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

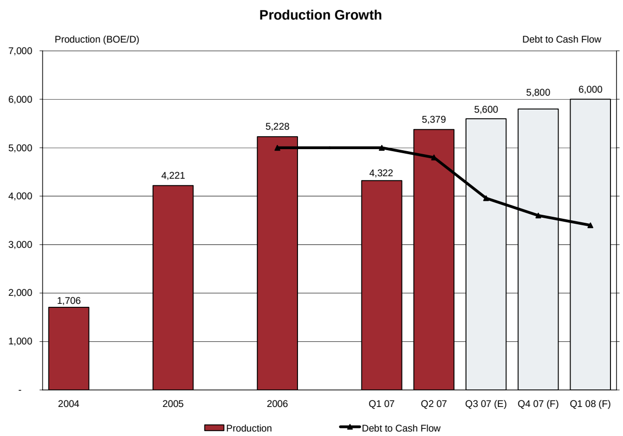
DELPHI REPORTS SIGNIFICANT DRILLING SUCCESS AND UPDATES PRODUCTION GUIDANCE

CALGARY, ALBERTA – September 27, 2007 – Delphi Energy Corp. provides the following operational update to its ongoing 2007 capital program.

The Company has recently finished completion and testing operations on four wells drilled and cased during the summer months. In total, twelve separate intervals were completed resulting in eight gas intervals and one light oil interval.

The recent successes at Bigstone, Noel and Brazeau are expected to add approximately 1,000 boe/d of new productive capability to the Company during the fourth quarter. Production will initially be curtailed to 500 to 600 boe/d (net to Delphi) to evaluate the new well production performance. The capital program in the third quarter continues to be very efficient, with production additions being added at approximately $20,000 per flowing boe.

Positive drilling results and continued production growth, coupled with moderating industry service and equipment costs and secure financial resources continue to favorably influence Delphi's capital investment decisions. Delphi is reviewing its remaining 2007 capital program, with plans to reallocate a portion of its fourth quarter capital program to opportunities identified on the Hythe assets. Initially, capital projects in the Hythe area will focus on well and gathering system optimization, well workovers and recompletions.



Production during the third quarter is now anticipated to be 5,600 boe/d, slightly ahead of previous guidance expectations of 5,500 boe/d. Delphi is also revising upward its market guidance for the fourth quarter to an average production rate of 5,800 boe/d.

The Company is also providing guidance for the first quarter 2008 production to average 6,000 boe/d, a 40 percent increase over the first quarter 2007. It is anticipated that the 2008 capital budget and full-year 2008 growth expectations will be completed in late November, allowing time to integrate the Hythe assets and provide increased visibility for 2008 natural gas prices.

Operating costs are forecast to drop 15 to 20 percent through the second half of 2007 providing additional growth in funds from operations. Forecast year-end 2007 net debt of approximately $98 million (down 27 percent from third quarter 2006) and continued growth of funds from operations are expected to improve the debt to cash flow ratio at year-end to less than 1.75.

NORTH WEST ALBERTA

Bigstone

Delphi, as operator, has drilled, cased and completed the first of three planned wells (1.9 net) in the Bigstone area targeting natural gas in the Cretaceous aged formations at depths up to 2,800 metres. One interval was abandoned and the remaining three intervals were successfully completed in this first well (0.75 net). Two of the successful intervals tested at a combined rate of 4,300 mcf/d. The third interval was flowed for only a short term clean-up after being fracture stimulated with no meaningful flow data to report. Initial production rates from the third interval in the Bigstone area range from 750 to 3,000 mcf/d. Pipeline construction operations to tie-in to Company owned infrastructure have commenced and first production from the new well is expected by the end of October at a curtailed rate of 200 to 300 boe/d net to Delphi.

The success at this first location has resulted in several additional low-risk multi-zone locations for the 2008 capital program. Drilling at the remaining two locations is scheduled to begin towards the end of the fourth quarter once surface access conditions improve.

Tower Creek

The well at 11-26 drilled to test the seismically defined fractured Wabamun formation at a depth of 4,500 metres has been abandoned after encountering severe wellbore instability problems in the intermediate section of the hole. Delphi retains an 8.33 percent working interest in the lands covering the prospect, subject to a 7.5 percent GORR. Although the prospect remains attractive, Delphi does not anticipate a second attempt to drill the 11-26 well until natural gas prices improve and the drilling plan is re-designed.

Brazeau

The Company, as operator, has drilled, cased, and completed the first 1,900 metre well on its lands in the Brazeau River area of west central Alberta. The well flow-tested 100 boe/d of light oil on a short term test from the Belly River formation. Two other zones were completed and subsequently abandoned after testing water. An on-lease tie-in to a midstream company with substantial capacity for gathering and processing of the solution gas will allow the well to come on-stream prior to the end of the year. Delphi has a 48.2 percent working interest in the well and maintains a 27 percent working interest in the associated acreage.

Red Rock

Delphi, as operator has commenced drilling operations on the first of two 3,800 metre tests in the Red Rock area on a summer accessible location. Drilling operations on the first well are expected to take 40 to 50 days. The Red Rock area is prospective for multi-zone sweet gas targets including the Cadomin, Gething, Bluesky, Falher, Cadotte, Dunvegan and Cardium formations. Analog wells in the area have a wide range of deliverability with a typical well having an initial production rate of 2 to 3 mmcf/d and several of the more prolific wells having initial production rates in excess of 10 mmcf/d.

The planned wells are the result of a farmin agreement Delphi first communicated in a June 14, 2007 press release with a major industry producer. Under the terms of the agreement, Delphi has the potential to earn a working interest in up to 18,000 acres (28 gas spacing units) of land on a rolling option basis. Upon earning, Delphi will have a 60 percent working interest in this acreage, which is fully covered with existing 3D seismic. Delphi's partner has ownership and access to gas gathering and processing infrastructure in the immediate area.

NORTH EAST BRITISH COLUMBIA

Noel

The Company, as operator, has drilled, cased and completed two 2,400 metre farm-in wells targeting multi-zone sweet gas in the Falher, Cadotte, Paddy, and Dunvegan formations. The first well (0.8 net) resulted in four potentially productive intervals with completion operations being limited to two intervals due to the high deliverability encountered. The two intervals tested at a combined rate of 5,800 mcf/d. The remaining two intervals remain prospective and will be completed in the future. The second well (0.6 net) was completed in three different intervals with a combined test rate of 3,600 mcf/d. Pipeline construction operations to tie-in to partner operated infrastructure is expected to commence in October with first production from the two wells expected prior to year-end at a curtailed rate of 200 to 300 boe/d net to Delphi. The success at the first two wells has resulted in several additional low-risk multi-zone locations on the lands. Drilling is anticipated to continue towards the end of the fourth quarter.

These wells are part of a farmin agreement Delphi also communicated in a June 14, 2007 press release, with an industry producer in the Noel area of north east British Columbia. Under the terms of this agreement, Delphi has earned a 60 percent working interest in 2,900 acres (four gas spacing units) and retains the option to earn a 60 percent working interest in an additional 8,000 acres (11 gas spacing units) of land on a rolling option basis.

Brassey

Delphi has commenced drilling operations on a 3,300 metre test in the Brassey area on a summer accessible location. Drilling operations on the first well are expected to take 35 days. The Brassey prospect, defined on 3-D seismic, is focused on light oil in the Artex Sand as the primary objective.

This well is part of a farmin agreement Delphi has entered into with an industry producer in the Brassey area of north east British Columbia. Under the terms of this agreement, Delphi pays 62.5 percent of the drilling and completion costs to earn a 37.5 percent working interest in 4,350 acres (6 gas spacing units) and retains the option to earn a 37.5 percent working interest in an additional 5,075 acres (7 gas spacing units) of land on a rolling option basis.

GOVERNMENT OF ALBERTA ROYALTY REVIEW

On September 18, 2007 the Alberta Royalty Review Panel released its report outlining recommendations on how the Government of Alberta should modify the existing royalty structure on oil and gas production. The recommendations still need to be accepted and approved by the Government of Alberta with a response expected within the next month.

The proposed recommendations would revise the royalty calculation formula for conventional oil and gas, increasing the sensitivity of royalties to both commodity prices and well productivity rates. A simplification of the overall royalty regime was also part of the recommendations including the elimination of oil and gas tiers, the elimination of a number of special royalty programs and expanded royalty rate limits on both oil and gas commodity prices.

The Company is reviewing the effect of the proposed recommendations on its cash flow and capital programs if accepted and approved as proposed.

OUTLOOK

Delphi maintains a conservative view of the timeline to recovery of the North American natural gas market fundamentals, mitigating the current weak natural gas pricing with an active risk management program through 2007 and into 2008. Reduced industry activity in Canada has been offset by sustained high levels of drilling activity and record LNG imports in the U.S., putting continued pressure on the supply and demand fundamentals of the natural gas markets. This oversupply condition of the natural gas markets could continue through the summer cooling season of 2008. With that view in mind, the Company has approximately 50 percent of its current natural gas production hedged through to the end of 2007 and approximately 34 percent from January 2008 through to the end of October 2008 at a minimum floor price of $8.37 per mcf. This average minimum price represents a 15 to 30 percent premium to the current forward AECO strip and a 64 percent premium to the current AECO spot price of approximately $5.10.

The Company looks forward to reporting further results in its third quarter report scheduled for release on November 8, 2007.

David J. Reid, President and CEO of Delphi will be presenting at the COPIC Energy Conference in Toronto, Ontario on Tuesday, October 2, 2007 at 2:00pm (Eastern Time). To listen to this online event, please visit Delphi Energy's website at: www.delphienergy.ca.

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.