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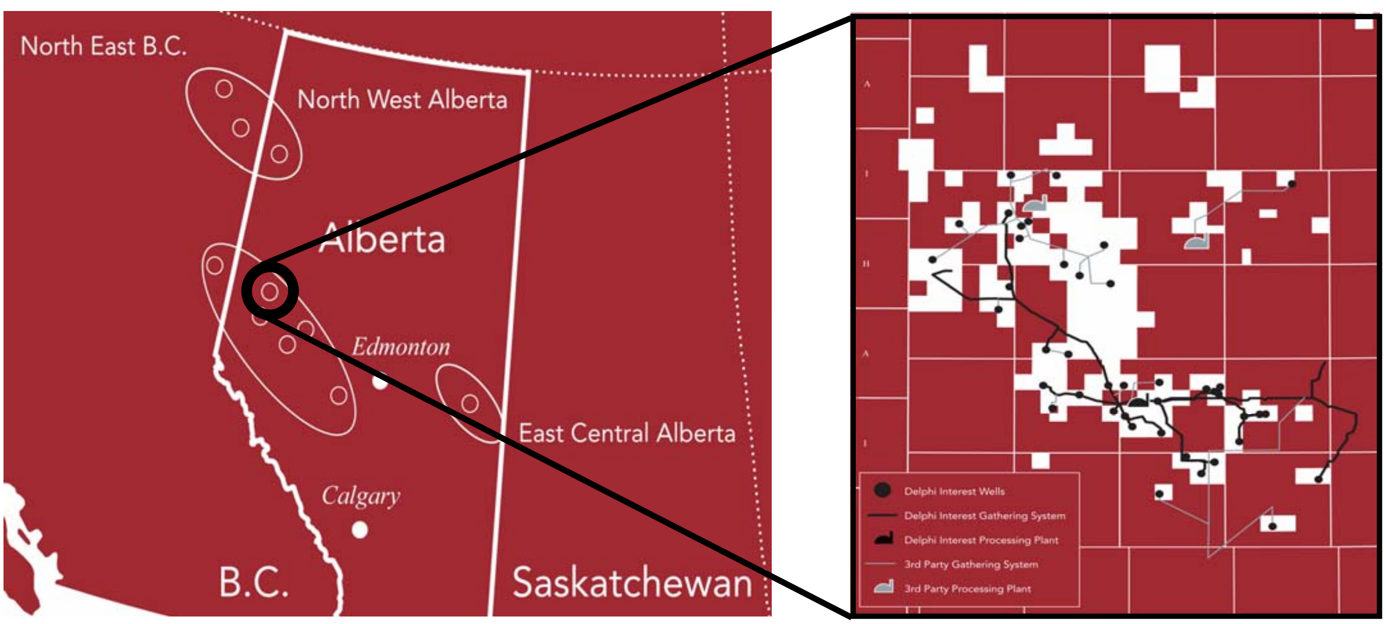
DELPHI ENERGY SWAPS BIGFOOT JEAN MARIE RESOURCE PROJECT FOR CONVENTIONAL MULTI-ZONE ASSETS IN HYTHE

CALGARY, ALBERTA – September 12, 2007 – Delphi Energy Corp. ("Delphi" or "the Company") is pleased to announce that it has closed a transaction whereby the Company's non-operated 50 percent working interest in the Jean Marie natural gas assets at Bigfoot, located in northeast British Columbia, have been exchanged for certain operated conventional multi-zone natural gas assets in the Hythe area located in northwest Alberta.

The structure of the transaction was based on relative engineering values taking into consideration the producing assets, gathering system and plant processing infrastructure, undeveloped lands and seismic data.

The Hythe assets which Delphi has received include:

1) approximately 400 boe/d (80 percent natural gas);
2) ownership in over 120 kilometers of pipeline gathering systems;
3) 10.9 percent ownership in the 70 mmcf/d Goodfare natural gas processing plant currently operating at 30 percent utilization;
4) ownership in two field compression sites;
5) 53,000 gross acres (39,000 net) of undeveloped land with working interests to the base of the Cretaceous aged formations; and
6) ownership in approximately 20 shut-in wells previously drilled and produced from deeper horizons providing Delphi with significant low-cost uphole recompletion opportunities.



In addition to ownership in the above assets, Delphi received $14,537,000 in cash, access on a priority basis to the 310 mmcf/d Hythe natural gas processing plant and access to the counterparty's proprietary seismic data base to obtain up to $3,000,000 in seismic value.

In return, Delphi has relinquished its 50 percent non-operated working interest at Bigfoot which includes approximately 400 boe/d of natural gas production, ownership in 52 kilometers of gathering system and 35,229 net acres of undeveloped land.

The exchange of assets strategically increases Delphi's near-term growth opportunities and financial flexibility in a stronger role of operatorship and control while preserving its long-term growth potential. The business environment has changed significantly since the initial development of the Bigfoot Jean Marie natural gas resource play began in late 2005. Since mid-year 2006, Delphi has chosen to concentrate on its core strengths of conventional multi-zone natural gas exploration and development, where the economics have remained more robust in this prolonged environment of volatile natural gas prices and inflationary oilfield service and supply costs. As a result, the Company's production has increased 30 percent from the first quarter 2007.

The Hythe assets present a dominant footprint in the Peace River Arch area of northwest Alberta with substantial potential in multi-zone natural gas and light oil play types consistent with Delphi's core operated areas of Bigstone, Red Rock and Noel. The ownership in the Goodfare infrastructure ensures product delivery to market at low costs. The largely contiguous undeveloped land base covering 84 gross sections is three times the size of the Company's core asset at Bigstone and offers significant opportunity for growth under the control and direction of Delphi as operator.

The cash component of $14,537,000 received by Delphi as part of the transaction, which reflects the difference in valuation of identified undeveloped opportunities, will be used to reduce bank debt, further strengthening the Company's financial position to pursue its growth opportunities. The Company's debt to cash flow ratio is now expected to fall below 1.75 times by the end of the year, well within the current median of its peer group. The exchange of assets has been reviewed by the Company's lenders and does not affect the current banking arrangements.

Delphi is reviewing its remaining 2007 capital program, with plans to reallocate a portion of its remaining capital program to opportunities on the Hythe assets. Initially, capital projects will focus on well and gathering system optimization and well workovers and recompletions. Two wells are scheduled to be drilled in the fourth quarter at Hythe with an anticipated ramp-up of drilling activity in 2008 in an area characterized as mostly year-round access in close proximity to the major oilfield service center of Grande Prairie.

Delphi reiterates its market guidance for the third quarter with an average production rate of 5,500 boe/d and estimates the fourth quarter 2007 average production rate to be 5,700 boe/d. Year-end exit rate guidance remains at approximately 5,800 to 6,000 boe/d resulting in 35 to 40 percent growth over the first quarter 2007 production rate. The 2008 capital budget and 2008 production growth guidance is anticipated to be finalized in late November after the integration of the Hythe assets has been completed.

Conference Call

A conference call is scheduled for Thursday, September 13, 2007, at 9:00 a.m. Mountain Time to discuss the release. The conference call number is 1-866-542-4238 or 416-641-6127. Please call about 10 minutes before starting time in order to be patched into the call. A brief presentation by Delphi President & CEO David Reid will be followed by a question and answer period.

Replay

If you are unable to participate in the conference call, a taped broadcast will be available until Thursday, September 20, 2007. To access the replay, dial 1-800-408-3053 or 416-695-5800. The passcode is 3236184.

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.

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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.