DELPHI ENERGY PLANS CONTINUED LIGHT OIL AND NGL FOCUS IN 2011

CALGARY, ALBERTA – December 15, 2010 – Delphi Energy Corp. ("Delphi" or "the Company") is pleased to provide the following update to its ongoing business.

OPERATIONS UPDATE

Delphi's second half 2010 capital program continues to deliver strong production performance leading to a first half 2011 capital program which remains focussed on light oil in the Cardium formation at Bigstone and Doe Creek formation at Hythe as well as liquids-rich, natural gas development of the Nikanassin and Upper Cretaceous sands at Wapiti/Gold Creek.

Highlights include:

- At Bigstone, our two most recent Cardium light oil wells (1.1 net) completed early in the fourth quarter are exceeding expectations with thirty day average production rates of 354 boe/d and 460 boe/d;
- At Hythe, Delphi has completed and brought on-line an eighth Doe Creek light oil well (1.0 net) with a seven day average production rate of 253 boe/d;
- The Company has started its winter capital program and currently has three rigs operating in the field drilling two light oil wells (0.6 net) and one liquids-rich natural gas well (0.8 net). Two additional rigs are anticipated to begin drilling operations prior to year end; and
- The first half 2011 capital program includes the drilling of fifteen wells (11.2 net) consisting of six horizontal, light oil wells (4.1 net) and nine vertical, liquids-rich natural gas wells (7.1 net) at the Company's core operating areas of Wapiti/Gold Creek, Bigstone and Hythe.

Wapiti/Gold Creek

Gething/Nikanassin Liquids-Rich Natural Gas Program

During the second half of 2010, four wells (3.3 net) were drilled, completed and tested in the Wapiti/Gold Creek area. Two wells (1.8 net) were brought on-line during November, one well (1.0 net) was brought on-line in December and one well (0.5 net) will be brought on-line in January 2011. The seven day average production rate of the wells brought on-line was 1,725 mcf per day per well with an average natural gas liquids content of 80 barrels per million cubic feet.

The Company has initiated drilling one vertical Nikanassin well (0.8 net) and will be moving a rig in the next several days to drill a vertical Gething well (0.5 net). An additional six vertical wells (4.8 net) targeting the liquids-rich Nikanassin and uphole Cretaceous intervals are planned for the winter program. The majority of the wells drilled in this program will be offsets to the successful 2010 program.

Bigstone

Cardium Light Oil Program

At the end of October, the Company commenced production from two horizontal Cardium light oil wells that had thirty day average production rates of 354 boe/d and 460 boe/d, respectively, exceeding the field average of 311 boe/d from the five Cardium wells currently on-line. The following table illustrates the completion characteristics and productivity of the Company's horizontal Cardium wells drilled to date:

						Average boe/d during indicated period (field estimates)		
Well	WI (%)	Rig Released	HZ Length (metres)	# of Fracs	Days Produced	7 Day	30 Day	60 Day
CARD #1	55	1Q 2010	994	8	307	562	387	370
CARD #2	100	1Q 2010	221	5	275	158	129	90
CARD #3	49	1Q 2010	1,050	9	253	276	225	189
CARD #4	55	3Q 2010	1,112	13	45	515	354	NR
CARD #5	55	3Q 2010	1,348	16	45	605	460	NR
Average						423	311	216

The Company is continuing to follow up on its successful Cardium light oil program with one horizontal well (0.1 net) awaiting completion, two horizontal wells (0.6 net) drilling and plans to drill an additional three horizontal wells (1.2 net) during the winter program.

Hythe

Doe Creek Light Oil Program

At Hythe, the Company recently started production from an eighth horizontal Doe Creek light oil well (1.0 net) with a seven day average production rate of 253 boe/d. The following table illustrates the completion characteristics and productivity of the Company's horizontal Doe Creek light oil wells drilled to date:

						Average boe/d during indicated period (field estimates)		
Well	WI (%)	Rig Released	HZ Length (metres)	# of Fracs	Days Produced	7 Day	30 Day	60 Day
DOEC #1	100	3Q 2009	950	6	480	709	543	482
DOEC #2	44	4Q 2009	1,022	7	311	516	295	214
DOEC #3	100	1Q 2010	702	7	264	455	394	334
DOEC #4	40	3Q 2010	809	9	122	122	116	99
DOEC #5	100	3Q 2010	922	10	100	302	158	157
DOEC #6	13	3Q 2010	1,076	12	37	151	67	NR
DOEC #7	100	4Q 2010	933	10	40	221	144	NR
DOEC #8	100	4Q 2010	1,001	10	23	253	NR	NR
Average						341	245	257

A ninth horizontal Doe Creek light oil well (0.4 net) has been drilled and cased and is currently awaiting a multi stage fracture stimulation with first production anticipated in January, 2011 The Company plans on drilling three additional horizontal Doe Creek light oil wells (2.4 net) during the winter program.

Nikanassin Natural Gas Program

Also at Hythe, the Company will be moving in a drilling rig, prior to the end of 2010, to drill a vertical well to confirm productivity and the resource nature of the Nikanassin on the western portion of the Hythe lands.

2010 Production

Production for 2010 is expected to average 8,000 to 8,100 boe/d which is within the Company's previous guidance of 7,900 to 8,200 boe/d. Current production is approximately 8,600 boe/d (23 percent light oil and NGL), with three wells remaining to be brought on-line from the 2010 program due to wet fall weather and service availability adversely affecting timing and average production volumes for the fourth quarter.

LAND ACQUISITIONS

In 2010, the Company has been active at Crown and private land sales, acquiring mineral rights on 100,800 net acres of undeveloped land in the deep basin of North West Alberta, primarily focused in its core areas of Bigstone, Hythe, Wapiti/Gold Creek and a new exploration area at Sturgeon Lake.

At Bigstone, Delphi has been successful in acquiring mineral rights on 15,200 net acres. The mineral rights are for a combination of shallow Cretaceous rights that the Company has been developing on offsetting lands and the deeper Montney and Duvernay shale that have been a focus of offset operator's recent activities.

At Hythe, Delphi acquired mineral rights on 14,100 net acres, predominantly in the Cretaceous interval which includes the Dunvegan, Paddy, Falher, Bluesky, Gething and Nikanassin formations.

At Wapiti/Gold Creek, Delphi acquired mineral rights on 14,700 net acres targeting the liquids-rich Cretaceous interval which includes the Dunvegan, Falher, Bluesky, Gething and Nikanassin formations.

In the Sturgeon Lake area, Delphi added to its growth potential with the acquisition of Duvernay shale rights. The Company participated in two Crown land sales during 2010 and acquired various mineral rights, including the Duvernay shale, on 52,200 net acres of land.

Delphi's inventory of undeveloped land has increased to approximately 239,000 net acres, up 39 percent from December 31, 2009. As of November 30, 2010, the Company had invested $7.3 million on land in 2010, primarily at Crown land sales.

CREDIT FACILITIES

Delphi's lenders have completed their semi-annual review of the Company's credit facilities and agreed to an increase in the Company's facilities of $5.0 million to a total of $140.0 million, comprised of a $135.0 million revolving credit facility and a $5.0 million operating credit facility. All other terms of the credit facilities remain unchanged from the previous arrangement.

The Company's growth in production and proved reserves as a result of a successful drilling program in 2010 focused on crude oil and liquids-rich natural gas opportunities and the continued reduction in operating costs more than offset the effect of the lender's outlook for reduced natural gas prices.

Net debt at December 31, 2010 is expected to be approximately $110.0 to $112.0 million with a debt to cash flow ratio of 1.9. The increased credit facility further strengthens the Company's financial position and its ability to pursue its 2010/2011 winter capital program, of which approximately $5.0 million is expected to be incurred in December, 2010.

OUTLOOK

Delphi is forecasting continued growth in 2011 as a result of a sustained focus on light oil and natural gas liquids growth, successful cost reduction efforts and continued risk management initiatives.

The Company's cost structure continues to be an area of focus and opportunity in contributing to strong financial performance. In 2011, operating costs are forecast to average approximately $7.30 per boe, a 30 percent reduction from the peak of $10.37 per boe in 2008. Total costs including operating, transportation, general administrative and interest costs are forecast to average approximately $13.37 per boe in 2011, a 25 percent reduction from 2008 levels.

Delphi continues to manage its cash flow volatility through an active risk management program with the objective of having 40 to 50 percent of its natural gas sales volume hedged at prices that meet or exceed Delphi's budget prices. Delphi's risk management program has been very successful over the past five years generating approximately $60.5 million of realized hedging gains. Currently, Delphi has 15.7 mmcf/d, or approximately 40 percent of 2011 natural gas sales volumes, hedged at an average floor price of $5.14 per mcf.

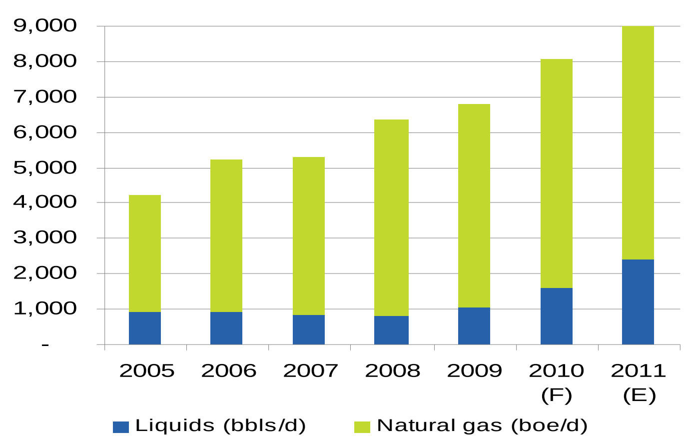
Since 2004, Delphi has consistently met its objective of maintaining a minimum cash flow netback of $20.00 per boe with field operating netbacks in excess of $23.00 per boe, resulting in strong recycle ratios when coupled with capital efficient reserve additions. In 2009, the Company achieved record low finding and development costs of $9.21 per boe, resulting in a recycle ratio of 2.6.

To offset a declining cash contribution from the Company's risk management program, Delphi has focused on increasing its liquids sales volume and reducing cash costs to maintain a cash netback of approximately $20.00 per boe. The following table summarizes these contributing factors:

	2009	2010 (F)	2011 (E)
Liquids Volume (%)	15%	20%	27%
Op Costs ($/BOE)	9.08	7.82	7.30
Cash Costs ($/BOE)	16.08	14.47	13.37
Hedging Gains ($/BOE)	9.44	5.57	1.85
Cash Netbacks ($/BOE)	19.81	20.06	19.75

The Company's efforts to increase its light oil and NGL production mix since 2008 combined with successful cost reduction initiatives is having a positive affect on maintaining robust netbacks.

The Company's planned 2011 capital program of $70.0 to $80.0 million will focus on its growing inventory of light oil and liquids-rich natural gas projects. The capital program is expected to be funded from cash flow and the expanded credit facility. Natural gas production is expected to remain relatively flat from 2010 levels with the 2011 growth coming primarily from light oil and NGL production. Light oil and NGL production is forecast to grow 50 percent to average between 2,300 to 2,500 bbls/d or 27 percent of total forecast corporate production. Total production for 2011 is forecast to grow approximately 12 percent, averaging 8,800 to 9,200 boe/d.



Delphi selected its $37.0 to $40.0 million first half 2011 capital program from an identified inventory in excess of $250.0 million. The planned winter drilling program contemplates the drilling of fifteen wells (11.2 net) consisting of six horizontal light oil wells (4.1 net) and nine vertical, liquids-rich natural gas wells (7.1 net).

The Company's 2011 cash flow forecast of $63.0 million to $67.0 million is based on an average AECO price of $4.00 per mcf and a WTI price of U.S. $85.00 per barrel. As in prior years, the Company's risk management program provides stability to the Company's cash flow, ensuring a defined level of capital spending. For 2011, the Company has approximately 40 percent of its natural gas production hedged at an average floor price of $5.14 per mcf.

The Company looks forward to providing further updates as the winter drilling program progresses.

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 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.*