Delphi Energy Corp.

ANNUAL INFORMATION FORM
For the year ended December 31, 2005

March 31, 2006

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INTRODUCTORY INFORMATION

Delphi Energy Corp. (“Delphi” or “Corporation”) was formed on June 19, 2003 through the business combination ("Merger") of DT Energy Ltd. ("DTE") and Rise Energy Ltd. ("Rise"). The Merger was completed by way of a plan of arrangement, pursuant to which Rise acquired all of the common shares of DTE in consideration for common shares issued by Rise. Rise's name was changed to Delphi Energy Corp. and its board of directors and senior management positions were reconstituted. The two companies then amalgamated, resulting in Delphi being the only corporate entity at the time.

In this Annual Information Form, unless otherwise specified or the content otherwise requires, reference to “Delphi” or the “Corporation” includes reference to subsidiaries of and partnership interests held by Delphi Energy Corp. and its subsidiaries.

Defined terms, abbreviations and conversions used throughout this Annual Information Form which are not defined or explained in the text can be found in Appendix “C”.

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars, all references to "dollars" or "$" are to Canadian dollars and all references to "US$" are to United States dollars.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains certain forward-looking statements relating to, but not limited to, the operations, anticipated financial performance, business prospects and strategies of Delphi. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan" or similar words suggesting future outcomes.

Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by Delphi. By its nature, Delphi's forward-looking information involves numerous assumptions, inherent risks and uncertainties including, but not limited to, the following factors: general global economic and business conditions including the effect, if any, of a potential economic slowdown in the U.S. and/or Canada; changes in business strategies; the availability and price of energy commodities from the perspective of both a producer and a user of such commodities; the effects of competition and pricing pressures; industry overcapacity; shifts in market demands; changes in laws and regulations, including environmental and regulatory laws such as the imposition of restrictions in response to environmental concerns with respect to the production of oil and gas; potential increases in maintenance and operating costs; uncertainties of litigation; labour disputes; timing of completion of capital or maintenance projects; currency and interest rate fluctuations; various events which could disrupt operations, including severe weather conditions; and technological changes.

Statements relating to” reserves” or “resources” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the forgoing list of factors is not exhaustive. The forward-looking statements in this annual information form and the documents incorporated herein by reference are expressly qualified by this cautionary statement.

Delphi does not undertake any obligation to publicly update or revise any forward-looking statement unless required by applicable law. Further, readers should also carefully consider the matters discussed under the heading “Risk Factors” in this annual information form.

CORPORATE STRUCTURE

Name, Address and Incorporation

As described under "Introductory Information", Delphi was formed on June 19, 2003 through the Merger of DTE and Rise. Delphi is subject to the *Business Corporations Act (Alberta)* ("ABCA"). On January 1, 2004, the Corporation filed Articles of Amalgamation to complete a short-form amalgamation with two wholly-owned subsidiaries Murias Energy Corporation ("Murias") and Fish Creek Resources Inc. ("Fish Creek") which it had acquired in 2003. On February 1, 2005, the Corporation filed Articles of Amalgamation to complete a short-form amalgamation with its wholly-owned subsidiary, Tercero Energy Inc. ("Tercero") which it acquired in 2004.

DTE was incorporated on September 20, 2000 under the ABCA. On October 19, 2000, DTE filed Articles of Amendment to remove the restrictions of share transfers. On December 12, 2001, DTE filed Articles of Amendment to allow, subject to certain conditions, its Board to appoint directors between annual meetings, with such directors serving until the next annual meeting of shareholders.

Rise was incorporated under the ABCA on June 8, 1995 as "657334 Alberta Ltd." On November 14, 1995, the company amended its Articles of Incorporation by changing its name from 657334 Alberta Ltd. to "Rise Resources Ltd.". On December 23, 1996, Rise amended its articles by changing its share capital structure to authorize the issuance of an unlimited number of Class A, Class B, Class C, Class D, Class E and Class F shares of Rise with the rights, privileges and restrictions set out in the Articles of Amendment. On August 17, 2001, Rise amalgamated the Red Raven Resources Inc., a company incorporated under the ABCA on September 13, 1996. The common shares of Red Raven Resources Inc. traded on the Canadian Venture Exchange, as the company had previously completed its major transaction under the junior capital pool rules.

The Corporation has its registered office at 4500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4K7 and its head and principal office at Suite 1500, 444 - 5th Avenue S.W., Calgary, Alberta, T2P 2T8.

Intercorporate Relationships

As of the date of this Information Circular the Corporation has a wholly-owned subsidiary, Delphi Energy Ltd., a corporation incorporated in the province of Alberta. Delphi Energy Corp. and Delphi Energy Ltd. are the partners of Delphi Energy Partnership established on December 30, 2005.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The three year history of the Corporation is as follows:

<u>2003</u>

During 2003, the Corporation carried out a $27.6 million capital program, which included $16.6 million directed towards acquisitions. The Corporation closed two corporate acquisitions during 2003, as well as several property acquisitions and Crown land purchases. In March 2003, DTE completed its winter development program in Fontas and commenced exploration drilling as part of a joint venture with a senior oil and gas producer. The Corporation drilled 16 gross wells (6.9 net) during 2003. The remaining significant events for the Corporation in 2003 are as follows:

Acquisition of the Fontas Property

On February 26, 2003 the Corporation completed the acquisition of additional working interests in the Fontas wells that were acquired from a senior oil and gas producer together with three additional wells. The purchase price of approximately $1.88 million was paid in cash.

Merger of DTE and Rise

On June 19, 2003 DTE completed the Merger with Rise, whose common shares were listed for trading on the TSX Venture Exchange ("TSX-V"). Delphi assumed Rise's listing on the TSX-V and its Common Shares commenced trading on June 26, 2003. The purchase price consisted of the issuance of 20,067,920 common shares of Rise to DTE shareholders and the assumption of Rise's net debt of $3.40 million. Following completion of the arrangement, previous shareholders and special warrant holders of DTE held approximately 87.5% of the common shares of the Corporation. Additional disclosure of the Merger is available in the Joint Information Circular of DTE and Rise dated May 21, 2003, which is available on SEDAR at www.sedar.com.

The operations of Rise were concentrated in the Airdrie-Crossfield area in south central Alberta and the John Lake and Thompson Lake areas in east central Alberta. Production from Rise was approximately 400 boe/d.

Acquisition of Murias Energy Corporation

On September 17, 2003, the Corporation acquired all of the issued and outstanding shares of Murias, a private oil and gas company, in exchange for an aggregate purchase price of $2.03 million, comprised of $1.30 million cash, 358,000 Common Shares of Delphi issued from treasury at a price of $1.75 per share and the assumption of Murias's working capital deficiency. The acquisition added net production of approximately 125 boe/d in the Corporation's core area of east central Alberta and approximately 180,000 boe of proved plus probable reserves to the operations and assets of the Corporation.

Acquisition of Fish Creek Resources Inc.

On October 31, 2003, the Corporation acquired all of the issued and outstanding shares of Fish Creek, a private oil and gas company, in exchange for an aggregate purchase price of $2.75 million, comprised of $1.75 million cash, 540,540 Common Shares of Delphi from treasury at a price of $1.85 per share and the assumption of Fish Creek's working capital deficiency. The acquisition added net production of approximately 160 boe/d in the Corporation's core area of east central Alberta and approximately 254,000 boe of proved plus probable reserves to the operations and assets of the Corporation.

Equity Financings

On January 30, 2003 DTE raised gross proceeds of $1.80 million through the private placement of 1,836,000 special warrants.

On December 18, 2003, the Corporation issued 1,136,364 flow-through common shares from treasury at $2.20 per share for gross proceeds of $2.50 million. The proceeds of the financing were used to fund the Corporation's exploration program.

Appointment of Senior Officer

On October 17, 2003 the Corporation appointed Brenda F. Mawhinney as Vice President, Finance and Chief Financial Officer.

2004

In 2004, the Corporation incurred capital expenditures of $85.7 million, including the acquisition of all the outstanding shares of Tercero for $52.4 million, providing Delphi with natural gas production and development opportunities in North East British Columbia. The remaining capital was directed to the Corporation's North West Alberta and East Central Alberta areas. The Corporation drilled 15 gross (4.3 net) wells during 2004. The remaining significant events for the Corporation in 2004 are as follows:

Trading on the Toronto Stock Exchange

On Tuesday, August 3, 2004, Delphi Energy Corp. began trading on the Toronto Stock Exchange and was delisted from the TSX Venture Exchange. Delphi's trading symbol remained "DEE".

Acquisition of Tercero Energy Inc.

On December 9, 2004, the Corporation acquired all of the issued and outstanding shares of Tercero, a private oil and gas company, for cash consideration of $42.5 million and the assumption of debt plus working capital. The acquisition added net production of approximately 1,200 boe/d, predominantly in northeast British Columbia, and approximately 4.7 million boe of proved plus probable reserves to the operations and assets of the Corporation.

Equity Financings

On November 10, 2004, the Corporation issued 1,333,334 flow-through common shares at a price of $3.00 per share for gross proceeds of $4.0 million.

On November 23, 2004, the Corporation issued 9,090,910 subscription receipts at a price of $2.20 per share for gross proceeds of $20.0 million. The proceeds of the offering and additional debt financing were used to acquire all the issued and outstanding common shares of Tercero Energy Inc. on December 9, 2004. Upon closing of the acquisition, the subscription receipts were exchanged for common shares of Delphi.

On December 23, 2004, the Corporation issued 1,622,352 flow-through common shares at a price of $3.70 per share for gross proceeds of $6.0 million.

On December 23, 2004, the Corporation issued 10,169,494 subscription receipts at a price of $2.95 per share for gross proceeds of $30.0 million. The proceeds of the offering were held in trust until the closing of the Bigstone property acquisition, announced on December 6, 2004, which closed on February 1, 2005. Upon closing of the acquisition, the subscription receipts were exchanged for common shares of Delphi.

Appointment/Resignation of Senior Officers

On May 18, 2004, the Corporation appointed Frank M. Lowe as Vice President, Production. On September 17, 2004, Brenda F. Mawhinney resigned as Vice President, Finance and Chief Financial Officer. On December 1, 2004, Brian P. Kohlhammer joined Delphi as Vice President, Finance and Chief Financial Officer.

2005

In 2005, the Corporation acquired its liquids rich natural gas properties at Bigstone, Alberta for $51.3 million. Capital expenditures for the year were $61.2 million in the drilling of 45 gross (22.6 net) wells. The majority of the capital expenditures were directed at exploitation efforts in Bigstone.

Property Acquisition at Bigstone, Alberta

On February 1, 2005, the Corporation purchased the liquids rich natural gas properties at Bigstone, Alberta. At the time the properties were producing approximately 1,200 boe/d. The acquisition provided a significant inventory of development and infill opportunities and a working interest in critical infrastructure to expand the field.

Equity Financings

On March 31, 2005, the Corporation issued 2,727,500 flow-through common shares at a price of $4.40 per share for gross proceeds of $12.0 million.

On December 13, 2005, the Corporation issued 1,958,500 flow-through common shares at a price of $7.15 per share for gross proceeds of $14.0 million.

On December 29, 2005, the Corporation issued 2,500,000 common shares at a price of $5.60 per share for gross proceeds of $14.0 million.

Appointment/Resignation of Senior Officers

On January 10, 2005, the Corporation appointed Michael S. Kaluza as Vice President, Engineering. On June 29, 2005 Frank M. Lowe resigned as Vice President, Production.

Significant Acquisitions

On December 9, 2004, the Corporation acquired all of the issued and outstanding common shares of Tercero Energy Inc., a private oil and gas company, for a cash consideration of $42.5 million and the assumption of debt plus working capital. Reference is made to Form 51-102F4 filed on SEDAR on March 2, 2005 under the heading "Business Acquisition Report", which information is incorporated herein by reference.

On February 1, 2005, the Corporation closed the acquisition of liquids-rich, natural gas properties at Bigstone, Alberta for cash consideration of $51.3 million. Reference is made to Form 51-102F4 filed on SEDAR on April 8, 2005 under the heading "Business Acquisition Report", which information is incorporated herein by reference.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

Delphi is an independent public corporation which is engaged in the acquisition, exploration, development and production of crude oil and natural gas in western Canada. Delphi's operations are principally concentrated in three core regions: (i) North West Alberta; (ii) North East British Columbia; and (iii) East Central Alberta. Delphi's stated objective is to grow shareholder value by delivering consistent growth in production and reserve additions, through a strategy of:

- production and reserve growth by drilling lower risk development opportunities;

- moderate exposure to higher risk / higher reward exploration drilling;
- capitalize on relationships with industry partners to enhance prospect opportunity flow;
- strategic property or corporate acquisitions that enhance both development and exploration drilling inventory; and
- focus efforts within technical areas of expertise.

The Corporation will evaluate both crude oil and natural gas opportunities. Delphi funds its capital program with cash flow from operations, debt financing and strategic use of new equity when appropriate.

Areas of Operations

North East British Columbia

The Corporation entered into the Bigfoot joint venture to complement its existing asset base in North East British Columbia which was acquired from a private company in December 2004.The existing asset base is producing approximately 1,130 boe/d consisting of 100 percent natural gas and natural gas liquids with an undeveloped land base of approximately 19,500 net acres. The Corporation spent the majority of 2005 acquiring seismic, performing technical property evaluations, and obtaining the necessary regulatory approvals to capture the identified upside potential on these existing assets. This planning phase has generated a significant number of drilling, reactivation, and tie-in projects that will be executed in 2006 and beyond.

Bigfoot

The Bigfoot joint venture is a natural gas resource play primarily targeting the extensive Jean Marie trend. Significant secondary potential exists in the Cretaceous, Triassic, Mississippian, and Devonian trends that have been proven productive on surrounding acreage and to a limited extent on the lands within an area of mutual interest associated with the Bigfoot joint venture. The Jean Marie trend is considered one of the largest regional plays discovered in the Western Canada Sedimentary Basin in the past decade. To date, in excess of 1,100 wells have been drilled and completed by industry participants in the Jean Marie formation. Current production is in excess of 465 mmcf/d with a cumulative recovery of 1.1 trillion cubic feet of natural gas. Typical Jean Marie wells have an initial production rate of 2.0 mmcf/d and will recover two to three billion cubic feet of natural gas.

The joint venture area is an extension of this prolific trend. The area has partial 3D seismic coverage and features six pilot wells. Production tests on the pilot wells indicate the reservoir is similar in nature to the main trend. The farm-in earning provision is divided into two phases with the first phase consisting of installing infrastructure to permit year-round access and development, tie-in of the existing productive wellbores and the drilling of 19 wells in the northern half of the area during 2006. This activity will earn Delphi a 50 percent working interest in approximately 75,000 acres of land, wells and infrastructure in the area.

The earning provision for the second phase will be initiated with the acquisition of approximately 200 square kilometers of 3D seismic in the southern half of the area during the first quarter of 2006. Once the seismic is acquired, Delphi will have the option to participate and earn in the southern portion during 2007 with activity levels and terms similar to those for earning in the northern portion. The land base associated with Area 2 is approximately 63,000 acres.

Windflower

Windflower is primarily a winter access area producing from shallow Permian targets associated with structural highs that can be mapped utilizing 2D seismic. Delphi currently produces approximately 130 net boe/d from two wells and has access to 3,500 net undeveloped acres at operated and non-operated working interests that vary from 27 to 60 percent.

Other Properties

The remaining Corporation's assets in North East British Columbia produce from various properties and formations, including the shallow Mississippian Debolt at Helmet to the deeper Devonian Jean Marie and Slave Point carbonates at Helmet North, Missile, and Clarke Lake. Delphi currently produces approximately 1,000 net boe/d from these assets and has access to 16,000 net undeveloped acres at operated and non-operated working interests that vary from one to 100 percent.

North West Alberta

The three primary areas that make up Delphi's North West Alberta region include: Bigstone/Berland River, Fontas and Grande Prairie. Production characteristics in these areas range from shallow, natural gas development plays at Fontas, multi-zone low-risk development targets at Bigstone, and a combination of multi-zone low-risk development targets and high-impact Devonian targets at Berland River.

In 2005, Delphi had a balanced program of well reactivations in the Grande Prairie area via a development joint venture with a senior oil and gas producer, an acquisition program with the purchase of the Bigstone property, the drilling of low-risk infill/step-out wells in Fontas and Bigstone areas and a high-impact exploration program also in the greater Grande Prairie area.

Bigstone/Berland River

In the Bigstone/Berland River area, Delphi was producing 2,700 boe/d net at December 31, 2005 from 34 wells, consisting of 13.5 mmcf/d of gas and 450 bbl/d of natural gas liquids. Bigstone production is primarily from the Cretaceous Dunvegan sands, however deeper drilling into multiple intervals of the Bullhead group as well as shallower completions in the Cardium have also proven successful. Berland River production is from the Devonian Nisku and Leduc formation but has multi-zone potential in the Cretaceous. Delphi operates in excess of 95 percent of its production in the area and has an undeveloped land base of approximately 4,800 net acres. The Corporation also has a 29 percent working interest in an 80 mmcf/d natural gas plant and associated gathering system. The ownership of infrastructure is a key component in the low operating cost for the area which translates into premium netbacks per boe.

The Bigstone property was acquired in February 2005 and was producing approximately 1,200 boe/d net consisting of six mmcf/d of sweet gas and 200 bbl/d of natural gas liquids. After a detailed technical review of the property, the Corporation was successful in getting regulatory approval to downspace the current Dunvegan producers from two to four wells per section which resulted in the drilling of 15 low-risk infill / step-out locations. Several of these wells were deepened to the Bullhead group and were successful in adding production and reserves from this interval. In conjunction with the drilling program, a comprehensive wellbore and facility optimization plan was successful in increasing production from the Bigstone property to approximately 2,700 boe/d net in December 2005. The Corporation has identified an additional four low-risk locations in Bigstone proper that will be pursued in 2006. The majority of the undeveloped lands (4,250 acres) are located immediately west of Bigstone proper and are accessible primarily in the winter due to terrain and wildlife issues. The offset well control and sub-surface mapping indicate this is a highly prospective area for multiple zones similar to the producing intervals in Bigstone proper.

The Berland River property currently produces approximately 55 boe/d from two wells, consisting of 250 mcf/d and a small amount of natural gas liquids. In the Berland River, area Delphi has working interests from eight percent to 32 percent in 15 sections of land. The past 18 months have seen a significant increase in development activity with numerous wells drilled on offsetting acreage to develop the multi-zone potential of the Cretaceous.

Grande Prairie

The Grande Prairie assets are primarily the result of a joint venture agreement with a senior oil and gas producer in which Delphi had the opportunity to reactivate 26 standing wellbores in the greater Grande Prairie area. The terms of the joint venture called for Delphi to pay 100 percent of the reactivation costs with the senior producer having the right to elect to convert to a 50 percent working interest or maintain a gross overriding royalty.

Fontas

At Fontas, Delphi was producing approximately 500 boe/d net consisting of 3,000 mcf/d gas at year-end through a facility owned by the Corporation. Production is primarily from the Mississippian Debolt/Elkton and the Cretaceous Detrital which are typically less than 800 metres in depth. A combination of sub-surface data, 2D and 3D seismic data is utilized to identify low-risk development wells in the existing pools and medium-risk step-out wells that create development opportunities the following drilling season. The majority of the drilling and rework activity occurs in the winter months, usually the end of December through the middle of March, due to local surface conditions. At Fontas, Delphi has a 20 percent working interest in a contiguous land base which is in excess of 160,000 acres, the gathering system, and a 40 mmcf/d processing facility. The Fontas gas plant is tied into the Nova pipeline system.

East Central Alberta

East Central Alberta currently produces approximately 690 boe/d net to Delphi, consisting of 80 percent oil and 20 percent natural gas. The Corporation has an average working interest of 87 percent in the producing properties and a large undeveloped land position of approximately 7,500 net acres. On these lands the Corporation has identified numerous infill and step-out drilling locations primarily on four key properties: Thompson Lake, Neutral Hills, Horseshoe and Chauvin.

Exploration

Delphi's 2005 exploration program has primarily been dedicated to fulfilling a four-well joint venture agreement with a senior oil and gas producer in North West Alberta and North East British Columbia. As part of the agreement, Delphi agreed to pay 100 percent of initial drilling and completion or abandonment costs to earn a 60 percent working interest in each of the prospects. All of the prospects are fully defined on the senior producer's extensive 3D seismic data and the agreement provides the Corporation has access to the partner's pipeline and processing infrastructure. The targets of this exploration joint venture range in age from the Cretaceous Cadomin to the Devonian Nisku. The Cretaceous wells typically have initial production rates of one to five mmcf/d and reserves on the order of five to eight bcf/well, while the Devonian Nisku typically has a reserve potential of 15 to 25 bcf/well with initial production rates of 10 mmcf/d. The Corporation has sold down a portion of its working interest in these wells to achieve a balanced portfolio of development and exploration prospects.

Employees

The Corporation employs or retains the services of 23 individuals (including personnel hired on a contract basis) at its head office in Calgary, Alberta. In addition, Delphi also retains the services of 10 individuals in field operations in various locations in Alberta and British Columbia.

Risk Factors

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Delphi depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves Delphi may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Delphi's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Delphi will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Delphi.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, Delphi is not fully insured against all of these risks, nor are all such risks insurable. Although the Corporation maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Delphi could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

Competition

The petroleum industry is competitive in all its phases. The Corporation competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Delphi's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of Delphi. Delphi's ability to increase reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. Delphi's operations may require licenses from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

Kyoto Protocol

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". Delphi's exploration and production facilities and other operations and activities emit a small amount of greenhouse gases, which may subject Delphi to legislation regulating emissions of greenhouse gases. The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for various industrial activities, including oil and gas exploration and production. Future federal legislation, together with provincial emission reduction requirements such as those in the *Climate Change and Emissions Management Act* (Alberta), may require the reduction of emissions or emissions intensity produced by the Corporation's operations and facilities. The direct or indirect costs of these regulations may adversely affect the business of the Corporation.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Delphi to incur costs to remedy such discharge. Although the Corporation believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Delphi's financial condition, results of operations or prospects.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by Delphi will be affected by numerous factors beyond its control. Delphi's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Delphi may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities, and related to operational problems with such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Delphi's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of Delphi's reserves. Delphi might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Delphi's net production revenue causing a reduction in its oil and gas acquisition, development and exploration activities. In addition, bank borrowings available to Delphi are in part determined by Delphi's borrowing base. A sustained material decline in prices from historical average prices could reduce its borrowing base, therefore reducing the bank credit available to the Corporation which could require that a portion, or all, of its bank debt be repaid.

Substantial Capital Requirements

Delphi anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Delphi's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Delphi. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects.

Additional Funding Requirements

Delphi's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Corporation may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Delphi to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Delphi's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Delphi's ability to expend the necessary capital to replace its reserves or to maintain its production. If Delphi's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Delphi.

Issuance of Debt

From time to time Delphi may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Delphi's debt levels above industry standards. Depending on future exploration and development plans, Delphi may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Delphi's articles nor its by-laws limit the amount of indebtedness that Delphi may incur. The level of Delphi's indebtedness from time to time, could impair Delphi's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Hedging

From time to time Delphi may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, Delphi will not benefit from such increases. Similarly, from time to time Delphi may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, Delphi will not benefit from the fluctuating exchange rate.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Delphi and may delay exploration and development activities. To the extent Delphi is not the operator of its oil and gas properties, Delphi will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat Delphi's claim which could result in a reduction of the revenue received by Delphi.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGL reserves and cash flows to be derived therefrom, including many factors beyond Delphi's control. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. Delphi's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

In accordance with applicable securities laws, GLJ Petroleum Consultants Ltd., the Corporation’s independent qualified reserves evaluator, has used both constant and escalated price and cost estimates in calculating reserve quantities in their report ("GLJ Report") summarized under “Oil and Gas Activities” below. Actual future net cash flows will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived therefrom will vary from the estimates contained in the GLJ Report, and such variations could be material. The GLJ Report is based in part on the assumed success of activities Delphi intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom contained in the GLJ Report will be reduced to the extent that such activities do not achieve the level of success assumed in the GLJ Report.

Insurance

Delphi's involvement in the exploration for and development of oil and natural gas properties may result in Delphi becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although prior to drilling, Delphi will obtain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, Delphi may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Delphi. The occurrence of a significant event that Delphi is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Delphi's financial position, results of operations or prospects.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Expiration of Licenses and Leases

The Corporation's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Corporation's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Corporation's results of operations and business.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. The Corporation is not aware that any claims have been made in respect of its property and assets, however, if a claim arose and was successful this could have an adverse effect on the Corporation and its operations.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. There can be no assurance that these seasonal factors will not adversely affect the timing and scope of the Corporation's exploration and development activities, which could in turn have a material adverse impact on the Corporation's business, operations and prospects.

Third Party Credit Risk

The Corporation is, or may be exposed to, third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Corporation's ongoing capital program, potentially delaying the program and the results of such program until the Corporation finds a suitable alternative partner.

Reliance on Key Personnel

Delphi's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on Delphi. Delphi does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of Delphi are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Delphi will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Delphi.

Oil and Gas Activities

National Instrument 51-101 “Standards of Disclosure for Oil and Gas Activities” establishes a standard of disclosure for all Canadian reporting issuers in upstream oil and natural gas activities and reserves definitions for proved and probable reserves categories. The reserves disclosure presented below conforms with the requirements of NI 51-101. All of the Corporation's reserves are in western Canada and specifically in the provinces of Alberta and British Columbia.

The Corporation engaged GLJ Petroleum Consultants Ltd. (“GLJ”), independent qualified reserves evaluators, to evaluate and report on 100 percent of the Corporation’s proved and proved plus probable reserves. The crude oil, natural gas and natural gas liquids reserves of the Corporation were evaluated by GLJ, with an effective date of December 31, 2005 in a report dated March 13, 2006 ("GLJ Report").

The use of the boe unit of measurement may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Definitions, abbreviations and conversions used throughout the following tables can be found in Appendix C.

Reserves Data (Constant Prices and Costs)

Reserves

	Light & Medium Oil (mbbls)		**Heavy Oil (mbbls)**		**Natural Gas (mmcf)**		**Natural Gas Liquids (mbbls)**		**BOE (6:1) (mboe)**	
	Gross(1)	**Net**(2)	**Gross**(1)	**Net**(2)	**Gross**(1)	**Net**(2)	**Gross**(1)	**Net**(2)	**Gross**(1)	**Net**(2)
Proved (3) (6)										
Developed producing(4)	508	407	230	227	42,196	33,141	783	522	8,554	6,679
Developed non-producing(4)	9	9	296	286	6,702	5,146	90	60	1,512	1,213
Undeveloped(5)	-	-	-	-	2,535	2,148	41	28	464	386
Total proved	517	416	526	513	51,433	40,435	914	610	10,530	8,278
Probable(3) (6)	141	109	603	577	18,712	14,718	251	167	4,114	3,307
Total proved plus probable	658	525	1,129	1,090	70,145	55,153	1,165	777	14,644	11,585

Net Present Value of Future Net Revenue

($ thousands)	Before Income Taxes Discounted at					After Income Taxes Discounted at				
	0%	**5%**	**10%**	**15%**	**20%**	**0%**	**5%**	**10%**	**15%**	**20%**
Proved [3] [6]										
Developed producing[4]	278,567	229,738	196,095	171,666	153,189	233,005	192,516	164,775	144,683	129,493
Developed non-producing[4]	41,593	33,693	28,187	24,164	21,114	27,571	22,076	18,294	15,553	13,488
Undeveloped[5]	11,609	8,132	5,851	4,284	3,164	7,778	5,196	3,514	2,363	1,546
Total proved	331,769	271,563	230,133	200,114	177,467	268,354	219,788	186,583	162,599	144,527
Probable[3][6]	115,624	79,347	58,280	44,955	35,964	78,020	52,595	38,053	28,942	22,834
Total proved plus probable	447,393	350,910	288,413	245,069	213,431	346,374	272,383	224,636	191,541	167,361

Breakdown of Future Net Revenue

($ thousands, undiscounted)	**Revenue**	**Royalties, including ARTC**	**Operating Costs**	**Development Costs**	**Well Abandonment Costs**	**Future Net Revenue Before Income Taxes**	**Income Taxes**	**Future Net Revenue After Income Taxes**
Proved reserves	586,660	122,403	118,469	9,487	4,352	331,769	63,415	268,354
Proved plus probable	800,734	164,794	162,714	20,905	4,928	447,393	101,019	346,374

Future Net Revenue by Production Group

Reserve Category	**Production Group**	**Future Net Revenue Before Income Taxes (discounted at 10%/year)**
		($ thousands)
Proved reserves [3] [6]	Light & medium oil	5,574
	Heavy oil	3,015
	Natural gas	221,544
	TOTAL	230,133

Summary of Pricing Assumptions

This summary table identifies benchmark reference pricing that applies to the Corporation for constant prices and costs.

	Light and Medium Oil			Heavy Oil	Natural Gas Liquids			Natural Gas	Inflation Rate	Exchange Rate
Pricing assumptions	**West Texas Intermediate Cushing Oklahoma (US$/bbl)**	**Edmonton Par Price 40 API (Cdn$/bbl)**	**Cromer Medium 29 API (Cdn$/bbl)**	**Hardisty Heavy 12 API (Cdn$/bbl)**	**Edmonton Propane (Cdn$/bbl)**	**Edmonton Butane (Cdn$/bbl)**	**Edmonton Pentanes Plus (Cdn$/bbl)**	**AECO-C spot (Cdn$/mmbtu)**	**%/year**	**$US/$Cdn**
Historical										
2001	25.97	39.40	31.56	16.94	31.85	31.17	42.48	6.21	2.6	0.645
2002	26.08	40.33	35.48	26.57	21.39	27.08	40.73	4.04	2.2	0.637
2003	31.07	43.66	37.55	26.26	32.14	34.36	44.23	6.66	2.8	0.721
2004	41.38	52.96	45.75	29.11	34.70	39.97	54.07	6.88	1.8	0.768
2005	56.58	69.11	56.62	34.14	43.04	51.80	69.47	8.58	2.2	0.825
Dec 31, 2005	61.04	68.27	51.84	28.25	43.69	50.52	71.67	9.71	0.0	0.858

Reserves Data (Forecast Prices and Costs)

Reserves

	Light & Medium Oil (mbbls)		Heavy Oil (mbbls)		Natural Gas (mmcf)		Natural Gas Liquids (mbbls)		BOE (6:1) (mboe)	
	Gross[1]	Net[2]	Gross[1]	Net[2]	Gross[1]	Net[2]	Gross[1]	Net[2]	Gross[1]	Net[2]
Proved [3] [6]										
Developed producing[4]	505	404	227	223	41,345	32,490	782	525	8,405	6,567
Developed non-producing[4]	9	8	322	314	6,678	5,134	90	60	1,533	1,238
Undeveloped[5]	-	-	-	-	2,535	2,149	41	28	464	386
Total proved	514	412	549	537	50,558	39,773	913	613	10,402	8,191
Probable[3] [6]	125	96	560	533	18,406	14,482	250	168	4,002	3,210
Total proved plus probable	639	508	1,109	1,070	68,964	54,255	1,163	781	14,404	11,401

Net Present Value of Future Net Revenue

($ thousands)	Before Income Taxes Discounted at					After Income Taxes[10] Discounted at				
	0%	**5%**	**10%**	**15%**	**20%**	**0%**	**5%**	**10%**	**15%**	**20%**
Proved [3] [6]										
Developed producing	228,280	196,272	173,251	155,922	142,399	197,954	169,485	149,153	133,932	122,107
Developed non-producing	33,934	28,253	24,192	21,164	18,827	22,491	18,475	15,646	13,559	11,963
Undeveloped	7,704	5,403	3,871	2,804	2,034	5,170	3,379	2,194	1,377	791
Total proved	269,918	229,928	201,314	179,890	163,260	225,615	191,339	166,993	148,868	134,861
Probable	85,785	60,268	45,163	35,464	28,837	59,240	40,429	29,586	22,753	18,150
Total proved plus probable	355,703	290,196	246,477	215,354	192,097	284,855	231,768	196,579	171,621	153,011

Breakdown of Future Net Revenue

($ thousands, undiscounted)	Revenue	Royalties, including ARTC[(4)]	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes[(10)]	Future Net Revenue After Income Taxes
Proved reserves	516,489	105,583	126,332	9,592	5,064	269,918	44,304	225,615
Proved plus probable	698,050	139,572	175,582	21,239	5,955	355,703	70,848	284,855

Future Net Revenue by Production Group

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (discounted at 10%/year)
		($ thousands)
Proved reserves	Light & medium oil	5,318
	Heavy oil	4,007
	Natural gas	191,989
	TOTAL	201,314
Proved plus probable reserves	Light & medium oil	6,358
	Heavy oil	7,801
	Natural gas	232,318
	TOTAL	246,477

Summary of Pricing Assumptions

This summary table identifies benchmark reference pricing that applies to the Corporation for forecast prices and costs.

	Light and Medium Oil			**Heavy Oil**	**Natural Gas Liquids**			**Natural Gas**	**Inflation Rate**	**Exchange Rate**
Pricing assumptions	**West Texas Intermediate Cushing Oklahoma (US$/bbl)**	**Edmonton Par Price 40 API (Cdn$/bbl)**	**Cromer Medium 29 API (Cdn$/bbl)**	**Hardisty Heavy 12 API (Cdn$/bbl)**	**Edmonton Propane (Cdn$/bbl)**	**Edmonton Butane (Cdn$/bbl)**	**Edmonton Pentanes Plus (Cdn$/bbl)**	**AECO-C spot price (Cdn$/mmbtu)**	**%/year**	**$US/$Cdn**
Historical										
2001	25.97	39.40	31.56	16.94	31.85	31.17	42.48	6.21	2.6	0.6448
2002	26.08	40.33	35.48	26.57	21.39	27.08	40.73	4.04	2.2	0.6376
2003	31.07	43.66	37.55	26.26	32.14	34.36	44.23	6.66	2.8	0.7213
2004	41.38	52.96	45.75	29.11	34.70	39.97	54.07	6.88	1.9	0.7680
2005	56.60	69.11	57.07	34.14	42.55	51.41	69.45	8.58	2.2	0.825
Forecast										
2006	57.00	66.25	55.75	33.25	42.50	49.00	67.00	10.60	2.0	0.8500
2007	55.00	64.00	55.25	32.75	41.00	47.25	65.25	9.25	2.0	0.8500
2008	51.00	59.25	51.25	32.50	38.00	43.75	60.50	8.00	2.0	0.8500
2009	48.00	55.75	48.25	32.00	35.75	41.25	56.75	7.50	2.0	0.8500
2010	46.50	54.00	46.75	32.00	34.50	40.00	55.00	7.20	2.0	0.8500
2011	45.00	52.25	45.25	33.50	33.50	38.75	53.25	6.90	2.0	0.8500
2012	45.00	52.25	45.25	33.50	33.50	38.75	53.25	6.90	2.0	0.8500
2013	46.00	53.25	46.00	34.00	34.00	39.50	54.25	7.05	2.0	0.8500
2014	46.75	54.25	47.00	34.75	34.75	40.25	55.25	7.20	2.0	0.8500
2015	47.75	55.50	48.00	35.25	35.50	41.00	56.50	7.40	2.0	0.8500
2016	48.75	56.50	48.75	36.00	36.25	41.75	57.75	7.55	2.0	0.8500
Escalate thereafter at	2.0%/yr.	2.0%/yr.	2.0%/yr.	2.0%/yr.	2.0%/yr.	2.0%/yr.	2.0%/yr.	2.0%/yr.	2.0	0.8500

Reconciliation of Corporation's Net [(2)] Reserves

Forecast Prices and Costs [(7)]

	Light & Medium Oil			**Heavy Oil**			**Natural Gas**			**Natural Gas Liquids**			**BOE**		
	Proved	**Probable**	**Proved Plus Probable**	**Proved**	**Probable**	**Proved Plus Probable**	**Proved**	**Probable**	**Proved Plus Probable**	**Proved**	**Probable**	**Proved Plus Probable**	**Proved**	**Probable**	**Proved Plus Probable**
	(mbbls)			**(mbbls)**			**(mmcf)**			**(mbbls)**			**(mboe)**		
December 31, 2004	552	192	744	953	733	1,686	23,389	9,852	33,241	71	32	103	5,474	2,599	8,073
Extensions	40	(29)	11	-	-	-	11,070	2,226	13,296	318	43	362	2,203	385	2,588
Improved recovery	-	-	-	-	-	-	631	282	913	2	1	3	107	48	155
Technical revisions	(32)	(25)	(58)	(337)	(206)	(543)	1,577	(280)	1,296	19	1	19	(86)	(278)	(364)
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	10,738	3,698	14,436	302	102	403	2,091	718	2,809
Dispositions	(45)	(44)	(89)	-	-	-	(2,073)	(1,283)	(3,357)	(16)	(10)	(26)	(407)	(268)	(675)
Economic factors	5	3	8	9	6	15	84	(12)	72	-	-	-	28	7	35
Production	(108)	-	(108)	(89)	-	(89)	(5,641)	-	(5,641)	(82)	-	(82)	(1,219)	-	(1,219)
December 31, 2005	412	95	508	537	533	1,069	39,773	14,482	54,255	613	168	781	8,191	3,210	11,401

Reconciliation of Changes in Net Present Values of Future Net Revenue

Constant Prices and Costs [8], discounted at 10% per year and after taxes

Proved Reserves

Period and Factor	**2005 ($ thousands)**
Estimated net present value at December 31, 2004	72,710
Oil and gas sales during the period net of production costs and royalties	(46,490)
Net change in prices, production costs and royalties related to future production	36,783
Changes in previously estimated development costs incurred during the period	56,469
Changes in estimated future development costs	(56,414)
Extensions and improved recovery	79,275
Acquisition of reserves	72,449
Disposition of reserves	(5,924)
Accretion of discount	7,703
Net change in income taxes	(34,772)
Changes resulting from technical revisions	(1,141)
Other changes	5,936
Estimated future net revenue at December 31, 2005 (after income tax)	186,583

Additional Information Relating to Reserves Data

Undeveloped Reserves [(5)]

Proved Undeveloped Reserves

The following table sets forth the volumes of proved undeveloped reserves that were attributed to each product type for the year ended December 31, 2005:

	Light and medium oil(mbbls)	Heavy Oil (mbbls)	Natural gas (mmcf)	Natural gas liquids (mbbls)
Proved undeveloped	-	-	2,535	-

Of the Corporation's total proved reserves in 2005, only 4.4% were undeveloped. Most of the Corporation's undeveloped reserves are forecasted to be drilled in 2006 and 2007.

Probable Undeveloped Reserves

The following table sets forth the volumes of probable undeveloped that were attributed to each product type for the year ended December 31, 2005:

	Light and medium oil(mbbls)	Heavy Oil (mbbls)	Natural gas (mmcf)	Natural gas liquids (mbbls)
Probable undeveloped	47	135	4,978	15

25.6% of the Corporation's probable reserves are classified as undeveloped and are attributed to drilling locations, recompletions and tie-ins that are anticipated to proceed in the near term but do not meet the required confidence factor to be booked as proved.

Significant Factors or Uncertainties

The process of evaluating reserves is complex and requires significant judgments and decisions based upon a number of variable factors and assumptions, such as commodity prices, projected production from the properties, the assumed effects of regulation by government agencies and future operating costs. All of these estimates may vary from actual results. The reserve estimates contained in this report are based on current production forecasts, prices and economic conditions. Estimates of the recoverable oil and natural gas reserves attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of future net revenues expected there from, may vary. The Corporation's actual production, revenues, taxes, development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material.

Future Development Costs

($ thousands)	Forecast Prices and Costs(7)		Constant Prices and Costs (8)
Period	**Proved Reserves**	**Proved Plus Probable Reserves**	**Proved Reserves**
2006	**4,904**	**6,197**	**4,904**
2007	4,304	13,919	4,220
2008	162	578	156
2009	179	232	169
2010	-	271	-
Remainder	43	43	39
Total for all years undiscounted	9,592	21,239	9,487
Total for all years discounted at 10% per year	8,688	18,796	8,600

The future development costs are capital costs required in the future for Delphi to convert proved undeveloped reserves and probable reserves into proved developed producing reserves. On an on-going basis Delphi will typically use its internally generated cash flow, which is well in excess of estimated future development costs, to fund requirements for future development required to develop the proved or the proved plus probable reserves.

Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number and status of wells in which Delphi had a working interest as at December 31, 2005.

	Producing Wells						Non-Producing Wells					
	Oil		Gas		Service		Oil		Gas		Service	
	Gross(1)	Net(2)	Gross(1)	Net(2)	Gross(1)	Net(2)	Gross(1)	Net(2)	Gross(1)	Net(2)	Gross(1)	Net(2)
Alberta	236	92	168	137	12	12	107	83	60	18	-	-
British Columbia	47	9	3	2	5	1	-	-	100	29	-	-

Properties with No Attributed Reserves

The following table sets forth the Corporation's undeveloped land holdings as at December 31, 2005.

(Acres)	Undeveloped Gross	Undeveloped Net
North West Alberta	169,440	24,863
North East British Columbia	89,931	19,513
East Central Alberta	13,120	7,460
Total	272,491	51,836

During 2006, approximately 20,488 net acres of the Corporation's undeveloped land is set to expire, however, a substantial portion of these lands can be continued by proving production capability.

The Corporation is also involved in various farm-in or joint venture arrangements in which capital expenditures must be incurred before earning a working interest in the lands. Total land under these arrangements is over 150,000 gross acres with the potential to earn a 50 percent working interest.

For 2006, Delphi has committed to a capital expenditure program of approximately $81.0 million associated with the Bigfoot joint venture to drill 19 wells, build infrastructure and shoot 3-D seismic.

Additional Information Concerning Abandonment and Reclamation Costs

The Corporation estimates the costs associated with abandonment and reclamation costs for surface leases, wells and facilities based on previous experience or by estimating such costs. The following table discloses the abandonment costs for wells with reserves of Delphi estimated at December 31, 2005 calculated both undiscounted and at a 10% discount rate with a portion thereof anticipated to be paid in each of the next three years. The reclamation costs of the Corporation are estimated to be approximately $7.4 million at December 31, 2005. The Corporation currently anticipates incurring abandonment and reclamation costs on 363 net wells.

Abandonment Costs For Wells with Reserves ($ thousands)	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**Remainder**	**Total**	**Discounted at 10%**
Proved producing	381	296	266	252	161	286	2,397	4,039	2,068
Total proved	385	228	339	305	240	775	2,792	5,064	2,565
Total proved plus probable	335	254	165	313	275	266	4,347	5,955	2,605

Tax Horizon

The income taxes deducted in the calculation of future net revenue above assumes a blow down scenario whereby the Corporation produces out its existing reserves. Under this scenario Delphi is taxable in 2006.

The Corporation forecasts its tax horizon assuming reinvestment of cash flow to achieve production and reserve growth. The Corporation does not expect to be required to pay income taxes for the 2006 financial year. Depending mainly on commodity prices, production levels and capital spending, the Corporation estimates that income taxes may become payable in 2007.

Costs Incurred

During 2005 the Corporation incurred the following costs in Canada:

	2005 *($ thousands)*
Property and capital costs – Unproved properties	345
Property and capital costs – Proved properties	51,273
Exploration costs (14)	4,000
Development costs (12)	56,850

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells Delphi participated during the year ended December 31, 2005.

	Exploratory Wells(13)		**Development Wells(11)**	
	Gross	**Net**	**Gross**	**Net**
Natural gas wells	2.0	0.8	34.0	17.8
Oil wells	-	-	2.0	2.0
Dry holes	2.0	0.7	5.0	1.3
Total wells	4.0	1.5	41.0	21.1

Production Forecasts

The following table sets forth the volume of daily production estimated for the year 2006 in the reserves forecast for proved and proved plus probable reserves. The production volumes are the same in both the constant dollar and the forecast price case.

Proved

Forecast and Constant Price Cases	**Light & medium oil (bbls/d)**	**Heavy oil (bbls/d)**	**Natural gas (mcf/d)**	**Natural gas liquids (bbls/d)**	**BOE/d**
Bigstone	5	-	12,364	434	2,499
Fontas	-	-	3,575	1	597
Northeast British Columbia	12	-	6,431	2	1,086
Other	253	222	2,456	39	923
Total Proved	270	222	24,826	476	5,105

Proved Plus Probable

Forecast and Constant Price Cases	Light & medium oil (bbls/d)	Heavy oil (bbls/d)	Natural gas (mcf/d)	Natural gas liquids (bbls/d)	BOE/d
Bigstone	5	-	12,679	445	2,563
Fontas	-	-	3,999	1	668
Northeast British Columbia	12	-	6,786	2	1,145
Other	259	265	2,859	44	1,043
Total Proved plus Probable	276	265	26,323	492	5,419

Production History

Delphi's 2005 average net daily production before deduction of royalties, for the periods indicated is summarized below:

Average Daily Production	Q1	Q2	Q3	Q4
Crude oil (bbls/d)	713	591	584	573
Natural gas (mcf/d)	16,880	19,961	19,580	22,909
Natural gas liquids (bbls/d)	159	274	305	455
Total (boe/d)	3,685	4,192	4,152	4,846

Netback By Product

The following table sets forth information in respect of quarterly average net product prices received, royalties paid, operating expenses and operating netbacks by product for the year ended December 31, 2005.

	Light & Medium Oil ($/bbl)			
	Q1	Q2	Q3	Q4
Average prices received	41.30	39.96	46.02	42.07
Royalties	5.99	6.68	7.81	7.16
Operating expenses	24.05	24.38	24.76	28.10
Transportation	0.69	1.22	0.74	1.08
Netback	10.58	7.69	12.71	5.74

	Heavy Oil ($/bbl)			
	Q1	Q2	Q3	Q4
Average prices received	33.70	35.36	41.47	31.37
Royalties	1.30	1.00	1.18	0.54
Operating expenses	20.07	21.35	30.02	28.24
Transportation	1.08	1.83	0.95	1.32
Netback	12.34	13.00	10.27	2.59

	Natural Gas ($/mcf)			
	Q1	Q2	Q3	Q4
Average prices received	7.02	7.80	9.30	11.69
Royalties	1.44	1.81	1.97	2.84
Operating expenses	0.79	0.77	1.21	1.03
Transportation	0.64	0.71	0.68	0.58
Netback	4.15	4.51	5.45	7.23

	Natural Gas Liquids ($/bbl)			
	Q1	Q2	Q3	Q4
Average prices received	46.40	45.15	50.79	58.35
Royalties	9.63	18.41	17.25	16.32
Operating expenses	-	-	-	-
Transportation	-	-	-	-
Netback	36.77	26.73	33.54	42.02

Reports of the Independent Qualified Reserves Evaluator and Management

The reports of GLJ, the independent reserves evaluator, and management of Delphi can be found in Appendix A and Appendix B, respectively.

DIVIDENDS

The Corporation has not declared or paid any dividends on any of its shares since its formation on June 19, 2003, nor did DTE or Rise pay any dividends on their respective shares at any time prior thereto. The Corporation does not intend to pay dividends in the near future, as future earnings will be retained to finance further expansion of business and operations. Any decision to pay dividends on any class of shares will be made by the board of directors on the basis of earnings, financial requirements and other conditions existing at such future time. The credit facilities of the Corporation also restrict the its ability to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The holders of the Common Shares are entitled to one vote per share at meetings of shareholders, to receive such dividends as declared by the Corporation and to receive the remaining property and assets of the Corporation upon dissolution or winding up of the Corporation. The Common Shares are not subject to any future call or assessment and there are no pre-emptive, conversion or redemption rights attached to such shares. An unlimited number of voting common shares, without par value, have been authorized, of which 55,253,491 Common Shares were outstanding at December 31, 2005.

Preferred Shares

An unlimited number of preferred shares issuable have also been authorized in series of which none are outstanding.

MARKET FOR SECURITIES

The Common Shares of the Corporation are listed and posted for trading on the Toronto Stock Exchange ("TSX") under the trading symbol "DEE". The following table sets forth the market price ranges and the aggregate volume of trading of the Common Shares on the TSX for the periods indicated:

Period	High ($)	Low ($)	Close ($)	Volume
2005				
January	3.75	3.25	3.49	955,800
February	4.10	3.45	3.98	3,341,400
March	4.00	3.03	3.30	4,545,200
April	3.44	2.80	3.05	1,848,200
May	3.10	2.63	2.90	3,795,900
June	3.75	2.85	3.45	3,123,400
July	4.10	3.35	3.88	2,637,700
August	4.40	3.85	4.10	3,240,700
September	5.35	4.02	5.30	5,337,400
October	6.05	4.70	5.22	2,697,900
November	5.80	4.89	5.57	1,886,200
December	6.15	5.51	5.69	1,968,700

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The names, municipalities of residence, positions with the Corporation and the principal occupations of the directors and officers of the Corporation as at the date hereof are set out below.

Name and Municipality of Residence	Office or Position with the Corporation	Present and Principal Occupation During the Last Five Years
David J. Reid Calgary, Alberta, Canada	Director, President, Chief Executive Officer since June 2003; prior thereto a director of DTE since September 2000.	President and Chief Executive Officer of Delphi since June 19, 2003; President and Treasurer of DTE since September 20, 2000.
Tony Angelidis Calgary, Alberta, Canada	Director and Senior Vice President, Exploration since June 2003; prior thereto a director of DTE since September 2000.	Senior Vice President, Exploration Delphi since June 19, 2003; Vice President and Secretary of DTE since September 2000.
Robert A. Lehodey, Q.C. (2) Calgary, Alberta, Canada	Director since June 2003; prior thereto a director of DTE since September 2000.	Partner with the law firm Osler, Hoskin & Harcourt LLP since March 2006; prior thereto, independent businessman since November 2005; prior thereto partner with the law firm Bennett Jones LLP since November 1997.

Name and Municipality of Residence	Office or Position with the Corporation	Present and Principal Occupation During the Last Five Years
Harry S. Campbell, Q.C. (2)............. Calgary, Alberta, Canada	Director since June 2003; prior thereto a director of DTE since December 2000.	Partner with the law firm Burnet Duckworth & Palmer LLP since 1995.
Lamont C. Tolley (1)........................ Calgary, Alberta, Canada	Director since June 2003; prior thereto a director of DTE since December 2000.	Independent businessman since 1999.
Henry R. Lawrie, FCA (1)................ Calgary, Alberta, Canada	Director since June 2003	Corporate director; advisor to Ross Smith Energy Group; Chief Accountant of the Alberta Securities Commission from 1997 through 2001; Chair of the Oil and Gas Securities Taskforce and Advisor to the Alberta Securities Commission; previously, Managing Partner, Calgary, member of Canadian Policy Board and Representative, World Firm Advisory Group, Price Waterhouse.
Andrew E. Osis (1)………………. Calgary, Alberta, Canada	Director since May 2005	President of Trissio Corporation, a corporate advisory and merchant capital corporation since 2004; Director Z28 Capital Corp. a TSX Venture company and illumiCell Corporation a private technology company; prior thereto Vice President , Global Banking of RBC Dominion Securities from 1999 through 2001.
Brian P. Kohlhammer .... Calgary, Alberta, Canada	Vice President, Finance and Chief Financial Officer since December 2004	Vice President, Finance and Chief Financial Officer of Delphi since December 2004; prior thereto Vice President, Finance and Chief Financial Officer of Virtus Energy Ltd. from September 2001 to November 2004; prior thereto Vice President, Finance of Patchgear.com from September 2000 to April 2001.
Michael S. Kaluza........................... Calgary, Alberta, Canada	Chief Operating Officer since February 2006	Vice President, Engineering of Delphi Energy Corp. since January 2005; prior thereto Senior Exploitation Engineer of Dominion Exploration Canada Ltd. from February 2001 to January 2005.
Rod Hume....................................... Calgary, Alberta, Canada	Vice President, Engineering since February 2006	Vice President, Engineering of Delphi Energy Corp. since February 2006; prior thereto Senior Exploitation Engineer of Delphi Energy Corp. from February 2005; prior thereto Exploitation Manager/Engineer of Dominion Exploration Canada Ltd. from September 2002 to January 2005; prior thereto Exploitation Engineer of Devon Canada Corporation from May 2000 to August 2002.

Notes:

(1) Member of the Audit and Reserves Committee

(2) Member of the Corporate Governance and Compensation Committee

The term of each director expires at the next annual meeting of shareholders of the Corporation.

As at March 30, 2006, the directors and executive officers of the Corporation, as a group, beneficially, owned, directly or indirectly, 2,725,515 shares or approximately 4.9% of the issued and outstanding

Common Shares and held options to acquire a further 2,384,250 Common Shares. Assuming exercise of all options, the directors and executive officers of the Corporation, as a group, would beneficially own, directly and indirectly, 5,109,765 Common Shares or approximately 8.6% of the then issued and outstanding Common Shares. The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective individuals.

Conflicts of Interest

Certain directors of Delphi are also directors of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the ABCA. In accordance with the ABCA, directors who have a material interest in any person who is a party to a material contract or proposed material contract with Delphi are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of Delphi.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, there are no material interests, direct or indirect, of directors, executive officers, senior officers, any direct or indirect shareholder of the Corporation who beneficially owns, or who exercises control over, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect Delphi.

	Number of Common Shares	Approximate Percentage of Common Shares Owned (undiluted)
Acuity Investment Management Inc., Toronto, Ontario, Canada	6,641,200	12.0 %

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Olympia Trust Company at its office in Calgary, Alberta.

MATERIAL CONTRACTS

The only material contract which Delphi is a party to is as follows:

Delphi is party to a joint venture agreement in the Bigfoot area of North East British Columbia. As part of the arrangement, Delphi has agreed to jointly construct required infrastructure, drill development wells and shoot 3-D seismic in the area. The arrangement involves more than 128,000 gross acres of land (200 sections), almost equally divided into two contiguous blocks.

On the northern block, Delphi will pay 90% of the capital expenditures to earn a 50% working interest from the partner. These expenditures will involve constructing a year round access road, building a transmission pipeline connecting the area to existing infrastructure and plant processing capacity, drilling up to 19 wells and tying in four wells previously drilled by the partner. Delphi will receive access to 228 square kilometres of 3-D seismic owned by the partner covering 107 sections of land on this block. Total budgeted expenditures to be incurred by the Corporation and the partner on these lands over the next nine months are approximately $79 million. The equipment and services have been contracted to complete all the planned activity in this first phase during 2006.

On the adjoining southern block of 95 sections of land, Delphi will pay 90% of an approximate $11 million 3-D seismic survey covering approximately 200 square kilometres. The Corporation will process the seismic and have until August 31, 2006 to elect to participate in a similar infrastructure and drilling program on these lands as part of the following winter's $60 million (90% net to Delphi) capital program to earn a 50% working interest in the block.

INTERESTS OF EXPERTS

KPMG LLP are the Corporation's auditors and have prepared an opinion with respect to the Corporation's consolidated financial statements as at and for the year ended December 31, 2005. KPMG LLP is independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

Information relating to reserves in this annual information form dated March 29, 2006 was evaluated by GLJ as independent reserves evaluators. The principals of GLJ as a group owns less than one percent of the Common Shares of Delphi.

AUDIT AND RESERVES COMMITTEE

Audit and Reserves Committee Mandate

Policy Statement

Delphi Energy Corp. ("Corporation") has established and maintains an Audit & Reserves Committee, ("Committee") composed entirely of independent directors, to assist the Board of Directors ("Board") in carrying out its oversight responsibility with respect to public reporting related to: (i) the Corporations' internal controls, financial reporting and risk management processes; and (ii) the Corporation's petroleum and natural gas reserves reporting and risk management. The Committee will be provided with resources commensurate with the duties and responsibilities set out herein and assigned to it by the Board form time to time, including administrative support. If determined necessary by the Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

Composition

1. The Committee shall consist of at least three directors. The Board shall appoint the members of the Committee. The Board shall appoint one member of the Committee to be the chairman of the Committee ("Chairman");

2. Each director appointed to the committee by the Board shall be an outside director who is unrelated and "independent" as required under the applicable securities laws and the applicable rules of any stock exchange on which the securities of the Corporation are listed. An outside, unrelated director is a director who is independent of management and is free from any interest, any business or other relationship which could, or could be reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. In determining whether a director is independent of management, the Board shall make reference to the then current legislation, rules,

policies and instruments of applicable regulatory authorities, including without limitation *Multilateral Instrument 52-110 - Audit Committee's* ("MI 52-110")

3. Each member of the Committee shall be "financially literate" as required under the applicable securities laws, including without limitation MI 52-110. In order to be financially literate, a director must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. If available, at least one member shall have "accounting or related financial management expertise", meaning the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

4. A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

Meetings and Operations

1. The Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chairman and whenever a meeting is requested by the Board, a member of the Committee, the external auditors ("auditors"), the external independent engineers ("engineers") or an officer of the Corporation. Meetings of the Committee shall correspond with the review of the quarterly and annual financial statements and the associated management's discussion and analysis ("MD&A") and with the review of the Corporation's annual independent engineering report process and updates thereto.

2. Notice of each meeting of the Committee shall be given to each member of the Committee and to the auditors, who shall be entitled to attend each meeting of the Committee and who shall attend whenever requested to do so by a member of the Committee.

3. A quorum for the transaction of business at a meeting of the Committee shall consist of two members of the Committee.

4. A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

5. In the absence of the Chairman, the members of the Committee shall choose one of the members present to be chairman of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.

6. The President and Chief Executive Officer and the Vice President, Finance and Chief Financial Officer and other members of senior management shall be invited to attend meetings of the Committee upon the request of the Committee; subject, however, to the requirement that the Committee (i) hold in camera sessions of the members of the Committee, without management representatives present at every meeting of the Committee, and (ii) meet with the auditors and the engineers separately and independent of management at every meeting at which the auditors and/or engineers are in attendance.

7. Minutes shall be kept of all meetings of the Committee.

Authority and Reporting

1. In discharging its duties and responsibilities, the Committee shall have the authority to:

   (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;

   (b) discuss with the management of the Corporation, its subsidiaries and affiliates and staff of the Corporation, any affected party, contractors and consultants of the Corporation and the auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;

   (c) engage independent counsel and other advisors (including a second firm of external auditors) as it determines necessary to carry out its duties; and

   (d) set and pay the compensation for any advisors employed by the Committee.

2. The Committee shall after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

Audit Function

Primary Duties and Responsibilities

1. The Committee's primary duties and responsibilities regarding its audit function are to:

   (a) review with management and the external auditors, and recommend to the Board for approval and release to shareholders, the quarterly and annual financial statements of the Corporation, together with related reports to shareholders, MD&A associated with such financial statements and, when applicable, other public filings (such as prospectus or annual information forms) containing financial disclosures;

   (b) review with the auditors and management, and monitor the management of, the principal risks that could affect the financial reporting of the Corporation;

   (c) review the framework of and periodically consider the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

   (d) consider the independence and performance of the Corporation's auditors;

   (e) deal directly with the auditors to approve external audit plans, other services (if any) and associated fees;

   (f) approve the audit engagement and consider the external audit process and results;

   (g) provide an avenue of communication among the auditors, management and the Board;

   (h) review the implementation of effective "complaints" procedure to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual and review same, and

(i) review the minutes of any Committee meetings held in connection with any subsidiary companies of the Corporation.

2. The Committee shall, in connection with the financial aspects of the Corporation's business:

(a) review the external audit plan with the Corporation's auditors and with management and approve the engagement letter relating thereto;

(b) discuss with management and the auditors any propose changes in major accounting policies or principles, the presentation and effect of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting;

(c) review with management and with the auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

(d) review any problems experienced or concerns expressed by the auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(e) review with management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;

(f) review and evaluate any recommendations of the auditors and decide the appropriate course of action;

(g) consider consistency of the data reported on the financial statements, annual and quarterly reports and related public disclosure documents;

(h) review audited annual financial statements and related documents in conjunction with the report of the auditors and significant variances between comparative reporting periods as set out in the MD&A;

(i) consider and review with management:

(i) all unadjusted errors identified by the external auditors,

(ii) the internal control memorandum or management letter containing the recommendations of the auditors and management's response, if any, including any evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weakness;

(j) review with management and the auditors the quarterly unaudited financial statements and MD&A before release to the public;

(k) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectus, annual reports, annual information forms, MD&A and press releases; and

(l) review and approve the Corporation's hiring policies regarding employees and former employees of the present and former auditors.

Auditors

3. The Committee shall:

(a) consider the independence and performance of the auditors and annually recommend to the Board the appointment or discharge of the auditor when circumstances are warranted and recommend to the Board the compensation of the auditors;

(b) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the auditors, or the auditors of any of the Corporation's subsidiary entities;

(c) when there is to be a change of auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and related documentation required pursuant to *National Instrument 51-102 – Change of Auditors* (or any successor legislation) and the planned steps for an orderly transition period; and

(d) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of auditors.

Reserves Functions

Primary Duties and Responsibilities

1. The Committee's primary duties and responsibilities regarding its reserves function are to:

(a) assist the Board in respect of annual independent and internal reviews of the Corporation's petroleum and natural gas reserves and future net revenue;

(b) report to the Board on the Corporation's petroleum and natural gas reserves and recommend to the Board the acceptance and inclusion of the contents of the report from the independent engineers or senior reserve personnel on the Corporation's petroleum and natural gas reserves, and in accordance with applicable regulatory requirements; and

(c) periodically consider the Corporation's operations, production and reserves on behalf of the Board.

2. The Committee shall in connection with the reserves aspect of the Corporation's business:

(a) in consultation with the Corporation's senior reserves personnel, meet with the engineers being considered for appointment by the Corporation to review their qualifications and independence to :

(i) gain reasonable assurance that the engineers being considered for appointment are technically qualified and competent, and are independent of management of the corporation; and

(ii) establish the terms of their engagement; and

(b) after consultation with the Corporation's senior reserves personnel, recommend to the Board the appointment of the engineers and approve their remuneration.

(c) in consultation with the Corporation's senior reserves personnel determine the scope of the reviews of the Corporation's petroleum and natural gas reserves by the engineers, having regard to applicable securities legislation and industry practice;

(d) consider the procedures for providing petroleum and natural gas reserves information to the engineers to enable them to provide a report that will comply with applicable securities legislation;

(e) in consultation with the Corporation's senior reserves personnel and the engineers, determine whether any restrictions affect the ability of the engineers to report on reserves data and review the reserves data;

(f) consider and recommend to the Board the acceptance and inclusion of the contents of the report from the engineers or senior reserve personnel on the Corporation's petroleum an natural gas reserves data for filing with the regulatory authorities;

(g) if required, co-ordinate meetings with the auditors, the Corporation's senior reserve personnel, the engineers and independent consultants, if any, to address matters of mutual interest or concern in respect of the Corporation's evaluation of petroleum and natural gas reserves and future net revenue;

(h) review any required Statement of Reserves Data and Other Oil & Gas Information with reference to the requirements of applicable securities legislation;

(i) review and recommend to the Board for approval all of the Corporation's public disclosure of reserves data and information with reference to the requirements of applicable securities legislation;

(j) review press releases relating to the Corporation's reserves data and related information with reference to the requirements with applicable securities legislation;

(k) review any proposal to change the engineers or resolve any difference between the engineers and management of the Corporation; and

(l) meet on an annual basis with the Corporation's senior engineering management and the engineers to review and consider the evaluation of the Corporation's petroleum and natural gas reserves and future net revenue.

Financing Matters

1. The Committee shall:

   (a) review all securities offering documents (including documents incorporated therein by reference) of the Corporation;

   (b) review findings, if any, from examinations or reviews performed by regulatory agencies with respect to financial matters;

   (c) review management's procedure for monitoring the Corporation's compliance with laws and regulations;

   (d) review management's assessment of current and expected future compliance with covenants under any financing agreements;

   (e) if requested by the Board, review the proposed issuance of debt and equity instruments including public and private debt, equity and hybrid securities, credit facilities with banks and others, and other credit arrangements such as material capital and operating leases, as well as any related securities filings;

   (f) if requested by the Board, review the proposed repurchase of public and private debt, equity and hybrid securities; and

   (g) in consultation with management ,understand the Corporation's capital structure and financial risks arising from exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit and review the management of these risks including any proposed hedging of the exposures, including receiving a summary report of the hedging activities and hedge-related instruments.

Other

1. The Committee shall consider the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

2. The Committee shall consider the appointments of the Chief Financial Officer and any key financial mangers who are involved in the financial reporting process.

3. The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the auditors, or management.

4. The Committee shall review, on an annual basis this mandate and recommend any changes to the Board.

5. The Committee will perform any other activities consistent with this mandate, the Corporation's bylaws and applicable laws as the Committee or the Board deems necessary or appropriate.

Scope and Reliance

1. While the Committee has the responsibilities, duties and authorities herein, it is not required to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate or are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the auditors. The Committee, its Chairman and any of its members who have accounting or related financial management experience or expertise, are members of the Board, appointed to the Committee to provide broad oversight to the financial disclosure, financial risk and control related activities of the Corporation, and are specifically not accountable nor responsible for the day-to-day operation of such activities. Although designation of a member or members as being "financially literate" or a "financial expert" is based on each such individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, designation as being "financially literate" or a "financial expert" does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of any financially literate individual or financial expert, like the role of all Committee members, is to oversee the process and not to certify or guarantee the internal or external audit of the Corporation's; financial information or public disclosure.

2. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the information provided to the Committee by such persons or organizations, and (iii) representations made by management of the Corporation, the external auditors of the Corporation, independent counsel, and other advisors and experts to the Corporation and its subsidiaries.

Education and Experience

The Audit and Reserves Committee is comprised of three members of the Board of Directors: Henry R. Lawrie (Chairman), Lamont C. Tolley and Andrew E. Osis. Each of the members of the Audit and Reserves Committee were independent of management and each was financially literate. The relevant education and experience of each member is outlined below.

Henry R. Lawrie (Chairman)
Mr. Lawrie is an FCA and acts as a corporate director and consults to various entities, including the Ross Smith Energy Group. Prior to October 2002, he was an advisor to the Alberta Securities Commission, served as its Chief Accountant from July 1997 and acted as the Chair of the Oil and Gas Securities Taskforce. He was for many years in public accounting practice as a senior partner with Price Waterhouse in Calgary, Toronto, Dallas and Midland, Texas and twice was elected to the firm's Policy Board. His contributions to the Canadian Institute of Chartered Accountants included that of Chair of the Auditing Standards Board and the Canadian

representative on the International Auditing Practices Committee. He was also Chair of the Full Cost Accounting Taskforce.

Lamont C. Tolley
Mr. Tolley has extensive experience in financial analysis and financial management. Mr. Tolley holds and has held directorships and executive positions in numerous public and private oil and gas corporations and royalty trusts. He has a Masters Degree of Business Administration from Dalhousie University.

Andrew E. Osis
Mr. Osis also has extensive experience in financial analysis, including employment as an investment banker and as an executive in several public and private corporations. Mr. Osis presently holds directorship in several corporations. He has a Bachelor of Commerce degree in Finance and has completed Level II of the Chartered Financial Analyst program.

Pre-Approval Policies and Procedures

The Audit and Reserves Committee has established a pre-approval policy and procedures for the engagement of non-audit services. The Audit and Reserves Committee must approve all engagements for non-audit services which are expected to exceed $20,000 per engagement before the engagement may commence. For engagements for non-audit services which are expected to be less than $20,000 the engagement may commence upon approval by the Chairman of the Audit and Reserves Committee with all members being informed of the service at the next meeting of the Committee. All recommendations for services will be submitted by the Vice-President, Finance and Chief Financial Officer.

External Auditor Service Fees

The following table provides the fees billed by KPMG LLP, the Corporation's external auditors during fiscal 2005 and 2004.

	2005	**2004**
Audit Fees	$178,726	$106,000
Audit-Related Fees	-	-
Tax Fees	-	32,400
All Other Fees	-	-
Total	$178,726	$138,400

ADDITIONAL INFORMATION

Additional information relating to Delphi is available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com. Additional information, including directors' and officers' remuneration, principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, where applicable, is contained in the Information Circular of the Corporation for the Corporation's most recent annual meeting of shareholders that involved the election of directors.

Reference is made to the information filed on SEDAR on March 15, 2006 under the heading "Management's Discussion and Analysis" and included on pages 15 through 37 of the 2005 Annual Report of the Corporation, which information is incorporated herein by reference.

Reference is made to the information filed on SEDAR on March 15, 2006 under the headings "Consolidated Financial Statements" and included on pages 38 through 50 of the 2005 Annual Report of the Corporation, which information is incorporated herein by reference.

APPENDIX A

REPORT ON RESERVES DATA
(NI 51-101 F2)

To the board of directors of Delphi Energy Corp. (the "Corporation"):

8. We have prepared an evaluation of the Corporation's reserves data as at December 31, 2005. The reserves data consist of the following:

   (a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2005, using forecast prices and costs; and

   (ii) the related estimated future net revenue; and

   (b) (i) proved oil and gas reserves estimated as at December 31, 2005, using constant prices and costs; and

   (ii) the related estimated future net revenue.

9. The reserves data are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

10. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions in the COGE Handbook.

11. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Corporation evaluated by us for the year ended December 31, 2005, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Corporation's board of directors:

Net Present Value of Future Net Revenue
(before income taxes, 10% discount rate, 000’s)

Description and Preparation Date of Report	Location of Reserves (Country or Foreign Geographic Area)	Audited	Evaluated	Reviewed	Total
March 2, 2006	Canada	0	$246,476	0	$246,476

12. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook.

13. We have no responsibility to update this evaluation for events and circumstances occurring after the preparation dates.

14. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada

Dated March 13, 2006

ORIGINALLY SIGNED BY

Terry L. Aarsby, P. Eng.
Manager, Engineering

APPENDIX B

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION (NI 51-101 F3)

Management of Delphi Energy Corp. (the "Corporation") is responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consists of the following:

(a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2005 using forecasted prices and costs;

(ii) the related estimated future net revenue;

(b) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2005 using constant prices and costs; and

(ii) the related estimated future net revenue.

An independent qualified reserves evaluator has evaluated the Corporation’s reserves data. The report of the independent qualified reserves evaluator is presented below.

The Audit Committee, with the mandate to review the engineering report. of the Board of Directors of the Corporation has:

(a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Audit Committee of the Board of Directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Audit Committee, approved:

(a) the content and filings with securities regulatory authorities of the reserves data and other oil and gas information;

(b) the filing of the report of the independent qualified reserves evaluator on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

(signed) *David Reid*
David Reid
President & Chief Executive Officer

(signed) *Robert Lehodey*
Robert Lehodey, Q.C.
Director & Member of the Corporate Governance and Compensation Committee

(signed) *Tony Angelidis*
Tony Angelidis
Senior Vice President, Exploration

(signed) *Andrew Osis*
Andrew Osis
Director & Member of the Audit and Reserves Committee

(signed) *Harry Campbell*
Harry Campbell, Q.C.
Director & Member of the Corporate Governance and Compensation Committee

(signed) *Lamont Tolley*
Lamont Tolley
Director & Member of the Audit and Reserves Committee

(signed) *Henry Lawrie*
Henry Lawrie, FCA
Director & Member of the Audit and Reserves Committee

APPENDIX C

ABBREVIATIONS, EQUIVALENCIES AND DEFINITIONS

The following are abbreviations of terms used in this Annual Information Form. All calculations converting natural gas to crude oil equivalent have been made using a ratio of 6 mcf of natural gas to one barrel of crude equivalent.

Crude Oil and Natural Gas Liquids		Natural Gas	
bbl	One barrel equaling 34.972 Imperial gallons or 42 U.S. gallons	bcf	Billion cubic feet
bbl/d	Barrels per day	bcfe	Billion cubic feet equivalent
boe	Barrels of oil equivalent	bcf/d	Billion cubic feet per day
boe/d	Barrels of oil equivalent per day	mcf	Thousand cubic feet
Mboe	Thousand barrels of oil equivalent	mcfe	Thousand cubic feet equivalent
Mmboe	Million barrels of oil equivalent	mcf/d	Thousand cubic feet per day
Mbbl	Thousand barrels	mmcfe	Million cubic feet equivalent
Mmbbls	Million barrels	mmcf	Million cubic feet
Mmlts	Million long tones	mmcf/d	Million cubic feet per day
NGL or NGLs	Natural gas liquids, consisting of any one or more of propane, butane and condensate	Mmbtu	Million British Thermal Units
WI	Working interest	GJ/d	Gigajoules per day

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
GJ	Mcf	1.055

The following references are to the “Oil and Gas Activities” in the Annual Information Form.

(1) Gross

(a) In relation to the Corporation's interest in production or reserves, its "company gross reserves", which are the Corporation’s working interest (operating or non-operating) share before deduction of royalties and excluding any royalty interest of the Corporation;

(b) In relation to wells, the total number of wells in which the Corporation has an interest;

(c) In relation to properties, the total area of properties in which the Corporation has an interest.

(2) Net

In relation to the Corporation's interest in production or reserves, the Corporation's working interest (operating and non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in production or reserves;

In relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

(3) Definitions used for reserve categories in the GLJ Report are as follows:

The following definitions apply to both estimates of individual reserves entities and the aggregate of reserves for multiple entities.

Reserve Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions (see Economic Assumptions below)

Reserves are classified according to the degree of certainty associated with the estimates

- Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Development and Production Status.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

(4) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate;

These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty;

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

(5) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned. In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

(6) Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

(7) Forecast prices and costs

Future prices and costs that are:

Generally accepted as being a reasonable outlook of the future;
If, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

The forecast summary table identifies benchmark reference pricing that apply to the Corporation.

(8) Constant prices and costs

Prices and costs used in an estimate that are:

The Corporation's prices and costs as at the effective date of the estimation, held constant throughout the estimated lives of the properties to which the estimate applies;
If, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

For the purposes of paragraph (a), the Corporation's prices are the posted prices for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.

(9) The Alberta royalty tax credit ("ARTC") is included in the cumulative cash flow amounts. ARTC is based on the program announced November 1989 by the Alberta government with modifications effective January 1, 1995.

(10) Future income tax expenses

Future income tax expenses estimated:

Making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
Without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;
Taking into account estimated tax credits and allowances (for example, royalty tax credits); and
Applying to the future pre-tax net cash flows relating to the Corporation's oil and gas activities the appropriate year-end statutory rates, taking into account future tax rates already legislated.

(11) Development well – A well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

(12) Development costs – Costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads,, gas lines and power lines, to the extent necessary in developing the reserves;
Drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly;
Acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
Provide improved recovery systems.

(13) Exploration well – A well that is not a development well, a service well or a stratigraphic test well.

(14) Exploration costs – Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities are:

Costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
Costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
Dry hole contributions and bottom hole contributions;
Costs of drilling and equipping exploratory wells; and
Costs of drilling exploratory type stratigraphic test wells.

(15) Service well – A well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.

(16) Numbers may not add due to rounding.