DELPHI ENERGY CORP.

300, 500 – 4 Avenue SW, Calgary, Alberta T2P 2V6
t: (403) 265-6171 | f: (403) 265-6207 | e: info@delphienergy.ca | www.delphienergy.ca
TSX Symbol: DEE

DELPHI PROVIDES YEAR END OPERATING RESULTS AND 2008 GUIDANCE

CALGARY, ALBERTA – January 15, 2008 – Delphi Energy Corp. (“the Company”) is pleased to report it has achieved its guidance of 5,800 boe/d average production for the fourth quarter of 2007 and year end exit rate guidance of 5,900 boe/d. Net capital expenditures are expected to be less than funds flow from operations resulting in estimated net debt of approximately $100 million and a net debt to annualized fourth quarter cash flow ratio of 1.8 times.

Fourth quarter 2007 activity included the drilling and casing of the exploration well at Red Rock, Alberta where Delphi will earn an 80 percent working interest in the well once completion operations are finished. Delphi also drilled and cased a well at Hythe, Alberta and commenced certain optimization and recompletion operations resulting in very cost-efficient production increases. In addition, first production from the two new discoveries at Noel, British Columbia commenced in the fourth quarter with the wells now producing at the forecast combined rate of approximately 300 boe/d.

Delphi continues to successfully implement its ongoing commodity price risk management strategy by executing natural gas price futures contracts, when considered advantageous, to mitigate cash flow volatility and ensure the ability to execute its budget capital program. Similar to previous years, the Company has hedged approximately 36 percent of its existing production at a weighted average floor price of $8.18 per mcf for the calendar year of 2008, almost 20 percent above the Company’s 2008 budget price. The Company maintains a bullish long term view of natural gas prices with near term weakness and volatility continuing due to the significant volume of natural gas in storage in the United States. Reduced drilling in Western Canada has improved the natural gas storage situation in Canada, however, drilling rig utilization and the number of natural gas wells drilled in the United States has remained high.

With the addition of recent contracts, Delphi’s risk management positions for 2008 and 2009 are as follows:

	Jan-Mar 2008	Apr-Oct 2008	Nov-Mar 2008/2009	Apr-Oct 2009
Production Hedged (mmcf/d)	11.5	10.5	11.5	1.9
Percentage of Production*	38%	35%	38%	6%
Price Floor (Cdn $/mcf)	$9.13	$7.80	$7.98	$7.83
Price Ceiling (Cdn $/mcf)	$9.96	$7.80	$8.16	$7.83

* based on 30 mmcf/d

The Board of Directors of Delphi has approved a $50 million capital investment program for 2008, slightly less than forecast funds flow. Production is expected to average between 6,000 and 6,200 boe/day (82 percent natural gas) representing an increase of approximately 15 percent over the 2007 average. The Company remains on track to achieve its previously announced production guidance of 6,000 boe/d for the first quarter 2008, a 38 percent increase over the first quarter 2007. Forecast funds flow for 2008 of approximately $52 million is based on an average AECO price of Cdn. $6.65 per gigajoule.

Delphi’s 2008 planned drilling program includes 20 to 25 wells focused within its existing core areas of Bigstone, Hythe, Red Rock, and Noel. The Company will have up to five drilling rigs operating during the first quarter, with plans to drill eight to ten wells and recomplete or workover an additional six to eight wells. Drilling operations have commenced in Bigstone with one well cased and waiting on completion with the second of potentially six first quarter locations currently drilling. Drilling at Hythe and Noel is expected to start within the next two weeks where up to four wells in total are anticipated to be drilled during the winter program. The Company is proceeding with the licensing of up to 12 locations in the Hythe area in preparation of an expanded drilling program after spring break-up. Delphi holds an average 74 percent working interest in 83 contiguous sections of land in the Hythe area. Completion operations are ongoing at the two previously drilled wells in Red Rock and Hythe and are expected to be finished over the next two weeks. Optimization and recompletion operations are continuing at Hythe and as a result of the winter capital program, production capability is expected to more than double from a production rate of 400 boe/d at the time the Hythe assets were acquired in September 2007.

Delphi had a very successful year in a challenging environment in 2007. With a net capital program less than funds flow from operations, Delphi achieved significant growth in production, strong capital efficiency metrics and an improvement in its financial position. Delphi continues to focus on its strategy of delivering top-quartile capital efficiencies resulting in production per share growth while further strengthening its financial position creating greater flexibility to take advantage of new strategic growth opportunities in what forecast to be an active M&A environment in the coming year.

Delphi Energy Corp. 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.
300, 500 – 4 Avenue S.W.
Calgary, Alberta
T2P 2V6
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 press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, may”, “will”, “should”, believe”, ”intends”, “forecast”, “plans”, “guidance” and similar expressions are intended to identify forward-looking statements or information.
More particularly and without limitation, this press release contains forward looking statements and information relating to the Company’s risk management program, petroleum and natural gas production, future funds flow from operations, capital programs, natural gas prices and debt levels. The forward-looking statements and information are based on certain key expectations and assumptions made by Delphi, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the capital availability to undertake planned activities and the availability and cost of labour and services.
Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. Additional information on these and other factors that could affect the Company’s operations or financial results are included in reports on file with the applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof for the purpose of providing the readers with the Company’s expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. Delphi undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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.