



DELPHI ENERGY CORP.

1500, 444 - 5 Avenue SW, Calgary, Alberta T2P 2T8

t: (403) 265-6171 | f: (403) 265-6207 | e: info@delphienergy.ca | www.delphienergy.ca

TSX Symbol: DEE



DELPHI ENERGY CLOSES ACQUISITION AND COMMENCES PRODUCTION AT TOWER CREEK

CALGARY, ALBERTA – July 3, 2007 – Delphi Energy Corp. is pleased to report that it has closed the previously announced agreement to acquire an additional 10.5 percent working interest in the Tower Creek 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 for a total cash consideration of \$10.2 million.

The 2-21 well commenced production on June 29, 2007. By late July, production from the well will be ramped up to approximately 25 million cubic feet per day (900 boe/d net sales to Delphi), once the operations associated with commissioning the new dehydration facility and the summer maintenance program at the third party sour processing plant are completed.

The second deep exploration test at Tower Creek 11-26, targeting the Wabamun formation at a depth of 4,500 metres, is currently drilling ahead at 1,100 metres and is expected to take another three months to finish drilling. Wabamun analogs in the area have commenced production at rates up to 30 million cubic feet per day. Delphi will pay 36.8 percent of the drilling and completion costs to earn a 30.7 percent interest in the well and associated lands.

Delphi's production volumes are expected to average 5,500 boe/d during the third quarter, taking into consideration scheduled summer maintenance and plant turnaround activities. Delphi's current productive capability is approximately 5,900 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:

DELPHI ENERGY CORP.

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

DAVID J. REID
President & CEO

BRIAN P. KOHLHAMMER
V.P. Finance & CFO

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.