PRESS RELEASE

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DELPHI ENERGY ANNOUNCES INCREASED CREDIT FACILITY

CALGARY, ALBERTA – December 19, 2014 – Delphi Energy Corp. (“Delphi” or the “Company”) is pleased to provide the following update.

CREDIT FACILITIES

Delphi’s lenders (National Bank of Canada, Bank of Nova Scotia and Alberta Treasury Branches) have completed their semi-annual review of the Company’s senior credit facility resulting in a $20.0 million increase in the facility to $190.0 million. The increase to the credit facility will be effective December 18, 2014. All other terms of the credit facility remain unchanged.

The Company has also agreed to an extension of terms with the holder of its $20.0 million subordinated credit facility. The renewed subordinated credit facility will carry an interest rate of 10.5 percent, payable monthly, with the maturity date extended to June 30, 2016. All other terms of the facility remain unchanged other than the debt to equity ratio which has been increased to no greater than 1:1.

As a result of the above credit facility renewals, the total credit capacity of Delphi has been increased to $210.0 million.

RISK MANAGEMENT

Delphi continues to maintain a strong commodity price risk management program for both its natural gas and natural gas liquids production. The table below summarizes the Company’s current commodity price risk management contracts.

	Oct-Dec 2014	2015	2016	2017
Volume (mmcf/d)	27.9	30.7	15.9	7.4
Percent Hedged (1)	56	61	32	15
Price (Cdn $/mcf) (2)	3.75	3.70	3.65	3.69

(1) Percent hedged is based on average natural gas production of 50 mmcf/d.

(2) Includes a Nymex contract translated to AECO equivalent which may change due to foreign exchange rates.

For the fourth quarter of 2014 the Company’s natural gas liquids revenues are hedged by a 1,000 bbls/d put option on WTI, with a floor price of Cdn $106.14 per barrel (net of premium). As well, Delphi continues to hold a call option on WTI for 600 bbls/d at Cdn $90.00 per barrel. For 2015, Delphi has a put option on 1,220 bbls/d of WTI at a floor price of Cdn $80.00 per barrel (net of premium).

OPERATIONS UPDATE

Delphi has finished drilling its eighth Montney horizontal well of 2014 at 16-27-60-23 W5M (“16-27”) in East Bigstone. The 16-27 well (87.5 percent working interest) was drilled to a total depth of 5,819 metres with a horizontal lateral length of 2,883 metres and will be stimulated with a 40 stage slickwater hybrid completion in January 2015. The drilling rig has commenced operations on the first well of the 2015 program at 13-27-60-23 W5M (“13-27”).

The Company’s seventh Montney horizontal well of 2014 at 13-23-60-23 W5M (“13-23”) in East Bigstone was completed with higher sand concentrations within a 30 stage slickwater hybrid completion design. The well has produced at an average rate of 1,556 boe/d over the first 30 days (26 percent or 400 bbls/d of field condensate). The natural gas production rate of approximately 6.1 mmcf/d has exhibited minimal decline over the first 30 days of production. Additional completion design enhancements will be evaluated throughout the 2015 drilling program.

Below is an updated table of the production performance of the Company’s Montney wells at East Bigstone.

Initial Production (IP) Rate Well Performance [1]

Well[2]		HZ Length (metres)	Number of Fracs	IP30 Total Sales (boe/d)	IP30 FCond Rate (bbls/d)	IP30 Total NGL Yield (bbl/mmcf)	IP90 Total Sales (boe/d)	IP180 Total Sales (boe/d)	**IP270 Total Sales (boe/d)**	Payout (months) (% of EUR)	Monthly COI [4] at Payout ($000's)
Conventional Fracs (original completion technique)											
16-30	#1	2,760	20	1,099	273	104	798	558	**454**		
05-02	#2	3,005	20	969	170	80	683	479	**407**		
14-23	#3	2,238	20	1,570	223	70	939	635	**532**		
Slickwater Hybrid Fracs (new completion technique)											
15-10	#4	1,424	20	991	194	86	842	660	**559**		
12-17	S.BS Expl[3]	1,848	26	865	199	102	**719**				
Type Well		2,400 – 3,000	30	1,629	449	119	1,306	1,083	**943**		
10-27	#5	2,407	30	1,815	582	133	1,667	1,364	**1,173**	14/23%	>$500
16-23	#6	2,809	30	1,781	465	108	1,502	1,235	**1,068**		
15-24	#7	2,328	30	1,387	454	136	1,221	1,059	**944**	9/19%	>$700
15-30	#8	3,014	30	2,076	566	113	1,837	1,517	**1,324**	6/18%	>$1,000
15-21	#9	2,886	30	1,293	499	170	1,053	875	**769**		
13-30	#10	2,593	30	2,075	655	136	1,750	1,457	**1,268**		
02-01	#11	2,807	30	634	209	142	498	**422**			
02-07	#12	2,702	30	1,116	327	126	**940**				
08-21	#13	2,692	30	978	280	123	870				
16-15	#14	2,949	30	1,503	298	91	**1,217**				
03-26	#15	2,601	30	**1,053**	**330**	**134**					
13-23	#16	2,161	30	**1,556**	**400**	**111**					
16-27	**#17**	**2,883**	**waiting on completion**								

(1) Average production calculated on operating days, excludes non-producing days. Includes estimated NGL gas plant recoveries.
(2) Slickwater frac wells numbered chronologically.
(3) Initial Exploration Well on Delphi's South Bigstone Lands.
(4) Cash operating income – revenue less royalties, op costs and transportation.

As a result of a pipeline connection completed by Delphi earlier in the year to SemCAMS K-west sour pipeline, Delphi is now delivering its Montney natural gas production to the SemCAMS operated Kaybob South 3 (“K3”) gas processing facility. Natural gas processing of the Company’s Montney production at K3 is resulting in an improved field operating netback due to lower processing costs.

2015 GUIDANCE

The Company’s $80 million capital program for 2015 released in November contemplated a disciplined approach to spending within cash flow generated. Given that Delphi operates 98 percent of its capital spending and requires only approximately four wells or an estimated $45 to $50 million of capital to maintain 2015 production flat at 2014 levels, the Company is well positioned to weather the current environment. Although the Company’s

Bigstone Montney project continues to generate a profit and a favorable proved producing recycle ratio in the current environment and will continue to grow in 2015 replacing less profitable legacy production, the Company remains committed to maintaining its financial flexibility by simply moderating its rate of growth.

As a result of continued weakening in commodity price assumptions the Company is revising its 2015 capital program by reducing the number of Montney horizontal wells to be drilled from eight to six. Annual production for 2015 is reduced by approximately 4 percent while capital is now forecast to be 21 percent lower than previous guidance. Also, the first two wells of the 2015 capital program are part of the previously announced Gross Overriding Royalty ("GOR") agreement to partially fund the drilling of seven Montney wells in 2014 with an option to participate in three additional wells for a total contribution of $25 million. Additional GOR funding for the remainder of the 2015 drilling program is being considered.

Production for 2015 under the revised commodity price assumptions is expected to increase approximately 12 percent over the 2014 annual rate. With the capital program entirely focused on East Bigstone annual Montney production is expected to increase approximately 30 percent in 2015 compared to 2014.

	2014 Forecast	2015 Revised Guidance	% Change
Average Annual Production (boe/d)	10,500	11,500 - 12,000	12%
Exit Production Rate (boe/d)	11,600 – 11,800	12,250 – 12,750	7%
AECO Natural Gas Price (Cdn $ per mcf)	$4.50	$3.50	(22%)
WTI Oil Price (US $ per bbl)	$93.50	$70.00	(25%)
Net Capital Program ($ million)	$103.0 - $106.0	$60.0 - $65.0	(40%)
Funds from Operations ($ million)	$67.0 - $69.0	$60.0 - $65.0	(8%)
Net Debt at December 31 ($ million)	$175.0	$175.0	-
Net Debt / Q4 FFO (annualized)	2.5	2.6	4%

The Company's 2014 forecast has also been updated to reflect an expectation of achieving the upper end of the 2014 annual production guidance. As a result of the strong Montney production performance, the fourth quarter of 2014 forecast has been increased from 11,500 boe/d to approximately 11,700 boe/d, representing a 30 percent increase over the comparative quarter of 2013 of 8,988 boe/d.

OUTLOOK

Delphi remains focused on achieving top decile capital efficiencies at the fully-funded proved producing reserve level of the business with continued development of its Bigstone Montney asset.

The success of the Bigstone Montney program since implementing the new completion technique in early 2013 is demonstrated by an eleven-fold increase in Montney production to approximately 8,000 boe/d and is projected to continue to grow through 2015 to represent more than 70 percent of Delphi's total annual production.

With a 2015 capital program funded entirely out of funds from operations supported by a significant commodity hedge position and increased financial capability, the Company remains well positioned to execute its long term sustainable business plan.

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.