

Delphi Energy Corp.

TSX: **DEE**



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Delphi Energy Provides Operational Update

CALGARY, ALBERTA--(Marketwire - April 27, 2009) - Delphi Energy Corp. (TSX:DEE) is pleased to provide the following operational update for the recently completed first quarter capital program.

During the first quarter, the Company drilled five gross (3.8 net) gas wells with a drilling success rate of 100 percent. Four of the five wells drilled in the first quarter and one well (0.5 net), which was drilled during the fourth quarter of 2008, were completed and commenced sales prior to the end of the first quarter. The remaining well (0.05 net) drilled in the first quarter will be completed and tied in to sales during the second half of 2009. In total, 14 separate intervals were completed during the first quarter for an average completion rate of 2.8 zones per well resulting in an average first month production rate per well of approximately 325 boe/d net to Delphi. The focus of the first quarter program was directed towards the Bigstone and Hythe properties to take advantage of the multi-zone nature of these assets, low operating costs and quick on-stream capability associated with owned gathering and processing infrastructure. Total net capital associated with the program for the first quarter is estimated to be approximately \$14.0 million.

Hythe

At Hythe, the Company drilled, cased and completed two (2.0 net) wells consisting of one vertical multi-zone completion and one horizontal single zone completion during the first quarter. The vertical well was successful in applying existing exploitation techniques, down spacing and multi-zone completions, which maximizes reserve recovery and capital efficiency. The horizontal well was successful in applying two emerging technologies, **multi-stage fracture stimulation and liquefied petroleum gas fracturing**, to achieve economic success from an interval that historically had only been marginally economic in the area. Current production from the Hythe property is approximately 2,100 boe/d, a significant increase from the 400 boe/d the property was producing when acquired in September 2007. The success of the first quarter program has not only generated direct offset locations but more importantly has validated exploitation concepts and technologies that can be applied to the over 80 sections of Delphi interest lands which will generate a multi-year program of repeatable and predictable low risk development opportunities.

The Company anticipates drilling up to six wells in the area in the second half of

2009 and the results of this program will be utilized to generate the capital program for winter 2009/10. At Hythe, a typical vertical well would receive a drilling royalty credit of approximately \$460,000, a typical horizontal well would receive a drilling royalty credit of approximately \$600,000 and both wells would receive a further royalty reduction of up to \$300,000 from the New Well Royalty Reduction program.

Delphi continues to take advantage of attractive opportunities resulting from the current business environment through the acquisition of strategic undeveloped land and farming in on low risk development projects in the Company's core areas that other joint venture partners have chosen not to fund. During the first quarter, the Company successfully participated in several Crown land sales acquiring 6,788 gross acres, at a working interest of 100 percent. In addition, two of the most prolific wells Delphi completed in the first quarter were associated with farm-ins that increased Delphi's average working interest per well from 22.5 percent to 75.0 percent.

Production during the first quarter is expected to average approximately 6,750 boe/d, based on field estimates, achieving Delphi's eighth consecutive quarter of production growth. Delphi's production continues to receive a significant premium to the price at AECO due to marketing arrangements, heating content and natural gas hedges. Approximately 44 percent of the Company's natural gas production was hedged at an average price of \$7.66 per mcf in the first quarter. Funds from operations in the first quarter of 2008 are expected to be approximately \$9.5-10.0 million, including natural gas hedging gains of approximately \$4.0 million.

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