



✦ PRESS RELEASE

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**DELPHI DELIVERS.**

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

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## **DELPHI ENERGY ANNOUNCES FLOW-THROUGH FINANCING**

CALGARY, ALBERTA – October 23, 2009 - Delphi Energy Corp. (“Delphi”) announces that it has entered into a private placement financing agreement with a syndicate of underwriters, led by National Bank Financial Inc., (the “Underwriters”) to issue on a “bought deal” basis, 3,000,000 flow-through common shares of Delphi at an issue price of \$2.12 per share resulting in gross proceeds of \$6.36 million. Proceeds of the offering will be used to expand Delphi’s ongoing capital program in North West Alberta at Hythe, Wapiti/Gold Creek and Bigstone incurring expenditures eligible for Canadian exploration expenses which will be renounced to subscribers of the flow-through common shares effective on or before December 31, 2009. Closing is expected to occur on or about November 16, 2009.

This press release is not an offer of securities for sale in the United States. The flow-through common shares may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended.

*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.**

300, 500 – 4 Avenue S.W.

Calgary, Alberta

T2P 2V6

Telephone: (403) 265-6171 Facsimile: (403) 265-6207

Email: [info@delphienergy.ca](mailto:info@delphienergy.ca) Website: [www.delphienergy.ca](http://www.delphienergy.ca)

**DAVID J. REID**  
President & CEO

**BRIAN P. KOHLHAMMER**  
V.P. Finance & CFO

**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 flow-through common share financing and the use of proceeds to expand its capital program. The forward-looking statements and information are based on certain key expectations and assumptions made by Delphi, including expectations and assumptions relating to the Company’s ability to receive regulatory approvals necessary for the transaction, the timing of closing and the availability of opportunities to undertake the planned use of proceeds .

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](http://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.