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DELPHI ENERGY COMPLETES FIRST BIGSTONE MONTNEY WELL

CALGARY, ALBERTA – January 19, 2012 – Delphi Energy Corp. ("Delphi" or "the Company") is pleased to provide the following operations update.

At Bigstone East, the Company's first horizontal well targeting the Montney formation (100 percent working interest) with a surface location of 1-19-60-22W5M has been successfully completed and flow tested at an average rate of 12.5 million cubic feet per day ("mmcf/d") over the final 24 hours of the four day flow period. The well was also producing approximately 770 barrels per day ("bbls/d") of condensate at the end of the test, although 100 percent of the frac fluid hadn't been recovered. Shallow-cut plant recoveries of natural gas liquids ("NGL's") are expected to yield an additional 30 to 35 bbls/mmcf.

Completion operations consisted of a 20 stage oil-based frac program placed over the 2,760 metre "extended-reach" horizontal section of the well after successfully drilling the well to a total measured depth of 5,618 metres. The drilling operation was completed as planned with the full length of the horizontal section encountering the anticipated reservoir quality rock. The extended-reach horizontal section is up to twice as long as earlier horizontal wells in the area and is designed to reduce the number of wells required for full development by up to 50 percent with total project cost savings of approximately 35 percent.

The Delphi Bigstone East 1-19 well is immediately offsetting a competitor's well with a 1,254 metre horizontal length and reported test rates of approximately 4.3 mmcf/d of natural gas and 295 bbls/d of condensate. In the Fir area, located approximately three miles (five kilometres) to the south of Bigstone East, nine horizontal wells have now been drilled. Test rates reported to date range from 3.5 mmcf/d of natural gas and 225 bbls/d of condensate, from a well with a 1,200 metre horizontal length, to a high of 15 mmcf/d of natural gas and 750 bbls/d of condensate, from a well with over 2,500 metres of horizontal length. Reported drilling success in the area continues to validate Delphi's interpretation of a large contiguous liquids-rich natural gas deposit within the Montney formation in the greater Bigstone/Fir area.

A second Montney well at 5-14-60-23W5M, located three miles (five kilometres) southwest of the 1-19 well has commenced drilling and is anticipated to reach a total measured depth of 5,800 metres in approximately four weeks. A similar frac program is expected to be undertaken as part of the completion operations on this well.

The Company has an inventory of approximately 100 horizontal Montney locations identified on its 45 gross (41.5 net) sections of land in Bigstone. Other emerging light oil and liquids-rich natural gas plays in the Nordegg and Duvernay formations being drilled by industry at Bigstone offer additional potential on Company lands.

Delphi expects to commence construction in February on its 100 percent owned compression and field gathering infrastructure with initial capacity of 30 mmcf/d. Production from Delphi's Montney wells at Bigstone East is expected to commence in April, with start-up of these facilities.

In addition, the Company has recently closed the disposition of its non-operated interests in the Sinclair Doe Creek Unit 1 and minor offsetting lands for $12.0 million. Production associated with the disposition was approximately 160 boe/d (67 percent light oil). Proceeds from the sale will be used to fund the ongoing Bigstone Montney development. Also, Delphi is pleased to report it has exceeded its fourth quarter 2011 production target of 9,200 boe/d with record production of 9,315 boe/d (29 percent light oil and NGL's).

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", "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.*