



DELPHI ACQUIRES ADDITIONAL INTERESTS IN CORE “HYTHE” PROPERTY

CALGARY, ALBERTA – September 30, 2009 – Delphi Energy Corp. (“Delphi” or “the Company”) is pleased to announce that it has entered into an asset exchange agreement to acquire natural gas and light oil assets and related infrastructure strategically located within the Company’s core property at Hythe, Alberta. The consideration to be paid for the acquisition consists of certain non-core producing assets and related infrastructure of the Company and a net cash purchase price of \$10.0 million, before closing adjustments. The transaction has an effective date of July 1, 2009 and is expected to close on or about November 3, 2009.

Transaction Highlights

Acquired Properties

The acquired assets provide the following operational benefits to shareholders:

- ✦ Additional production at Hythe of approximately 630 barrels of oil equivalent per day (boe/d) and internally estimated Total Proved and Total Proved Plus Probable reserves, effective June 30, 2009, of approximately 1,636,000 and 1,941,000 barrels of oil equivalent (boe), respectively;
- ✦ Incremental ownership in the Company’s Hythe area infrastructure consisting of an additional 13 percent in the Goodfare natural gas processing plant, 20 percent in the field gathering system and 24 percent in a compressor station;
- ✦ New ownership in additional strategic infrastructure surrounding Hythe, including natural gas processing facilities gathering and transportation pipelines and various associated compression and separation facilities;
- ✦ Additional working interest in 38,400 gross acres (15,340 net acres) of land contiguous to and overlapping the Company’s existing 68,165 net acres in the Hythe area.

Divested Properties

- ✦ The properties divested by Delphi consist of non-core assets in North West Alberta with natural gas and liquids production of approximately 230 boe/d and related infrastructure.

Benefits to Delphi

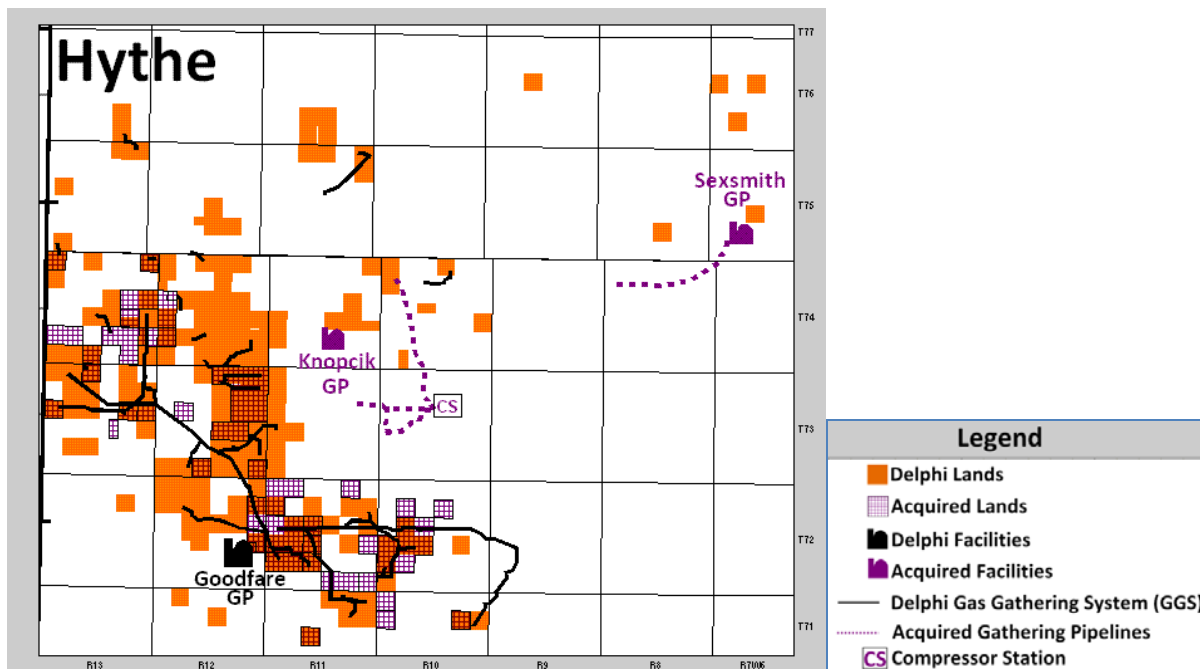
The exchange transaction provides the following net benefits to Delphi shareholders.

- ✦ Increases corporate production by approximately 400 boe/d, comprised of 93 percent natural gas and seven percent oil and natural gas liquids and increases Total Proved and Total Proved plus Probable Reserves by 800,000 boe and 986,000 boe, respectively, based on internal estimates.

- ✦ Attractive net reserve and net production acquisition costs, excluding approximately \$370,000 net allocated to undeveloped land, as follows:

	<u>\$/BOE</u>
Proved reserves including future development capital (“FDC”):	\$7.49
Proved Plus Probable reserves including FDC	\$6.07
Production addition costs per flowing boe	\$24,100

- ✦ Increases the conventional multi-zone development opportunities within Hythe and the ability to continue its strategy of adding low cost production and reserves through multi-zone exploitation;
- ✦ Increases Delphi’s working interest exposure in the Doe Creek light oil pool currently being developed by the Company and adds a 40 percent working interest in an adjacent underdeveloped Doe Creek light oil pool in the Hythe area;
- ✦ Adds key infrastructure for future expansion with a minor working interest in two sweet and one sour natural gas plants, multiple compression and separation stations and approximately 120 kilometres of pipelines that gather and transport natural gas from an extensive land base and interconnect the natural gas plants.
- ✦ Increases Delphi’s land base by 18 net sections in identified resource plays including the Nikanassin, Cadomin and Bluesky formations;



Outlook

With a view of improving natural gas prices into 2010, but long-term (three to five year) pricing lower than historical cycles, scale and concentration of assets are key drivers for continued full cycle economic growth. Operational control of production, land and capital programs coupled with ownership in natural gas processing and gathering infrastructure are essential to controlling operating and capital cost efficiencies.

This transaction continues to build on a strategy of economic growth and expansion by acquiring underdeveloped, multi-zone natural gas assets in the Deep Basin of North West Alberta with significant low risk conventional and resource development potential. Development of the large original gas in place identified

on these assets through the use of conventional and emerging technologies, provide scale and repeatability for visible long-term economic growth.

The acquired assets directly complement the Company's existing assets at Hythe where production has grown from 400 boe/d to 2,000 boe/d over the past two years and operating costs have been reduced from \$10.50 per boe at the time of acquisition in 2007 to \$8.50 per boe in the first six months of 2009.

The cash consideration to close the acquisition of \$10.0 million, before closing adjustments, will be funded from the Company's credit facilities. The Company is maintaining its overall guidance of lowering net debt by approximately \$2.0 - \$4.0 million by December 31, 2009 as compared to the previous year end.

Delphi continues to capitalize on the current transaction oriented environment by virtue of its strong financial position and with the deferral of the natural gas portion of its field capital program. The Company remains active in the field developing its light oil assets which provide stronger netbacks and recycle ratios in the current environment.

Conference Call

A conference call is scheduled for 11:30 a.m. Mountain Time (1:30 p.m. Eastern Time) on Thursday, October 1, 2009. The conference call number is 866-225-2055 or 416-340-8061. A brief presentation by David Reid, President and CEO and Brian Kohlhammer, VP Finance & CFO will be followed by a question and answer period.

If you are unable to participate in the conference call, a taped broadcast will be available until October 8, 2009. To access the replay, dial 800-408-3053 or 416-695-5800. The passcode is 2358570. An audio version will also be available on Delphi'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.

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Forward-Looking Statements. *This 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 release contains forward looking statements and information relating to the Company's risk management program, petroleum and natural gas production, future funds from operations, capital programs, commodity prices, costs 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.

Basis of Presentation. For the purpose of reporting production information, reserves and calculating unit prices and costs, natural gas volumes have been converted to a barrel of oil equivalent (boe) using six thousand cubic feet equal to one barrel. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with the Canadian Securities Administrators' National Instrument 51-101 when boes are disclosed. Boes may be misleading, particularly if used in isolation.

Non-GAAP Measures. The release contains the terms "funds from operations", "funds from operations per share", "net debt", "cash operating costs" and "netbacks" which are not recognized measures under Canadian generally accepted accounting principles. The Company uses these measures to help evaluate its performance. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-GAAP measure and has been defined by the Company as net earnings plus the addback of non-cash items (depletion, depreciation and accretion, stock-based compensation, future income taxes and unrealized gain/(loss) on risk management activities) and excludes the change in non-cash working capital related to operating activities and expenditures on asset retirement obligations and reclamation. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. Delphi's determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. The Company has defined net debt as the sum of long term debt plus working capital excluding the current portion of future income taxes and risk management asset/liability. Net debt is used by management to monitor remaining availability under its credit facilities. Cash operating costs have been defined as the sum of operating expenses, transportation expenses, general and administrative expenses and interest costs.