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DELPHI ENERGY PROVIDES OPERATIONS UPDATE

CALGARY, ALBERTA – July 24, 2014 – Delphi Energy Corp. (“Delphi” or the “Company”) is pleased to provide the following operations update.

BIGSTONE MONTNEY

Delphi has completed and tested its eighth and ninth horizontal Montney wells utilizing 30 stage slickwater hybrid completions. The 8-21-60-22 W5M (“8-21”) and 2-7-60-22 W5M (“2-7”) Montney wells were drilled from a common surface pad.

The 8-21 well was drilled to a total depth of 5,580 metres with a horizontal lateral length of 2,692 metres and stimulated with a 30 stage slickwater hybrid completion. The well was produced on clean-up over an eight day period, recovering approximately 45 percent of the initial load frac water and was then 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 4.9 million cubic feet per day (“mmcf/d”) of raw gas and 449 barrels per day (“bbls/d”) of wellhead condensate (92 bbls/mmcf of raw gas). Total production for the 8-21 well over the final 24 hour period was approximately 1,347 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 46 percent of the total production.

The 2-7 well was drilled to a total depth of 5,614 metres with a horizontal lateral length of 2,702 metres and stimulated with a 30 stage slickwater hybrid completion. The well was produced on clean-up over a 5.5 day period, recovering approximately 30 percent of the initial load frac water and then 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 9.5 mmcf/d of raw gas and 498 bbls/d of wellhead condensate (53 bbls/mmcf of raw gas). Total production for the 2-7 well over the final 24 hour period was approximately 2,240 boe/d, with an estimated plant NGL yield of 36 bbls/mmcf of raw gas. Field condensate and plant NGL’s represented 37 percent of the total production.

Both wells are now on production and consistent with the previous slickwater fracture stimulated wells, will continue to recover load frac water over the next few months.

The following table illustrates the significant impact the slickwater hybrid fracturing technique has had on well performance at Bigstone in comparison to smaller conventional frac methods. Well performance during the initial 30 days of production has almost doubled, as observed in the 15-30 and 16-30 production performance where the two wells are approximately 400 metres (one spacing unit) apart. Longer term production performance has tripled when observing production rates after 180 days. Wellhead condensate production and yields have also improved by two to three times. On a longer term basis, the 10-27 well produced at an average rate of 1,019 boe/d for the first year.

Numbers in bold in the table below indicate new data since it was previously released.

Initial Production (IP) Rate Well Performance[(1)]									
Well[(2)]		HZ Length (metres)	Number of Fracs	Initial Test Rate[(3)] (boe/d)	IP30 Total Sales (boe/d)	IP30 FCond Rate (bbls/d)	IP30 Total NGL Yield (bbl/mmcf)	IP180 Total Sales (boe/d)	Total Sales on Day 180 (boe/d)
Conventional Fracs (original completion technique)									
16-30	#1	2,760	20	3,047	1,099	273	104	558	259
05-02	#2	3,005	20	2,390	969	170	80	479	250
14-23	#3	2,238	20	3,715	1,570	223	70	635	291
Slickwater Fracs (new completion technique)									
15-10	#4	1,424	20	957	991	194	86	660	421
12-17	S.BS Expl[(4)]	1,848	26	962					
Revised Type Well		2,400 – 3,000	30		1,629	449	119	1,083	746
15-24	#7	2,328	30	1,585	1,387	454	136	1,059	824
10-27	#5	2,407	30	2,350	1,815	582	133	1,364	928
13-30	#10	2,593	30	2,381	2,075	655	136		
08-21	#13	2,692	30	**1,347**					
02-07	#12	2,702	30	**2,240**					
02-01	#11	2,807	30	902	634	209	142		
16-23	#6	2,809	30	1,943	1,781	465	108	1,235	842
15-21	#9	2,886	30	1,686	1,293	499	170		
15-30	#8	3,014	30	2,953	2,076	566	113	**1,517**	**1,065**

(1) Average production calculated on operating days, excludes non-producing days. Includes estimated NGL gas plant recoveries.

(2) Slickwater frac wells numbered chronologically and sorted on HZ length.

(3) Final continuous 24 hour rate on clean-up test. 100% of load frac oil had not been recovered for wells 1, 2, 3.

(4) Initial Exploration Well on Delphi's South Bigstone Lands

Delphi's summer drilling operations commenced in late June at East Bigstone, ahead of schedule with a drier than normal spring break-up. The 16-15-60-22 W5M well has now reached total depth of 5,903 metres with a horizontal lateral of 2,949 metres in approximately 34 days. The horizontal section of the well is being conditioned for placement of the completion liner and is scheduled to be completed with a 30 stage slickwater hybrid frac during August 2014.

Facilities and pipeline construction has commenced to equip and tie-in the Company's 12-17-59-22 W5M ("12-17") well which was completed late in 2013. The 12-17 Montney horizontal well is the most southerly located well on the Company's East Bigstone block. The well is expected to be on-stream in September.

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Production during the second quarter averaged approximately 10,200 boe/d (based on field estimates) exceeding guidance of 9,500 to 10,000 boe/d as a result of continued strong Montney well performance and less realized downtime from scheduled facility maintenance outages. Delphi will be releasing its operational and financial results for the quarter ended June 30, 2014 after the closing of the markets on August 13, 2014.

Delphi's disposition process of its Wapiti assets is progressing, after receiving multiple bid proposals in June. The Company has since entered into a non-binding letter of intent with a third party. The disposition is subject to a number of conditions precedent and as such there is no assurance that a binding agreement will be achieved or that the prospective transaction will be consummated. Delphi will update the market as to the status of this potential disposition at such time as it has further information to provide.

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:

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***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.*

For the calculation of finding, development and acquisition costs, recycle ratio and net asset value per share, refer to the Company's press release of crude oil and natural gas reserves information dated February 12, 2014.