

**NOT FOR DISTRIBUTION TO U.S. NEWS SERVICES OR DISSEMINATION IN THE UNITED STATES**

## **DELPHI ENERGY ANNOUNCES FILING OF PRELIMINARY SHORT FORM PROSPECTUS**

CALGARY, ALBERTA – May 27, 2016 – Delphi Energy Corp. (“**Delphi**” or the “**Company**”) is pleased to announce it has filed a preliminary short form prospectus (the “**Preliminary Prospectus**”) in connection with a marketed underwritten offering, of 40,000 units of Delphi (the “**Units**”), for total aggregate proceeds of \$40 million (the “**Offering**”).

Each Unit will consist of a \$1,000 principal amount senior secured note due 2021 with an interest rate to be determined (“**Collateralized Exchange Listed Notes**” or “**CEL Notes**”) and 245 common share purchase warrants (“**Warrants**”). The Units will immediately separate into CEL Notes and Warrants upon issuance. The CEL Notes will mature on July 15, 2021. Interest on the CEL Notes will be payable quarterly in arrears. Each Warrant will entitle the holder thereof to purchase one common share of Delphi at an exercise price of \$1.60, at any time until 5:00 pm on July 15, 2021. The CEL Notes and the Warrants will be governed by a note indenture and a warrant indenture, respectively, each of which will be entered into on the closing date of the Offering by the Company and Computershare Trust Company of Canada. Pricing of the Offering will be subject to approval by Delphi’s board of directors and the Company, upon completion of marketing.

Delphi filed the Preliminary Prospectus in all of the provinces of Canada except Québec. Delphi obtained a receipt from the Alberta Securities Commission on May 27, 2016. Completion of the Offering is subject to necessary regulatory approvals, including the approval of the Toronto Stock Exchange, and must close prior to June 30, 2016.

The Company has applied to list the CEL Notes, the Warrants and the common shares issuable on the exercise of the Warrants distributed under this short form prospectus on the Toronto Stock Exchange. Listing will be subject to the Company fulfilling all of the applicable listing requirements of the Toronto Stock Exchange.

**A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from Sara Minatel (1-416-777-4939; sara.minatel@raymondjames.ca; 40 King St. W, 54th Floor, Toronto, Ontario, M5H 3Y2, Canada). There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.**

*This news release does not constitute an offer to sell or a solicitation of any offer to buy the securities in the United States. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended and will not be offered or sold in the United States absent an exemption from the registration requirements thereof.*

*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 concerning completion and timing of the Offering, the entering into of a note indenture and a warrant indenture by the Company, pricing of the Offering, listing of the CEL Notes, the Warrants and the common shares issuable on the exercise of the Warrants. The completion and timing of the Offering are based on a number of assumptions, including the timely receipt of all required regulatory approvals for the Offering and the satisfaction of other closing conditions in all material respects in accordance with the terms of an underwriting agreement to be entered into with the Underwriters, including that no event will occur that would trigger termination rights under such agreement.*

*The forward-looking statements and information contained in this release are based on certain key expectations and assumptions made by Delphi. 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. 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](http://www.sedar.com)).*

*The forward-looking statements contained in this release are made as of the date of this release. 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.*