This is Delphi.
DELPHI ENERGY CORP. | PRESS RELEASE
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DELPHI ENERGY ANNOUNCES INCREASED CREDIT FACILITIES

CALGARY, ALBERTA – May 18, 2011 – Delphi Energy Corp. ("Delphi" or "the Company") is pleased to announce the expansion of its credit facilities.

Delphi's lenders (National Bank of Canada, Bank of Nova Scotia and Alberta Treasury Branches) have completed their annual review of the Company's credit facilities resulting in a $5.0 million increase to $145.0 million. The credit facilities are comprised of a $140.0 million revolving credit facility and a $5.0 million operating credit facility. At the same time, the interest rate pricing grid on the facilities has been reduced to reflect current market rates for credit facilities of this nature. All other terms of the credit facilities remain unchanged from the previous arrangement. The detailed review utilized the Company's December 31, 2010 reserves engineering report, adjusted for the lenders' outlook on commodity prices, and took into consideration current production, including the results of the winter drilling program. The new credit facilities will be effective May 30, 2011.

The increase in the Company's credit facilities reflect the 26 percent growth in proved reserves in 2010 as well as a 55 percent increase in the crude oil and natural gas liquids ("liquids") weighting of the proved reserves. The successful liquids focused capital program in the first quarter of 2011 has resulted in an estimated second quarter liquids weighting of 26 percent of production volumes. The increased credit facilities and anticipated net debt levels provide greater financial flexibility to pursue Delphi's second half 2011 capital program of approximately $40.0 million.

Due to spring break-up, planned capital spending in the second quarter is expected to be minimal resulting in net debt levels decreasing to between $105.0 and $110.0 million by the end of the second quarter. At the end of the second quarter, the Company will have utilized 74 percent of its credit capacity, with excess capacity of approximately $37.5 million.

Delphi remains focused on achieving a cash netback of $20.00 per boe towards generating a 2:1 recycle ratio, despite a low natural gas price environment. The Company continues to see further operating cost improvements as a result of its ownership in key field and processing infrastructure. Operating costs in the first quarter of 2011 are expected to be less than $6.80 per barrel of oil equivalent ("boe"), a decrease of 33 percent or $3.39 per boe over the past eight quarters. Cash netbacks (excluding realized hedging gains) have increased 75 percent over the past eight quarters as a result of lower costs and increased liquids production.

The Company's commodity risk management program continues to provide additional cash flow with approximately 60 percent of natural production hedged for the remainder of 2011 at an average price of $4.81 per mcf. Delphi has also begun hedging natural gas volumes into 2012, with six percent now hedged through the first ten months at $4.70 per mcf.

The Company's current production capability is an estimated 9,500 boe/d with second quarter production volumes forecast to be approximately 9,000 to 9,200 boe/d. Production volumes continue to be affected by downtime at the SemCams Kaybob processing plant causing the shut-in of 550 boe/d of sour natural production from the Company's Tower Creek well. Indications from SemCams are that the affected production may come back on-stream within the next week. First quarter production was also affected due to an earlier Kaybob outage resulting in an average production rate of approximately 8,250 boe/d compared to 7,645 boe/d during the first quarter of 2010.

The Company drilled 13 wells (10.4 net) during the first quarter of which 9 wells (6.6 net) are now on production. The remaining 4 wells (3.8 net) will be completed after spring break-up and brought on production during the third quarter.

Delphi will be reporting its first quarter of 2011 results of operations after the closing of the capital markets on Wednesday May 25, 2011 followed by a conference call at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, May 26, 2011. The conference call number is 1-800-355-4959 or 416-695-6616. A brief presentation by David Reid, President and CEO and Brian Kohlhammer, VP Finance & CFO will be followed by a question and answer period.

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”, “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. Operating netbacks have been defined as revenue less royalties, transportation and operating costs. Cash flow netbacks have been defined as operating netbacks less interest and general and administrative costs. Netbacks are generally discussed and presented on a per boe basis.*