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DELPHI ENERGY REPORTS CONTINUED MONTNEY DRILLING SUCCESS

CALGARY, ALBERTA – July 2, 2013 – Delphi Energy Corp. (“Delphi” or the “Company”) is pleased to provide the following update.

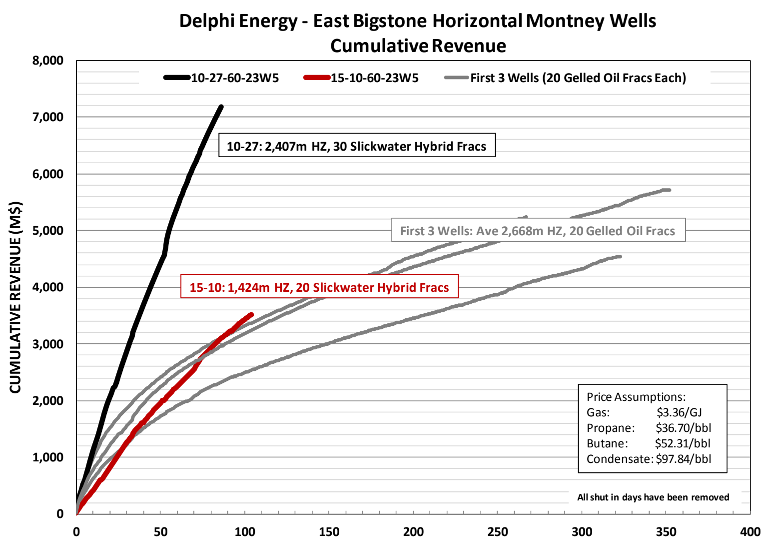
Bigstone Montney Program

Delphi has now successfully drilled, completed and brought on production six Montney horizontal wells at East Bigstone. The last three wells were stimulated utilizing slickwater hybrid frac techniques rather than the smaller conventional gelled oil frac designs used on the first three wells. The first well completed with the new frac technique, 15-10-60-23W5, was drilled across one section and stimulated with 20 stages to limit operational risk. After a successful completion at 15-10, the Company drilled its next well at 10-27-60-23W5 across 1.5 sections and installed a 30 stage liner. After a successful completion on the second well, Delphi drilled the third well of the program at 16-23-60-23W5M across two full sections and has successfully completed it with 30 slickwater hybrid fracs.

The recently completed 16-23-60-23W5 well was drilled during the first quarter of 2013 to a total depth of 5,753 metres with a horizontal lateral length of 2,809 metres. The well was stimulated with a 30 stage slickwater hybrid completion. The well was brought on production on June 18, 2013 through the Company’s Montney compression and dehy facility and over the first 14 full days of production, averaged 7.6 million cubic feet per day (“mmcf/d”) of raw gas with associated field condensate production averaging 71 bbls/mmcf of raw gas. Including plant recovered liquids (estimated to be 35 bbls of C3+ natural gas liquids per mmcf of raw gas), the average rate over this time period is estimated to be 1,943 boe/d. Total liquids production over this period contributed 810 bbls/d, 75 percent of which is field and plant recovered condensate. The well has recovered approximately 25 percent of the initial load frac water volumes to date. Current total production from the well is consistent with the 14 day average with a current field produced condensate to gas ratio of 62 bbls/mmcf raw gas.

The previously released cumulative revenue plot comparing the relative cash generating capability of the new wells to the first three wells has been updated and continues to demonstrate a significant step change in performance. The 10-27 well that was brought on-stream in early March is expected to payout in November of this year, an 8 month payout.

The current production rate (boe/d) from 10-27 (after 86 days of production) and 15-10 (after 104 days) are now 3.1 and 1.7 times better respectively than the average rate of the first three wells at the same time period.



Initial results of the 15-10, 10-27 and 16-23 wells continue to surpass the Company's expectations. As a result of the new completion technique employed, the three new wells are exhibiting shallower initial declines than the Company's first three wells drilled in East Bigstone (which were completed with gelled oil fracs). The 10-27 and 16-23 wells stimulated with 30 stages are exhibiting similar early time production performance characteristics, exceeding the Company's type curve assumptions. In addition, the new wells are also producing at higher field condensate to gas ratios compared to the first three wells.

The Company plans to drill an additional three wells in East Bigstone prior to the end of 2013, with two of the three wells scheduled to be completed and on production by year-end. In what is expected to be a continuous one rig drilling program with up to eight wells in 2014, plans are to add a second rig to the program in the latter part of 2014.

The evolution of Delphi's drilling and completion plan to an extended-reach horizontal wellbore drilled across two sections and stimulated using a 30-stage frac design also enhances the economics of the project. When taking into consideration the incremental royalty credits earned by drilling across the second section and the incremental costs, Delphi is effectively developing the second section at minimal cost. Relative to general industry Montney drilling activity, one of Delphi's extended-reach wells is equivalent to two industry type wells.

In addition, the Company expects to commence drilling operations on the South Bigstone strat test and horizontal Montney well within the next month as part of the previously announced industry farm-in whereby Delphi will earn a 75 percent working interest in 32.5 sections of Montney lands. The well with a surface located at 5-8-59-22W5M will be completed, equipped and pipeline connected in 2014 as part of the planned 15 kilometre pipeline expansion from the 7-11 Delphi owned facility to the 5-8 wellsite.

Funding

In addition to cash flow to fund the capital program, the Company has recently entered into two arrangements to further support the 2013 and 2014 planned capital programs.

Delphi has entered into a Joint Venture Agreement on four Montney wells in East Bigstone. The Joint Venture Partner ("Partner") will contribute $2.5 million per well for a total of $10.0 million towards the Company's 2013 Montney capital program. In exchange for the capital contribution, the Partner will receive a 10 percent Gross Overriding Royalty ("GOR") on the Company's working interest revenue on the well until payout of the capital contribution. After payout the GOR will be reduced to 7.5 percent until a required rate of return is achieved on the pooled funds, at which time the GOR will be extinguished on all four wells. The Company has expressed interest in a similar arrangement with the Partner for the Company's 2014 Montney capital program at East Bigstone.

The Company has also entered into a commitment letter for $20.0 million with a leading Canadian energy and resource lender. The funding will be available in two tranches; $12.0 million available to be drawn down until July 15, 2013 and $8.0 million available for draw down until September 16, 2013. The debt will be secured by the Company's assets and be subordinate to the Company's senior credit facility, have a term of 18 months and be extendible at the option of Delphi for an additional six months. The subordinated debt will have an annual coupon rate of 8.5 percent with interest payable monthly. The parties are preparing final documentation with closing of the financing expected no later than July 12, 2013.

Outlook

Delphi has successfully grown the Bigstone Montney land base from four sections to 108 sections in a relatively short period of time. The Company continues to pursue additional consolidation opportunities in the Bigstone/Fir area leveraging off of its control of critical infrastructure and advanced understanding of the Montney play in the area.

The refined drilling and completion techniques utilized on our recent wells have delivered a step change in the economics of the Montney play in the area which is positioning the Company for long term self-funded growth. The Company now has a current project inventory that will provide economic growth beyond a 10-year horizon.

As previously communicated, Delphi's 5-year growth plan contemplates production growth to 20,000 boe/d by 2017, with targeted annual production per share growth of 25 percent and annual cash flow per share growth of 45 percent. Capital spending over the next five years to achieve that result under the plan is projected to be $560 million funded 90 percent from cash flow to drill 50 Montney horizontal wells and fund the expansion of Delphi's 100 percent owned facility.

The production profile of the new wells, with lower initial declines and greater condensate yields resulting in materially greater present value of the reserves and significantly reduced payout times, is expected to have a favourable impact to the Company's cash generating capability and underlying asset value. The Company forecasts second half 2013 production to average 8,600 to 9,000 boe/d, a 16 percent increase from the first half of 2013.

Delphi continues to explore additional options to further accelerate its Montney drilling program, through additional non-core asset dispositions and joint venture relationships and alternate non-dilutive financing structures.

Delphi Energy is a Calgary-based company that explores, develops and produces oil and natural gas in Western Canada. The Company is managed by a proven technical team. Delphi trades on the Toronto Stock Exchange under the symbol DEE.

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***Forward-Looking Statements**. This management discussion and analysis contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", may", "will", "should", believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information.*

More particularly and without limitation, this management discussion and analysis contains forward looking statements and information relating to the Company's risk management program, petroleum and natural gas production, future funds from operations, capital programs, commodity prices, costs and debt levels. The forward-looking statements and information are based on certain key expectations and assumptions made by Delphi, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the capital availability to undertake planned activities and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. Additional information on these and other factors that could affect the Company's operations or financial results are included in reports on file with the applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. Delphi undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

***Basis of Presentation**. For the purpose of reporting production information, reserves and calculating unit prices and costs, natural gas volumes have been converted to a barrel of oil equivalent (boe) using six thousand cubic feet equal to one barrel. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with the Canadian Securities Administrators' National Instrument 51-101 when boes are disclosed. Boes may be misleading, particularly if used in isolation.*

As per CSA Staff Notice 51-327 initial production and initial production test results should be considered preliminary data and such data is not necessarily indicative of long-term performance or of ultimate recovery.

Non-IFRS Measures*.* *The release contains the terms "funds from operations", "funds from operations per share", "net debt", "cash operating costs" and "netbacks" which are not recognized measures under IFRS. The Company uses these measures to help evaluate its performance. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-IFRS measure and has been defined by the Company as net earnings plus the add back of non-cash items (depletion and depletion, accretion, stock-based compensation, deferred income taxes and unrealized gain/(loss) on financial instruments) and excludes the change in non-cash working capital related to operating activities and expenditures on decommissioning obligations. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. Delphi's determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. The Company has defined net debt as the sum of long term debt plus/minus working capital excluding the current portion of deferred income taxes and fair value of financial instruments. Net debt is used by management to monitor remaining availability under its credit facilities. Cash operating costs have been defined as the sum of operating expenses, transportation expense, general and administrative expenses and cash finance costs.*