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DELPHI ENERGY INCREASES BIGSTONE MONTNEY EXPOSURE BY 60 PERCENT WITH RECENT FARM-IN

CALGARY, ALBERTA – December 11, 2012 – Delphi Energy Corp. ("Delphi" or the "Company") is pleased to provide the following update.

Bigstone Farm-in

Delphi has entered into a farm-in agreement to earn up to a 75 percent working interest in 35 sections of Montney and Nordegg petroleum and natural gas ("PNG") rights in its core area of Bigstone, Alberta.

The farm-in contemplates Delphi drilling one vertical test well at Bigstone South, with an option to drill and complete a horizontal well in the Montney formation earning a 75 percent working interest in up to 32.5 gross sections of land containing Nordegg and Montney rights. The test well at Bigstone South is scheduled to commence drilling during the second quarter of 2013.

Delphi will also earn an additional 2.5 sections (1.875 net) of Montney rights at Bigstone East. The Company will farm-in on the Farmor's working interest by drilling four gross wells contemplated to be drilled in 2013 and 2014 as part of the Company's ongoing drilling program. In each of these four wells, Delphi will pay 100 percent of the drill, complete, equip and tie-in costs and retain 100 percent of the Farmor's working interest in each such well subject to a convertible gross overriding royalty payable to the Farmor until payout, after which Delphi will retain an average working interest of 76.25 percent in the wells drilled and lands earned. The recently drilled 15-10-60-23W5M well is the first of the four gross wells planned. The remaining three wells to be drilled also offset the Company's existing Montney production.

The transaction has several key benefits to Delphi:

- Upon full earning, the Company will grow its land position by nearly 60 percent in the Bigstone Montney play from 41.7 net sections to approximately 66.2 net sections.
- The farm-in nearly doubles the Bigstone East low-risk development drilling inventory in the proven upper and middle Montney formations.
- The southern portion of the land block offers significant exploration upside in the lower Montney and the Nordegg formation for liquids-rich natural gas.
- Delphi's capital commitments are manageable and scheduled over an extended period of time, however, Delphi is positioned to accelerate the earning phase of this agreement should funding be available.

Operations Update

At Bigstone East, Delphi has completed the drilling of its fourth Montney horizontal well 15-10-60-23 W5M with a surface location at 16-03-60-23 W5M. The well has reached its planned total measured depth of 4,455 metres resulting in a horizontal section in the Montney formation of 1,424 metres, ahead of schedule and at lower costs. Completion operations consisting of a multi-stage slick-water hybrid frac program is expected to commence early in January. The drilling rig is expected to move to its next location and commence drilling after the Christmas break.

The Company's first three Montney wells continue to meet expectations for overall production rates and exceed expectations for NGL yields resulting in robust field netbacks. Field recovered condensate and shallow cut NGL yields continue to average above 60 bbls/mmcf (53 percent field and plant recovered condensate). The Company continues to optimize its drilling and completions practices to both reduce costs and increase production rates. Successful consolidation of available undeveloped land in the immediate area into a contiguous block is also contributing to increased capital efficiencies for optimized well spacing while minimizing capital requirements for infrastructure.

At Wapiti, the Company has recently completed two liquids-rich natural gas wells (100 percent Delphi) in early cretaceous aged formations. Both wells were drilled in the first quarter of 2012. The two wells are expected to be brought on production within the next week through the Company's existing infrastructure and deep-cut processing facility.

Risk Management

The Company has increased its natural gas hedge position to approximately 42 percent of its natural gas production at $3.12 per mcf for the period of January 1, 2013 to June 30, 2013. For all of 2013, Delphi has approximately 39 percent of its natural gas production hedged at $3.22 per mcf. Currently, the Company has the following natural gas hedges over the next several years.

	H1 2013	**H2 2013**	**2014**	**Q1 2015**
Volume (mcf/d)	15.0	13.4	8.5	2.8
Percent Hedged (%) *	42	37	24	8
Hedge Price (Cdn $/mcf)	3.12	3.33	3.27	3.73

* Based on production of 36,000 mcf/d

Market Guidance

The Company expects net capital spending for 2012 to be between $48.0 and $50.0 million with production for 2012 to average approximately 8,300 boe/d. Net debt at year end is expected to be between $90.0 and $92.0 million.

For 2013, Delphi is providing guidance for the first half of the year at this time due to the uncertainty of natural gas prices. Winter weather or lack thereof in central Canada and, in particular, the northeast region of the United States will have a direct impact on the outlook for natural gas prices in 2013.

For the first half of 2013, Delphi expects AECO natural gas prices to average approximately Cdn. $3.30 per mcf and Edmonton light oil prices to average Cdn $88.00 per barrel. Production is forecast to average between 7,900 to 8,300 boe/d (76 percent natural gas) during the first half of 2013.

The capital program will consist primarily of drilling two additional Bigstone East Montney horizontal wells, resulting in three as part of the winter capital program. Including completion operations of the well drilled in December 2012 and maintenance/miscellaneous capital, the first half capital spending plans total between $29.0 and $33.0 million. The capital program is expected to be funded by forecasted cash flow of approximately $16.0 to $18.0 million and the equity financing in the fourth quarter of 2012 resulting in a net debt estimate at the end of the first half of 2013 of approximately $104.0 to $108.0 million.

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 rates 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*