Delphi Energy Corp.

PRESS RELEASE

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DELPHI ENERGY REPORTS CONTINUED OPERATIONAL SUCCESS WITH PRODUCTION CAPABILITY INCREASING TO 9,100 BOE/D AND ITS ATTENDANCE AT PETERS & CO. 20TH ANNUAL ENERGY CONFERENCE IN TORONTO

CALGARY, ALBERTA – September 13, 2016 – **Delphi Energy Corp. (TSX:DEE)** ("**Delphi**" or the "**Company**") is pleased to provide an operational update in relation to the Company's continued success of its ongoing operations at its Bigstone Montney property. The Company has announced that it expects to ramp up production capability to approximately 9,100 barrels of oil equivalent per day ("boe/d") in the coming weeks, remaining on target to achieve its 2016 exit production target.

Delphi is also pleased to announce its attendance and participation at the Peters & Co. 20th Annual Energy Conference in Toronto on September 13 and 14, 2016. An updated corporate presentation is now available on the Company's website at www.delphienergy.ca.

David J. Reid, President and CEO commented, "Delphi continues to achieve targets within cash flow to accelerate our 2017 growth with increased liquidity." Mr. Reid added, "Since we began the development of our Bigstone Montney project, the Company has continued to replace PDP reserves with higher netback boe's than are being produced, effectively turning every $1 into $2 over the life of the project. The Delphi team remains confident in our targeted 10 to 20 percent production per share growth over our 2015 exit rate, based on an exceptional 2016 capital program that is largely funded with cash flow generated over the year."

Operations Update

The Company concluded drilling operations on its third well of the 2016 capital program at 14-11-60-23W5 ("14-11") (75 percent working interest) in mid-August. The well was drilled to a total depth of 5,927 metres in 30 days with a horizontal lateral in the Montney of 2,846 metres. A 42 stage frac completion was recently performed with sand concentrations per horizontal metre being 14 percent higher than any other Delphi Montney well to date. After fracturing operations, 14-11 was flowed on clean-up for three days recovering approximately 16 percent of the initial load frac water. Over the last 24 hours prior to running production tubing, the well flowed on clean-up at an average rate of 6.5 million cubic feet per day ("mmcf/d") of raw natural gas and 427 barrels per day ("bbls/d") of field condensate (76 bbls/mmcf of sales gas). Total sales production for the 14-11 well over this 24-hour period was approximately 1,582 boe/d, including an estimated plant natural gas liquids ("NGL") yield of 40 bbls/mmcf of sales gas. Initial average production rates over the first 30 days will be reported in due course. Capital costs continue to improve with drilling and completion capital for the 14-11 well estimated at $7.0 million. This compares to average drilling and completion costs of $10.4 million in 2014 and $8.3 million in 2015. 14-11 is expected to be brought on production at restricted rates in late September.

Delphi recently completed a successful re-frac of its 16-30-60-22W5 well ("16-30") (100 percent working interest). 16-30 was Delphi's first horizontal Montney well drilled in late 2011 at Bigstone. After re-fracturing operations were completed, 16-30 was flowed on clean-up for three days recovering approximately 20 percent of the initial load frac water. Over the last 24 hours prior to running production tubing, the well flowed on clean-up at an average rate of 3.9 mmcf/d of raw gas and 313 bbls/d of field condensate (93 bbls/mmcf of sales gas). Total sales production for the 16-30 well over this 24 hour period was approximately 1,009 boe/d, including an estimated plant natural gas liquids ("NGL") yield of 40 bbls/mmcf of sales gas. 16-30 was brought on production at a restricted rate in late August and has averaged 474 boe/d with a field condensate yield averaging 136 bbls/mmcf of sales gas over the first 14 days on production. Continued evolution of re-frac operations and evaluation of results will lead to numerous identified re-frac candidates at Bigstone.

The drilling rig for the fourth well of the 2016 program at 16-09-60-23W5 ("16-09") (82.5 percent working interest) will be moving in the next few days and is expected to spud later this week. 16-09 follows recent success at the western edge of the Company's current Montney development at Bigstone. The 13-21-60-23W5 ("13-21") well was drilled and completed in the first quarter of 2016 and was brought on production in early March. The wells initial average production over the first 90 producing days ("IP90") was 1,077 boe/d with a field condensate ratio of 194 bbls/mmcf of sales gas. The closest Delphi horizontal Montney well to the 13-21 is approximately 800 metres to the east at 15-21-60-23W5 ("15-21"). Over the first 90 days on production, the 15-21 well averaged 1,053 boe/d with a field condensate to gas yield of 110 bbls/mmcf of sales gas. The 13-21 field condensate yield is 75 percent higher than the 15-21 well. 13-21 is the fourth well to utilize Delphi's third generation frac design and the Company continues to learn and evolve its completion techniques to access the rich, high quality hydrocarbon content of the Montney at Bigstone.

The combination of new development moving further to the west on the Company's Bigstone Montney property along with Delphi's third generation frac design has made a marked improvement on field condensate to gas rate yields. The four wells utilizing the Company's third generation frac techniques, with production history of at least 90 days, have seen an average increase in field condensate yields, compared to the offset wells, of 36 percent on IP30 and 22 percent on IP90.

Risk Management

Delphi continues to be active in managing its commodity price risk, having recently executed additional natural gas contracts to lock in a greater percentage of volumes for Q4-2016 and Q1-2017 with minimal change to the average hedge price. As a result, the Company is protected through the remainder of 2016 with approximately 78 percent of its natural gas production hedged at an average price of Cdn $4.44 per mcf (excluding transportation costs). For 2017, the Company has approximately 63 percent of its natural gas production contracted at an average price of Cdn $4.23 per mcf (excluding transportation costs). Delphi also has approximately 49 percent of its condensate volumes contracted at a floor price of Cdn $76.44 per barrel. The table below summarizes the Company's current commodity price risk management position for 2016 through 2019.

Natural Gas	2H/16	Q1/17	Q2-Q4/17	2018	2019
% Hedged	78%	73%	59%	30%	21%
Hedge Price (1) (Cdn $/mmbtu)	$4.44	$4.28	$4.21	$3.77	$3.89
Condensate	**2H/16**	**Q1/17**	**Q2-Q4/17**		
% Hedged	49%	16%	16%		
Floor Price (2) (WTI Cdn $/bbl)	$76.44	$60.00	$60.00		
Ceiling Price (2) (WTI Cdn $/bbl)	$85.00	$60.00	$60.00		

(1) Before deduction for transportation costs to either Chicago on Alliance or AECO on TCPL.

(2) 44% of hedged volumes in 2016 have upside to $85.00 at a deferred cost of $4.02 per barrel

Outlook

The Company continues to manage its production growth in the context of its cash generating capability. Economic returns on the new capital deployed remain very attractive as a result of the improving cash generating efficiencies from superior Chicago-based natural gas pricing, increased condensate yields, lower cost structures and a successful long term risk management program. Favorable recycle ratios in excess of 1.4 times continue to be generated as a result of the strong realized netbacks combined with efficient 2015 Montney proved producing finding and development costs of $10.12 per boe. Drilling and completion costs in the first half of 2016 were down a further 18 percent from the 2015 averages.

Continued innovation of our well design, driving costs lower, while maintaining full ownership and control of our infrastructure are paramount in our continued effort towards top decile capital and cash generating efficiencies. The Company's significant risk management position through 2016 to 2019 protects both funds from operations and the balance sheet, enabling a meaningful capital program and growth in 2016.

Delphi continues to navigate this commodity price environment with a focus of protecting the equity value of its significant Bigstone Montney asset. The Company has invested approximately $300 million capturing 140 gross Montney sections, constructing 65 mmcf/d of 100 percent owned infrastructure and drilling 26 gross wells over the past four years. The Company continues to target production growth to 22,000 boe/d in 2019 utilizing existing major infrastructure, for an increase of 160 percent. Through this early stage of innovation and economic optimization of the project, in this part of the commodity price cycle, it is important to note the Company has consumed only a small fraction of the significant drilling inventory identified on the 140 gross sections. Delphi is currently the largest landowner at Bigstone.

The Company has managed its capital structure over the past four years without dilution to equity holders and reduced total debt by over 30 percent and bank debt by over $100 million in the past 15 months through asset dispositions and the successful issuance of $60 million in five-year notes.

Delphi's focused effort in protecting shareholder value will be more fully recognized as the rate of capitalization and production growth accelerates through 2017 and 2018. The Company continues to pursue its strategic relationships and opportunities to further accelerate these future drilling and infrastructure plans within its Bigstone Montney core asset.

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

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.

About Delphi Energy Corp.

Delphi Energy Corp. is achieving low-cost, high-growth energy value from its liquids-rich natural gas Montney Project at Bigstone in northwest Alberta. Delphi is headquartered in Calgary, Alberta and 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.

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 29, 2016.

Delphi Energy's crude oil, natural gas and natural gas liquid reserves information for the year ended December 31, 2015 was press released on February 29, 2016. Information relating to reserves and reserve metrics can be found in this press release.

***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.*