Delphi Energy Corp. DELPHI ENERGY CORP. Press Release
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DELPHI ENERGY ANNOUNCES CLOSING OF $30.25 MILLION EQUITY OFFERING

CALGARY, ALBERTA – June 3, 2010 – Delphi Energy Corp. ("Delphi" or the "Company") (TSX:DEE) is pleased to announce it has closed the sale of 11,000,000 common shares ("Common Shares") at a price of $2.75 per share (the "Offering") for total gross proceeds of $30,250,000.

The Offering was underwritten by a syndicate of underwriters led by National Bank Financial Inc. and included RBC Dominion Securities Inc., Scotia Capital Inc., Canaccord Genuity Corp., GMP Securities L.P., Macquarie Capital Markets Canada Ltd., Peters & Co. Limited and Thomas Weisel Partners Canada Inc.

As of March 31, 2010, Delphi had net debt of approximately $113.2 million following completion of its successful winter drilling program. In the second quarter, capital expenditures are expected to be less than cash flow due to spring break-up. The Company's net debt is expected to decrease to between $75.0 and $80.0 million by the end of the second quarter, after application of the net proceeds from the Offering, at which time the Company expects to be less than 60 percent drawn on its expanded credit facilities of $135.0 million. Delphi continues to maintain significant financial flexibility to expand the second half 2010 field capital program and pursue strategic acquisitions through its strong balance sheet, realized production growth and increased crude oil and NGL content and a solid natural gas hedge position.

An expanded field capital program will focus on Cardium and Doe Creek light oil development at Bigstone and Hythe and liquids-rich natural gas opportunities at Bigstone and Wapiti/Gold Creek. Capital spending for 2010 is now expected to total between $80.0 and $90.0 million. The Company has adjusted its 2010 production guidance range to 7,900 to 8,200 boe/d. With the expanded program occurring through the second half of 2010 and into the first quarter of 2011, the Company expects to realize the full benefit of the program by mid-year 2011, at which time production is forecast to be approximately 9,300 to 9,700 boe/d, up 22 percent from current levels.

During the second quarter of 2010, the Company expects production of approximately 7,800 boe/d (79 percent natural gas), up 15 percent compared to 6,808 boe/d (87 percent natural gas) in the second quarter of 2009. It is anticipated that oil and NGL production will be approximately 1,650 bbls/d during the current quarter, an increase of 90 percent compared to 870 bbls/d during the second quarter of 2009. Oil and NGL production growth is expected to continue to outpace the Company's natural gas production growth, reaching approximately 30 percent of total production in 2011.

The outstanding securities of Delphi have not been registered in the United States and the Common Shares issued under this Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from such registration. This news release shall not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States nor shall there be any offer or sale of securities in any jurisdiction where such offer, solicitation or sale would be unlawful.

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:

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***Forward-Looking Statements**. This management discussion and analysis 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 management discussion and analysis 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 MD&A contains the terms "funds from operations", "funds from operations per share", "net debt" 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.*