



DELPHI ENERGY CORP.

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TSX Symbol: DEE



DELPHI ENERGY INCREASES STAKE AT TOWER CREEK

CALGARY, ALBERTA – June 25, 2007 – Delphi Energy Corp. is pleased to announce it has signed a letter of intent to acquire an additional 10.5 percent working interest in the 2-21 Leduc exploration discovery, well-site facilities and lands at Tower Creek in north west Alberta, increasing Delphi's stake to 30.7 percent.

Delphi has entered into an agreement to acquire a partner's working interest at Tower Creek for a total cash consideration of \$10.2 million. The transaction will be funded utilizing the Company's existing credit facilities and has an effective date of June 1, 2007 with the closing anticipated by June 30, 2007. The incremental working interest will increase Delphi's net sales in the well from 550 boe/d to 825 boe/d. Delphi is acquiring the production for approximately \$36,000 per flowing boe and proved plus probable reserves for \$17.00 per boe net of the estimated undeveloped land value of \$375,000. Construction of the facility servicing the Tower Creek 2-21 has been completed and commissioning is in progress. Delphi anticipates first sales from the well within the next several days. The Tower Creek 2-21 will be produced at plant capacity, approximately 25 million cubic feet per day, in the next seven to ten days once the operations associated with facility commissioning are completed. The Leduc formation in the Tower Creek 2-21 is estimated to contain over 50 billion cubic feet of natural gas.

In addition, the seismically defined deep exploration test at Tower Creek 11-26 targeting high pressure sweet gas from the fractured Wabamun formation at a depth of 4,500 metres has spud and is expected to take approximately four months to drill. Wabamun analogs in the area have commenced production at rates up to 30 mmcf/d. As part of the agreement, Delphi will also acquire additional working interest in this exploration test. Delphi will pay up to 36.8 percent of the drilling and completion costs to earn a 30.7 percent interest in the well and associated lands.

Upon closing of the acquisition and commencement of production from the Tower Creek 2-21 well, Delphi's productive capability will increase to approximately 5,900 boe/d. Taking into consideration scheduled summer maintenance and plant turnaround activities, the Company's production volumes are expected to average 5,500 boe/d in the third quarter, up from an estimated second quarter average of 5,250 boe/d.

In conjunction with the acquisition, Delphi is reviewing the remaining 2007 capital program. Up to \$5 million of previously planned third quarter expenditures may be deferred until later in 2007 or early 2008. The Company continues to pursue the divestiture of up to 175 boe/d of its non-core medium and heavy oil assets in East Central Alberta. At this time, Delphi is maintaining its market guidance of an average production rate between 5,200 and 5,400 boe/d for 2007, but is increasing year-end exit rate guidance to approximately 5,800 boe/d, a 35 percent increase over the first quarter 2007 production rate of 4,322 boe/d.

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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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.