DELPHI ENERGY CORP.

PRESS RELEASE

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 REPORTS FIRST QUARTER RESULTS

CALGARY, ALBERTA – May 13, 2015 – Delphi Energy Corp. ("Delphi" or the "Company") is pleased to announce its financial and operational results for the quarter ended March 31, 2015.

First Quarter 2015 Highlights

- Produced an average of 11,002 barrels of oil equivalent per day ("boe/d") in the first quarter of 2015, an increase of seven percent over the comparative quarter of 2014 including production curtailments of 500 boe/d;
- Successfully drilled two gross (1.7 net) wells and completed, tied-in and brought on production two gross (1.8 net) Montney wells in East Bigstone;
- Increased Montney production from 5,770 boe/d in the first quarter of 2014 to 7,210 boe/d in the first quarter of 2015, an increase of 25 percent;
- Maintained Montney natural gas liquids ("NGL") and field condensate yields at 95 barrels per million cubic feet ("bbls/mmcf") in the first quarter of 2015. Field and plant condensate yield was 66 bbls/mmcf or 70 percent of the total 95 bbls/mmcf;
- Achieved funds from operations of $10.8 million ($0.07 per share) in the first quarter of 2015, and
- Realized gains of $4.9 million from commodity price risk management contracts in the first quarter of 2015. At March 31, 2015, the Company's risk management contracts had a mark-to-market value of $23.8 million.

Financial Highlights ($ thousands except per unit amounts)

	Three Months Ended March 31		
	2015	2014	% Change
Crude oil and natural gas sales	**22,650**	49,046	(54)
Realized sales price per boe	**27.44**	47.45	(42)
Funds from operations	**10,781**	20,409	(47)
Per boe	**10.88**	22.02	(51)
Per share – Basic	**0.07**	0.13	(46)
Per share – Diluted	**0.07**	0.12	(42)
Net earnings	**1,995**	723	176
Per boe	**2.02**	0.78	159
Per share – Basic and diluted	**0.01**	0.00	-
Total capital invested	**17,269**	37,410	(54)

	March 31, 2015	December 31, 2014	% Change
Net debt (1)	**180,662**	173,655	4
Total assets	**484,460**	481,749	1
Shares outstanding (000's)			
Basic	**155,477**	155,477	-
Diluted	**168,213**	168,208	-

(1) *Defined as the sum of long term and subordinated debt plus (minus) the working capital deficit (surplus) excluding the current portion of the fair value of the financial instruments.*

Operational Highlights

Production	Three Months Ended March 31 2015	2014	% Change
Field condensate (bbls/d)	**1,592**	1,455	9
Natural gas liquids (bbls/d)	**1,698**	1,493	14
Crude oil (bbls/d)	**8**	242	(97)
Total crude oil and natural gas liquids	**3,298**	3,190	3
Natural gas (mcf/d)	**46,223**	42,673	8
Total (boe/d)	**11,002**	10,302	7

MESSAGE TO SHAREHOLDERS

Delphi continues to focus on its Montney development at Bigstone, increasing the Company's cash generating capability through the growth of its liquids-rich production.

The commodity price environment continued to deteriorate through the first quarter with oil and gas prices reaching multi-year lows. Delphi has successfully executed its first half capital program within projected cash flow, while maintaining production levels relatively flat to December 2014 exit levels.

Funds from operations in the first quarter of 2015 were $10.8 million or $0.07 per basic and diluted share, compared to $20.4 million or $0.13 per basic share ($0.12 per diluted share) in the comparative quarter of 2014. The decrease in funds from operations in the first quarter of 2015 as compared to the same quarter in 2014 is primarily due to a significant decrease in commodity prices. For the three months ended March 31, 2015, Delphi recognized $4.5 million and $0.4 million in realized gains on its financial and physical commodity risk management contracts, respectively.

Production volumes for the first quarter of 2015 averaged 11,002 boe/d, a seven percent increase over the comparative quarter in 2014. Production volumes have increased as a result of the Company's successful drilling program in the Montney formation at Bigstone despite production curtailments incurred of approximately 500 boe/d. During the first quarter of 2015, Delphi brought on stream two gross (1.8 net) wells. One well which was drilled in the fourth quarter of 2014 was brought on early in the first quarter and the second well was brought on in the latter part of the quarter. Production rates from the two new wells have met or exceeded expectations. Production volumes from the Montney development in the first quarter of 2015 increased 25 percent to 7,210 boe/d from the 5,770 boe/d produced in the first quarter of 2014.

Delphi's production portfolio for the first quarter of 2015 remained relatively similar to the prior quarter, weighted 15 percent to field condensate, 15 percent to natural gas liquids and 70 percent to natural gas. Crude oil production is minimal in the first quarter of 2015 as the Company disposed of producing oil properties in Hythe during the third quarter of 2014. On a revenue basis, the production portfolio remained almost equally weighted, with 47 percent of the revenue generated from the condensate and natural gas liquids volumes.

Royalty costs were down 82 percent over the comparative quarter of 2014, with approximately nine percent of the reduction related to a prior year's adjustment and the remainder of the reduction due to the low commodity price environment. The average royalty rate was down to six percent in the first quarter of 2015 from approximately 16 percent in the comparative quarter of 2014. The Company has also seen the benefits of reduced cost of services as a result of the slowdown in field activity. Operating costs are down eight percent from the comparative quarter in 2014 and down 21 percent from the fourth quarter of 2014. Transportation costs have also been reduced by ten percent compared to the first quarter of 2014 and eight percent from the fourth quarter of 2014. The reduced cost structure enhances the field operating netbacks in the current commodity price environment.

During the first quarter of 2015, Delphi invested $17.3 million in capital expenditures, of which 81 percent was directed toward the drilling of two gross (1.7 net) wells and completion operations and equipping of two gross (1.8 net) wells, of which one well was drilled during the fourth quarter of 2014. Delphi generally incurs capital expenditures in excess of funds from operations in the first quarter of the year followed by significantly less capital invested in the second quarter relative to funds from operations, resulting in net debt at the end of the second quarter relatively unchanged from the prior year end amounts. The Company expects its capital expenditures through the first half of 2015 to be ten to twelve percent less than funds generated from operations.

At March 31, 2015, the Company had net debt of $161.0 million outstanding under its senior credit facility, $19.7 million outstanding under its subordinated credit facility and was in compliance with all covenants of the credit facilities. The annual credit facility review by the Company's senior lenders is currently in progress and is expected to be completed by the end of May. Effective May 12, 2015, the subordinated debt lenders agreed to an amendment to certain financial covenants in response to the continued weak commodity pricing environment. The amendment no longer requires quarterly compliance with a net debt to funds from operations ratio and is now subject to a net debt to funds from operations ratio of no greater than 3.5 times at December 31, 2015.

Subsequent to the end of the quarter, Delphi entered into a Gross Overriding Royalty ("GOR") agreement to partially fund the drilling of the next five Montney wells in East Bigstone. The parties purchasing the GOR ("Royalty Owners") will contribute $11.5 million over this time frame towards five wells scheduled to be drilled in 2015 and the first quarter of 2016. The Royalty Owners will be granted a GOR on the Company's working interest revenue on the wells until an agreed upon rate of return is achieved, at which time the GOR will be extinguished on all wells.

Operations

The Company finished the two well winter drilling program ahead of schedule and below budget as a result of improved spud to spud cycle times and some realized service cost reductions. After break-up, the Company will commence completion operations at its 16-24-60-23W5 ("16-24") well that was drilled in the first quarter of 2015. The 16-24 well was drilled to a total depth of 5,749 metres with a horizontal lateral length of 2,802 metres in which a 40 stage frac liner was installed. With minimal pipeline tie-in requirements, the Company expects the 16-24 well to be brought on production in August 2015.

Delphi plans to resume its drilling program in the Montney in July, 2015. Commensurate with a drilling program objective that minimizes capital to bring on production, the surface location of the next wells to be drilled are proximal to existing gathering infrastructure. These infill drilling locations are consistent with the Company's strategy to minimize capital costs while targeting the most efficient production and proved developed producing reserves.

Delphi continues to pursue operating efficiency gains and operating cost reductions in the field, having already achieved a 15 percent reduction in operating and transportation costs per boe over the comparative quarter. The Company has acquired a water disposal well in the greater Bigstone area for the handling of its produced water and completion flow-back water. After equipping of the water disposal well with the required injection facilities, Delphi expects disposal of its produced and completion water to commence in the fourth quarter of 2015. Avoiding water disposal costs through third parties will result in further reductions to both operating costs on the Company's Bigstone Montney production and capital costs on Delphi's completion operations for its future Montney development wells.

As the Company's Montney production at Bigstone continues to grow (replacing less efficient legacy production), Delphi will be expanding the capacity at its 7-11-60-23W5 field compression and dehydration facility. Additional compression, planned to be commissioned late in the third quarter of 2015, will bring the total capacity of this facility to 52 million cubic feet of raw natural gas per day (with the necessary capacity to handle associated field condensate production).

The Company has 14 wells which have been drilled with an average horizontal length of 2,500 to 3,000 metres and fracked with 30 to 40 stages utilizing the Company's slickwater hybrid frac technique. All the wells now have IP30 day production performance data with seven wells having produced for at least a year providing IP365 well performance data. The seven wells have an average IP365 total sales rate of 877 boe/d with 2 wells averaging over 1,100 boe/d each in their first 365 days of production. The strong production performance at 365 days and later results in shorter periods to payback, enhances the ability to grow Montney production on an absolute basis and contributes to significant value of the asset.

Initial Production (IP) Rate Well Performance (1)

	IP30 Total Sales (boe/d)	IP30 Field Condensate Rate (bbls/d)	IP30 Total NGL Yield (bbl/mmcf)	IP180 Total Sales (boe/d)	IP365 Total Sales (boe/d)
Type Well	1,629	449	119	1,083	843
Slickwater Hybrid Frac Wells	1,471	434	128	1,000	877

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

Risk Management

Delphi continues to maintain a strong commodity price risk management program for both its natural gas and condensate production. The Company estimates its risk management program to have a mark-to-market value of approximately $23.8 million at March 31, 2015. The table below summarizes the Company's current commodity price risk management contracts.

Natural Gas (Cdn)	Q2-Q4 2015	2016	2017
Volume (mmcf/d)	35.3	10.9	2.4
% Hedged (1)	70%	22%	5%
Fixed Price (Cdn $/mcf)	$3.57	$3.68	$3.96

Natural Gas (US)	Q2-Q4 2015	2016	2017	2018
Volume (mmcf/d)	7.0	20.0	15.0	10.0
% Hedged (1)	14%	40%	30%	20%
Fixed Price (US $/mcf)	$2.96	$3.61	$3.66	$3.56

Condensate (Cdn)	Q2-Q4 2015	2016	2017	2018
Volume (bbls/d)	1,220	800	800	800
% Hedged (1)	58%	38%	38%	38%
Floor Price (WTI Cdn $/bbl)	$80.00	$78.50	$78.50	$78.50
Ceiling Price (WTI Cdn $/bbl) (2)	-	$85.00	$85.00	$85.00

(1) Percent hedged is based on average natural gas production of 50 mmcf/d and 2,100 bbls/d of condensate and C5+.
(2) 400 bbls/d have upside to a ceiling price of $85.00 per barrel at a deferred cost of $4.02 per barrel.

2015 Guidance

The Company remains committed to a conservative approach to its capital spending plans in 2015 to preserve its financial flexibility. Capital spending for the second half of 2015 will be dependent upon realized commodity prices and level of service cost reductions. Maintenance capital requirements to keep production relatively flat to December 2014 rates for the entire year are forecast to be approximately $45.0 million, which is within forecasted cash flow generated at current commodity prices, including the Company's risk management program. While mitigation efforts by the Company are ongoing, downtime due to TCPL maintenance and pipeline inspections are expected to continue through most of the year. To allow for additional downtime until Delphi's firm transportation service starts with Alliance on December 1, 2015, the Company has expanded the range of its 2015 production expectations to 10,500 – 11,500 boe/d.

	2015 Guidance
Average Annual Production (boe/d)	10,500 – 11,500
Exit Production Rate (boe/d)	11,000 – 11,500
AECO Natural Gas Price (Cdn $ per mcf)	$2.50
WTI Oil Price (US $ per bbl)	$55.00
Net Capital Program ($ million)	$45.0 - $50.0
Well Count	4.0
Funds from Operations ($ million)	$45.0 – 50.0
Net Debt at December 31 ($ million)	$170.0 - $175.0
Net Debt / Q4 FFO (annualized)	3.3 - 3.5

Outlook

Delphi remains well positioned with its Bigstone Montney asset capable of long term sustainable growth with the large development inventory assembled on 139 sections of Montney lands together with ownership in strategic infrastructure. The business strategies and initiatives in place as outlined below serve to both mitigate the impacts of the current commodity price environment and enhance the Company's long term growth plans.

The Bigstone Montney well performance over time and the resulting top tier capital efficiencies is proving to be a primary differentiating element in successfully navigating through this challenging commodity price cycle. Overall, average well performance continues to be consistent with our type well expectations. The longer the Bigstone Montney wells produce, the more impressive the value of the free cash flow generating “tail” becomes. The Bigstone Montney play is a top tier play that remains economic in this current environment.

The balanced production mix on a revenue basis, with almost 75 percent of 2015 volumes and approximately 50 percent of 2016 total production hedged at prices well above current strip pricing provides significant downside protection in this environment.

Efforts to further reduce capital, operating and transportation costs are proceeding successfully and will further enhance the Company’s profitability through this environment. Processing arrangements and firm service transportation contracts undertaken provide certainty to field processing and delivery to sales without onerous future take-or-pay obligations. This has become a critically important strategic element to producer’s full cycle business as significant growth continues in the Deep Basin of northwest Alberta.

The Company remains committed to a conservative approach to its capital spending plans in 2015 to preserve its financial flexibility. Capital spending for the second half of 2015 will be dependent upon realized commodity prices and level of service cost reductions.

The Company also continues to pursue the rationalization of its legacy assets. Over the past three years, Delphi has generated $54.6 million of proceeds through dispositions which have been redeployed in the development of the Montney at Bigstone. The Company expects to launch a public sale process of its greater Wapiti and Hythe assets by the end of May. The objective of selling these assets at an acceptable price is to initially reduce the Company’s financial leverage and accelerate the development of the Montney at Bigstone.

On behalf of the Board of Directors and all the employees of Delphi, we would like to thank our shareholders for their continued support.

CONFERENCE CALL AND WEBCAST

A conference call and webcast to review Q1, 2015 results is scheduled for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, May 14, 2015. The conference call number is 1-800-396-7098 or 416-340-8527. A brief presentation by David Reid, President and CEO and Brian Kohlhammer, Senior VP Finance & CFO, will be followed by a question and answer period. The conference call will also be broadcast live on the internet and may be accessed through the Delphi Energy website at www.delphienergy.ca

A taped rebroadcast will be available until 6:00 p.m. Mountain Time, Thursday, May 21, 2015. To access the rebroadcast, dial 1-800-408-3053 or 905-694-9451. The passcode is 8279714. It will also be available on Delphi’s website. Delphi's first quarter 2015 financial statements and management’s discussion and analysis are available on Delphi’s website at www.delphienergy.ca and SEDAR at www.sedar.com.

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 V.P. 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", "net debt to funds from operations ratio", "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. Net debt to funds from operations ratio is defined as net debt to annualized quarterly funds from operations, based on the most recently completed quarter. This ratio is used to calculate the Company's compliance with its net debt to funds from operations ratio covenant. 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 25, 2015.