure of \$0.5 million. Based on the current success in this area, Delphi will continue to deploy capital to these types of projects and has identified an additional 15 to 20 reactivation/optimization candidates, some of which are currently being executed. In addition, several of the previously identified drilling opportunities are being re-evaluated for possible acceleration into the third quarter.

North East British Columbia

As the majority of the Delphi properties in North East British Columbia are accessible only during the winter, the second quarter operational activities were limited to minor gathering system optimization and maintenance and the tie-in of one standing well. In addition, Delphi entered into a joint venture that involved the tie-in of a standing Slave Point well and the formation of an Area of Mutual Interest that covers approximately 35,000 acres which has the potential to become a future core area. Total capital expenditures for the North East British Columbia properties were \$3.3 million with the majority of the funding directed to the joint venture.

Delphi has committed to its 20 percent working interest share in two Jean Marie development wells that will be drilled in the Missile area as soon as the weather conditions permit access to the drill site. The drill site is adjacent to an all weather road with the first well expected to be spud in the second half of August. Proximity to infrastructure ensures these wells will be brought on production in a timely manner.

In addition, Delphi is preparing its 2005/2006 winter program and has identified 15 development/step-out drilling locations (5.8 net) and seven tie-in opportunities. The tie-in opportunities are projects that were stranded due to the early break-up last winter and represent approximately 325 boe/d to Delphi's working interest. Several of these opportunities already have the regulatory approvals in place and Delphi is working towards having the remainder of approvals completed by mid-October.

2005 Development Joint Venture, North West Alberta

Progress continues on the Development Joint Venture that was negotiated as part of the Bigstone acquisition. Under the terms of this arrangement, Delphi has agreed to re-enter and complete or abandon 26 standing cased wells in order to earn a 100 percent working interest in the well and the lands subject to a 15 percent convertible overriding royalty (which the Farmor may convert to a 50 percent working interest). The uncharacteristically wet spring has delayed some of the re-entry and tie-in projects, however, Delphi is currently in the field equipping and tying in three wells that should be on production during the August to September timeframe. Anticipated rates from these three wells net to Delphi's working interest is expected to be approximately 200 boe/d. Capital expenditures associated with the evaluation and the ongoing equipping of several wells during the second quarter was \$0.4 million.

Of the remaining 23 wells; four are either waiting on access or approvals prior to proceeding with the re-entry/tie-in operations, five are still being evaluated for potential and thirteen have either been turned back to the Farmor or scheduled for plugging and abandonment. The four wells waiting on access will probably not be brought online until the fourth quarter of 2005 or the first quarter of 2006 and represent 225 to 450 boe/d to Delphi's working interest.

2005 Exploration Joint Venture, North West Alberta – North East British Columbia

The 2005 Exploration Joint Venture kicked off with the spudding of the Ferrier prospect on July 21. This is the first of four high impact exploration wells under the joint venture program. The general terms in this joint venture consist of Delphi paying 100 percent of the drilling and completion (or abandon) costs and earning a 60 percent working interest in the prospect lands and wellbore. In the three deeper wells, Delphi has taken on additional partners to mitigate its capital exposure.

The Ferrier prospect, defined on 3D seismic, is a 3,300 metre test targeting gas condensate in the Banff formation. Delphi will earn an 11 percent working interest in this prospect. If successful, production could be brought online during the fourth quarter. Banff producers on trend typically have initial production rates from 10 to 20 mmcf/d and many have estimated ultimate recoveries in excess of 20 bcf/well.

The Valhalla prospect is a 3,400 metre test targeting gas condensate in the Wabamun formation. Delphi will operate the drilling of this well and earn a 36 percent working interest in this prospect. The surface location has been built and a rig is expected to move to location during September. As with the Ferrier prospect a successful well could begin producing as early as the fourth quarter of 2005. Wabamun producers on trend typically have initial production rates of between 8 to 10 mmcf/d with estimated ultimate recoveries of 10 bcf/well.

The Cutbank prospect is a 2,300 metre test targeting gas condensate in several Cretaceous aged formations. Delphi will earn a 60 percent working interest in the well and surrounding lands. Our partner, a senior oil and gas company with extensive experience in the area, is currently licensing the location and anticipates moving a rig on site in mid-October. The estimated time to drill the well is 30 to 45 days, which means a successful test would begin production in the first quarter of 2006. It is not uncommon for Cretaceous producers along this trend to have initial production rates in the range of 3 to 5 mmcf/d with estimated ultimate recoveries of 3 to 5 bcf/well.

The Brazeau prospect is a 3,900 metre test targeting gas condensate in the Nisku formation. Delphi will operate the drilling of this well and earn a 36 percent working interest in this prospect. Delphi is in the process of obtaining the necessary regulatory approvals to drill the well and anticipates moving a rig on location in November. If successful, initial production is expected in the first quarter of 2006. Many of the Nisku producers along this trend have initial production rates in excess of 10 mmcf/d with estimated ultimate recoveries in excess of 30 bcf/well.

Personnel

Frank Lowe, Vice President, Production has resigned as an officer of the Company. The Delphi management team thanks Mr. Lowe for his role in helping Delphi achieve production increases over the past year.

FINANCIAL REVIEW

Delphi's operating performance has translated into record financial results including cash flow from operations of \$7.9 million (\$0.16 per share) in the second quarter of 2005 and \$13.9 million (\$0.28 per share) for the first six months of 2005. This represents an increase of 144 percent and 139 percent over the comparable periods in 2004. Net earnings for the second quarter were \$1.0 million or \$0.02 per share and a net loss of \$0.9 million or \$0.02 per share for the six months ended June 30, 2005. The loss for the six month period is attributable to the unrealized loss on risk management activities of \$1.4 million.

Delphi invested capital of \$7.1 million during the second quarter, primarily completing projects started late in the first quarter and \$15.9 million in the first six months of 2005. With cash flow from operations in excess of capital programs in the second quarter, the Company reduced its debt plus working capital deficiency by \$2.2 million in the second quarter to \$68.7 million. Delphi's credit facility is presently under review with an increase expected. The Company expects to fund its remaining 2005 capital program out of cash flow from operations and available credit lines.

OUTLOOK

Delphi's capital program, which is focused on low risk development drilling at Bigstone, Alberta and recompletion, tie-in, and optimization projects in all core areas is well underway. An unusually wet second quarter, delaying activity in the field four to six weeks, reduced second quarter production levels, but with two rigs active in Bigstone and the start-up of numerous other projects, an exit rate for 2005 of 5,800 to 6,300 boe/d continues to be achievable. In addition, drilling has commenced on the first of 4 high impact exploration wells under the Company's Exploration Joint Venture. Delphi plans to spend approximately \$20 million to \$25 million, drilling up to 15 wells throughout the remainder of the year. The Company estimates it has approximately 400 boe/d of production awaiting tie-in of which approximately 200 boe/d in North West Alberta is in the process of being tied in and should be on-stream in the third quarter. With current commodity prices and production levels, the Company expects to fund its remaining capital program from cash flow from operations with incremental cash flow being applied to the Company's bank debt as planned. Delphi has begun drilling its significant inventory of opportunities and looks forward to reporting continued growth in production and financial results.

For a copy of Delphi's complete second quarter 2005 report, including financial statements and management's discussion and analysis, please visit Delphi's website at www.delphienergy.ca or www.sedar.com.

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.

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.

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