



press release

press

300, 500 – 4th Avenue S.W. Calgary, Alberta T2P 2V6 | T:(403)265-6171 | F:(403)265-6207 | E:info@delphienergy.ca | www.delphienergy.ca | TSX Symbol:DEE

DELPHI ENERGY ANNOUNCES INCREASED CREDIT FACILITY AND PROVIDES OPERATIONS UPDATE

CALGARY, ALBERTA – March 31, 2014 – Delphi Energy Corp. (“Delphi” or the “Company”) is pleased to announce an increase to its senior credit facility and provide an update to its ongoing winter drilling program.

SENIOR CREDIT FACILITY

Delphi’s lenders (National Bank of Canada, Bank of Nova Scotia and Alberta Treasury Branches) have completed their annual review of the Company’s senior credit facility resulting in a \$30.0 million increase in the facility to \$170.0 million. The review incorporated the Company’s December 31, 2013 reserves engineering report evaluated by GLJ Petroleum Consultants Ltd., adjusted for the lenders’ outlook on commodity prices, and also took into consideration current production and the positive results of the winter drilling program. The increase to the credit facility will be effective March 31, 2014 with a semi-annual review scheduled for the fall of 2014. All other terms of the credit facility remained constant, other than the debenture provided to the lenders as security, which has been increased to \$300.0 million.

Including the subordinated debt facility of \$20.0 million, the total credit capacity of Delphi has been increased to \$190.0 million. At the end of the first quarter of 2014, the net debt to first quarter funds from operations (annualized) ratio is estimated to be 2.1:1 to 2.3:1. This growth in credit capacity, coupled with strong commodity prices, particularly natural gas prices, provides further assurance of the 2014 capital program being fully funded resulting in forecast net debt at year end 2014 of \$143.0 to \$150.0 million.

OPERATIONS UPDATE

Delphi has completed and tested its seventh consecutive horizontal Montney well utilizing a 30 stage slickwater hybrid completion. The 2-1-60-23 W5M (“2-1”) Montney well was drilled to a total depth of 5,808 metres with a horizontal lateral length of 2,807 metres and stimulated with a 30 stage slickwater hybrid completion. The well was produced on clean-up over a seven day period, recovering approximately 28 percent of the initial load frac water and is now shut-in to equip and pipeline connect the well for production. After running production tubing, the well produced, over the final 24 hours, at an average rate of 3.2 million cubic feet per day (“mmcf/d”) of raw gas and 335 barrels per day (“bbls/d”) of wellhead condensate (106 bbls/mmcf of raw gas). Total production for the 2-1 well over the final 24 hour period was approximately 917 barrels of oil equivalent per day (“boe/d”), with an estimated plant natural gas liquids (“NGL”) yield of 36 bbls/mmcf of raw gas. Field condensate and plant NGL’s represented 49 percent of the total production.

The well is expected to commence production in April and consistent with the previous slickwater fracture stimulated wells will continue to recover load frac water over the next few months. The well is anticipated to perform similar to the 15-24-60-23 W5M well that has produced with a shallower initial decline profile than the other wells over the first five months of production.

Delphi’s 13-30-60-22 W5M (“13-30”) well has now been on production for 30 days and has produced at an average rate of approximately 2,075 boe/d (45 percent field condensate and plant NGL’s). The 13-30 well continues to exceed the new type curve, with a current rate of 1,995 boe/d (39 percent field condensate and plant NGL’s).

Delphi is finishing up its winter drilling program as it has reached total depth on the 2-7-60-22 W5M well and expects to shut down operations for spring breakup within the week. The drilling rig will remain on the pad over spring breakup to drill another well once surface access permits. The Company has drilled one well more than originally planned this winter as a result of continued improvements in drilling operations and spud to spud cycle times.

The Company is pleased to report it has achieved its first quarter of 2014 corporate production target of 10,000 boe/d, representing a new record high quarterly production rate for the Company. This achievement also represents a 33 percent increase in production and production per share over the comparative quarter of 2013. Currently, total production is approximately 11,200 to 11,400 boe/d, with the 2-1 well scheduled to come on production in April and the 11-17-59-22 W5M well scheduled to come on-stream in the third quarter of 2014.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

DELPHI ENERGY CORP.
300, 500 – 4 Avenue S.W.
Calgary, Alberta
T2P 2V6
Telephone: (403) 265-6171 Facsimile: (403) 265-6207
Email: info@delphienergy.ca Website: www.delphienergy.ca

DAVID J. REID
President & CEO

BRIAN P. KOHLHAMMER
Senior VP Finance & CFO

Forward-Looking Statements. *The release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws. These statements relate to future events or the Company's future performance and are based upon the Company's internal assumptions and expectations. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance", "budget" and similar expressions.*

More particularly and without limitation, this release contains forward-looking statements and information relating to petroleum and natural gas production estimates and weighting, projected crude oil and natural gas prices, future exchange rates, expectations as to royalty rates, expectations as to transportation and operating costs, expectations as to general and administrative costs and interest expense, expectations as to capital expenditures and net debt, planned capital spending, future liquidity and Delphi's ability to fund ongoing capital requirements through operating cash flows and its credit facilities, supply and demand fundamentals for oil and gas commodities, timing and success of development and exploitation activities, cash availability for the financing of capital expenditures, access to third-party infrastructure, treatment under governmental regulatory regimes and tax laws and future environmental regulations.

Furthermore, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitable in the future.

The forward-looking statements and information contained in this release are based on certain key expectations and assumptions made by Delphi. The following are certain material assumptions on which the forward-looking statements and information contained in this release are based: the stability of the global and national economic environment, the stability of and commercial acceptability of tax, royalty and regulatory regimes applicable to Delphi, exploitation and development activities being consistent with management's expectations, production levels of Delphi being consistent with management's expectations, the absence of significant project delays, the stability of oil and gas prices, the absence of significant fluctuations in foreign exchange rates and interest rates, the stability of costs of oil and gas development and production in Western Canada, including operating costs, the timing and size of development plans and capital expenditures, availability of third party infrastructure for transportation, processing or marketing of oil and natural gas volumes, prices and availability of oilfield services and equipment being consistent with management's expectations, the availability of, and competition for, among other things, pipeline capacity, skilled personnel and drilling and related services and equipment, results of development and exploitation activities that are consistent with management's expectations, weather affecting Delphi's ability to develop and produce as expected, contracted parties providing goods and services on the agreed timeframes, Delphi's ability to manage environmental risks and hazards and the cost of complying with environmental regulations, the accuracy of operating cost estimates, the accurate estimation of oil and gas reserves, future exploitation, development and production results and Delphi's ability to market oil and natural gas successfully to current and new customers. Additionally, estimates as to expected average annual production rates assume that no unexpected outages occur in the infrastructure that the Company relies on to produce its wells, that existing wells continue to meet production expectations and any future wells scheduled to come on in the coming year meet timing and production expectations.

Commodity prices used in the determination of forecast revenues are based upon general economic conditions, commodity supply and demand forecasts and publicly available price forecasts. The Company continually monitors its forecast assumptions to ensure the stakeholders are informed of material variances from previously communicated expectations.

Financial outlook information contained in this release about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this release should not be used for purposes other than for which it is disclosed.

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 and such forward-looking statements should not be unduly relied upon. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent known and unknown risks and uncertainties. Delphi's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Delphi will derive therefrom. Should one or more of these risks or uncertainties materialize, or should assumptions underlying

forward-looking statements prove incorrect, actual results may vary 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 from others for scarce resources, the ability to access sufficient capital from internal and external sources, changes in governmental regulation of the oil and gas industry 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 the Company's most recent Annual Information Form and other reports on file with the applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Readers are cautioned that the foregoing list of factors is not exhaustive. Furthermore, the forward-looking statements contained in this release are made as of the date of this release 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. The forward-looking statements contained in this release are expressly qualified in their entirety by this cautionary statement.

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 test results and initial production performance 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", "operating netbacks" "cash netbacks" 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 and costs of production. 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 cash flow from operating activities before accretion on long term and subordinated debt, decommissioning expenditures and changes in non-cash working capital from operating activities. 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 and subordinated debt plus/minus working capital excluding the current portion of the fair value of financial instruments. Net debt is used by management to monitor remaining availability under its credit facilities. Operating netbacks have been defined as revenue less royalties, transportation and operating costs. Cash netbacks have been defined as operating netbacks less interest and general and administrative costs. Netbacks are generally discussed and presented on a per boe basis.