DELPHI ENERGY CORP.

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DELPHI ENERGY PROVIDES OPERATIONS UPDATE

CALGARY, ALBERTA – October 23, 2014 – Delphi Energy Corp. (“Delphi” or the “Company”) is pleased to provide the following update.

BIGSTONE MONTNEY

Delphi has successfully completed its sixth Montney horizontal well of 2014 at 3-26-59-23 W5M (“3-26”) in East Bigstone. The 3-26 well (100 percent working interest) was drilled to a total depth of 5,593 metres with a horizontal lateral length of 2,601 metres and stimulated with a 30 stage slickwater hybrid completion. The well is currently being equipped to produce through the Company’s 100 percent owned compression and dehydration facility and is expected to be on-stream in the next two weeks.

Delphi has also finished drilling its seventh Montney well of 2014 at 13-23-60-23 W5M (“13-23”). The 13-23 well (100 percent working interest) was drilled to a total depth of 4,995 metres with a horizontal lateral length of 2,161 metres in 25 days. Completion operations are expected to commence in the next two weeks. The 13-23 well will be the twelfth well completed using a 30 stage slickwater hybrid fracture stimulation technique in East Bigstone.

Delphi has now commenced drilling operations at its eighth Montney well of 2014 at 16-27-60-23 W5M (87.5 percent working interest).

Since February 2013, the Company has brought on-stream ten Montney horizontal wells completed with the 30 stage slickwater hybrid fracture stimulation technique at East Bigstone. Three of the wells have achieved payout with another three expected to reach payout by December 31, 2014. At payout, the average production rate of the three wells was approximately 730 barrels of oil equivalent per day (“boe/d”) generating cash operating income (revenues less royalties, operating costs and transportation) at payout of approximately $2.0 million per month from the three wells.

During the month of September 2014, corporate production averaged approximately 11,000 boe/d with production from the Montney formation at East Bigstone averaging approximately 7,700 boe/d, an eleven-fold increase from 700 boe/d in February 2013. Over that same time period, the Company spent approximately $143.0 million on drilling, completions and infrastructure at East Bigstone. The cash operating income generated from the Montney production for September 2014 was approximately $6.2 million, equivalent to an annual run-rate of approximately $75.0 million.

Production data gathered over the past 20 months continues to validate the robust economics of Delphi’s East Bigstone Montney project, with variability in individual well performance being observed as follows. Five of the ten wells with initial natural gas production rates at or above the type curve of seven million cubic feet per day (“mmcf/d”), are observed to have both field condensate yields, 40 barrels per million cubic feet of raw natural gas, (“bbls/mmcf”) and decline rates consistent with the type curve model. 10-27-60-23 W5M which achieved payout in 14 months, 15-30-60-22 W5M which achieved payout in six months, and 13-30-60-22 W5M which is expected to have a payout of eight months are three examples of this observed performance. The remaining five wells with initial natural gas production rates lower than the type curve generally have higher field condensate yields, ranging from 50 to 90 bbls/mmcf of raw natural gas, and initial declines less than that of the type curve.

15-24-60-23 W5M which achieved payout in nine months and 15-21-60-23 W5M which is expected to have a payout of 12 months are two examples of this observed performance. The average production rate of the ten wells continues to match the type curve's profile of a 180 day average (IP180) production rate of 1,083 boe/d and the 365 day average (IP365) production rate of 843 boe/d.

On October 22, 2014 a landslide in the Bigstone area shut down the Alliance pipeline lateral connecting the Bigstone West Gas Plant. Only the Company's sweet natural gas production of approximately 700 boe/d is currently processed through its ownership interest in the Bigstone plant. The Company has been able to mitigate any production loss through alternative transportation arrangements. The landslide has no impact on Delphi's Montney production.

ACQUISITIONS & DISPOSITION ACTIVITY

Delphi has closed the previously announced acquisitions at Bigstone and the minor non-core disposition at Hythe. The Company incurred net capital of $1.8 million on a combined basis for all three transactions while largely replenishing its East Bigstone Montney drilling inventory, acquiring West Bigstone production and reserves for approximately proved developed producing value and acquiring underutilized strategic infrastructure with a replacement cost of approximately $25.0 million.

Acquisitions

The Company has closed the acquisition of eight gross (3.5 net) sections of Montney rights directly offsetting Delphi's current Montney production and recent drilling activity at East Bigstone for a purchase price of $8.8 million after closing adjustments. The assets include three gross (1.5 net) non-producing horizontal Montney wells that are tied-in to Delphi's 100 percent owned compression and dehydration facility. The three wells acquired on the lands were completed with a completion technique (conventional gelled oil fracture stimulations) similar to that used by Delphi in the initial stage of its Montney development at East Bigstone. The lands acquired have an internally estimated drilling inventory of 13 gross (5.8 net) horizontal Montney wells, not including the re-drilling of the three aforementioned wells.

Delphi has also closed the West Bigstone acquisition of approximately 430 boe/d (87 percent natural gas) for a purchase price of $9.0 million after closing adjustments. The assets consist of 26.3 gross sections (19.3 net) of Cretaceous rights contiguous to the Company's deeper Montney rights at West Bigstone and an extension of its current Cretaceous rights in the greater Bigstone area. As part of the transaction, Delphi has also acquired approximately 40 kilometres of field gathering infrastructure and a 100 percent working interest in an under-utilized 15 mmcf/d sweet shallow cut natural gas processing plant. The Company's initial exploratory horizontal Montney test well at West Bigstone currently produces to this natural gas processing plant. In addition to providing Delphi with direct-to-sales infrastructure for future Montney development at West Bigstone, the asset also contains opportunities in the Cretaceous Gething formation analogous to the Company's horizontal Gething well at 12-16-60-23 W5M ("12-16"). Since commencing production in 2012, with an average initial production rate over the first 30 days of 772 boe/d (87 percent natural gas), the 12-16 well has produced approximately 1.1 billion cubic feet ("bcf") of raw natural gas and 27 thousand barrels of field condensate and gas plant recovered natural gas liquids. The Company now has 87.5 gross (63.0 net) sections of Cretaceous Gething rights across Bigstone.

Dispositions

Delphi has closed the sale of certain interests from its Hythe property for gross proceeds of $16.0 million after closing adjustments. The disposed assets were producing approximately 430 boe/d (55 percent natural gas) and included 23.3 gross (17.7 net) sections of primarily shallow Cretaceous rights. These assets were not attracting capital from the Company's spending plans due to the superior economics of the Company's Montney development at Bigstone. The disposition was completed to substantially fund the acquisition of assets mentioned above that complement Delphi's Montney development opportunities at Bigstone.

The disposition process of the Company's Wapiti assets has concluded. Delphi has decided that the Wapiti assets will not be sold at this time and will remain as one of the Company's three core areas. The potential purchaser has been unable to act within the terms of the revised Letter of Intent which expired on October 9, 2014 and to date has failed to demonstrate reasonable progress in consummating the contemplated transaction.

OUTLOOK

The Company has realized significant gains in spud to spud cycle times of its horizontal Montney drilling program at Bigstone. The accelerated drilling times have allowed the Company to increase its drilling activity in 2014 from six to eight horizontal Montney wells. On-stream dates for these two additional wells will be at the end of 2014 or early in 2015 and will not materially impact the Company's production guidance for 2014.

Production for the fourth quarter of 2014 is forecast to average 11,200 to 11,500 boe/d, representing a 26 percent increase over the comparative quarter of 2013 of 8,988 boe/d. Third quarter production was approximately 9,500 boe/d, based on field estimates. Delphi's Montney production was curtailed in August as a result of repairs to a third party natural gas liquids pipeline and scheduled gas plant turnaround maintenance at the Company`s Wapiti property in September. Given the strong Montney production performance detailed above, the Company remains on track to meet its 2014 annual production guidance of 10,000 to 10,500 boe/d and exit production forecast of 11,500 to 12,000 boe/d.

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*. 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.