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 CORP. REPORTS THIRD QUARTER 2016 RESULTS

CALGARY, ALBERTA – November 9, 2016 – **Delphi Energy Corp.** (**TSX-DEE**) ("**Delphi**" or the "**Company**") is pleased to announce its financial and operational results for the quarter ended September 30, 2016.

Over the quarter, Delphi has continued to deliver economic growth while protecting return on capital employed and has strengthened cash netbacks that continue to exceed its historical proved producing costs. The Company remains committed to a disciplined development plan of its world-class, liquids-rich Montney property ("Bigstone Montney") located at Bigstone in northwest Alberta. New well production performance has demonstrated considerable improvements in field condensate to natural gas ratios as innovations are applied to the Company's completion techniques, all while cost-saving initiatives continue to be successfully implemented.

"Over the past four years Delphi has invested approximately $325 million to capture 138 gross Bigstone Montney sections, construct 65 million cubic feet per day of 100 percent-owned infrastructure and de-risked the play with the drilling of 28 successful wells that continue to perform as expected," said David J. Reid, Delphi's President and CEO. "As we look to significantly accelerate our drilling program over the winter of 2017, we are continuing to expand productive capacity and future growth potential. Delphi is extremely focused on enhancing our financial flexibility, while preserving our competitive advantage in this unique and prolific liquids-rich play."

Third Quarter 2016 Highlights

- Produced an average of 8,239 barrels of equivalent per day ("boe/d"), a four percent increase from 7,888 boe/d in the third quarter of 2015 with total liquids increasing 30 percent, over the comparative period, offset by a six percent reduction in natural gas production;

- Increased field condensate production by 39 percent to 1,660 barrels per day ("bbls/d") contributing to a 28 percent increase in overall production at Bigstone Montney from the comparative third quarter of 2015;

- Reduced operating costs per boe by 40 percent to $6.17 per barrel of equivalent ("boe") excluding positive prior period adjustments, down from $10.29 per boe in the third quarter of 2015;

- Increased revenue per boe by 20 percent from the comparative quarter of 2015, prior to realized risk management gains, as a result of increased condensate yields and higher realized pricing with 86 percent of the Company's natural gas sales being shipped on the Alliance pipeline;

- Realized gains of $3.7 million ($4.83 per boe) from risk management contracts compared to $8.3 million ($11.40 per boe) in the comparative quarter of 2015;

- Drilled one gross (0.8 net) well and brought on production two gross (1.8 net) wells. The Company completed two wells and performed a successful re-frac of one of its existing wells;

- Increased operating netbacks prior to realized risk management gains by 109 percent to $12.48 per boe compared to $5.97 per boe during the third quarter of 2015; and

- Generated funds from operations of $9.4 million.

Operational Highlights

Production	Three Months Ended September 30 2016	2015	% Change	Nine Months Ended September 30 2016	2015	% Change
Field condensate (bbls/d)	**1,660**	1,192	39	**1,472**	1,383	6
Natural gas liquids (bbls/d)	**1,251**	1,045	20	**1,203**	1,439	(16)
Crude oil (bbls/d)	**7**	6	17	**6**	34	(82)
Total liquids (bbls/d)	**2,918**	2,243	30	**2,681**	2,856	(6)
Natural gas (mcf/d)	**31,923**	33,871	(6)	**28,799**	40,998	(30)
Total (boe/d)	**8,239**	7,888	4	**7,481**	9,689	(23)

Financial Highlights ($ thousands except per unit amounts)

	Three Months Ended September 30 2016	2015	% Change	Nine Months Ended September 30 2016	2015	% Change
Crude oil and natural gas sales	**20,331**	16,234	25	**48,589**	61,674	(21)
Realized sales price per boe	**31.65**	33.77	(6)	**31.36**	29.69	6
Funds from operations	**9,403**	10,070	(7)	**21,745**	29,576	(26)
Per boe	**12.41**	13.89	(11)	**10.61**	11.19	(5)
Per share – Basic and Diluted	**0.06**	0.06	-	**0.14**	0.19	(26)
Net earnings (loss)	**(2,274)**	10,670	(121)	**(15,653)**	(19,441)	(19)
Per boe	**(3.00)**	14.70	(120)	**(7.64)**	(7.35)	4
Per share – Basic and Diluted	**(0.01)**	0.07	(114)	**(0.10)**	(0.13)	(23)
Capital invested	**15,364**	20,951	(27)	**31,836**	41,267	(23)
Disposition of properties	**-**	(43,397)	(100)	**(4,583)**	(53,866)	(91)
Total net capital invested	**15,364**	(22,446)	(168)	**27,253**	(12,599)	(316)

	September 30, 2016	December 31, 2015	% Change
Net debt [(1)]	**124,393**	121,664	2
Total assets	**341,648**	360,842	(5)
Shares outstanding (000's)			
Basic	**155,510**	155,510	-
Diluted	**182,152**	169,951	7

[(1)] *Defined as the sum of bank debt, senior secured notes and subordinated debt plus (minus) the working capital deficit (surplus) excluding the current portion of the fair value of the financial instruments. The senior secured notes are included in net debt at their carrying value of $52.5 million from the statement of financial position versus the amount of notes outstanding of $60.0 million.*

MESSAGE TO SHAREHOLDERS

The Company continues to successfully pursue its development plan at Bigstone Montney with a focused effort on growing operating margins and improving capital efficiencies by driving higher liquids yields and reducing its capital and operating costs. The Company has managed its capital structure over the past four years with minimal dilution to its equity holders and reduced its net debt by 31 percent over the past 18 months. 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 138 gross sections.

This focused effort in creating shareholder value will be more fully recognized as the rate of capitalization and production growth accelerates through 2017 and 2018. The Company recently entered into a non-binding Letter of Intent with an existing working interest industry partner ("the Partner") to complete a transaction (the "Transaction") that will accelerate development at Bigstone Montney under a joint drilling program. It is expected that the Transaction will enhance the Company's financial flexibility and significantly revalue the overall Bigstone Montney asset.

Production volumes for the third quarter of 2016 averaged 8,239 boe/d, up four percent or 351 boe/d over the comparative quarter of 2015. Field condensate volume growth represented 133 percent of the overall production growth in the third quarter of 2016, increasing by 468 bbls/d or 39 percent to 1,660 bbls/d. Bigstone Montney production in the third quarter of 2016 averaged approximately 7,099 boe/d, up 28 percent from the comparative quarter of 2015. The continued growth of the higher yield Bigstone Montney production mix is effectively replacing a lower valued production base. The Company's last five wells have demonstrated increased condensate yields 70 percent higher than the previous 19 wells on an IP90 production basis yielding an average of 144 barrels per million cubic feet ("bbls/mmcf") of field condensate compared to 85 bbls/mmcf.

Delphi's field condensate weighting as a percentage of third quarter of 2016 production volumes increased to 20 percent, up 33 percent, from 15 percent in the comparative quarter of 2015. The Company`s Bigstone Montney field condensate and natural gas liquids yield was 105 bbls/mmcf in the third quarter of 2016, up from 92 bbls/mmcf in the third quarter of 2015, an increase of 14 percent. Field and plant condensate yield averaged 67 bbls/mmcf or 64 percent of the total 105 bbls/mmcf.

The Company increased its revenue during the third quarter by 25 percent to $20.3 million, compared to $16.3 million in the comparative quarter of 2015. Revenue per boe increased by 20 percent from the comparative quarter of 2015, prior to realized risk management gains, as a result of increased condensate yields and higher realized natural gas pricing, with 86 percent of the Company's natural gas sales being shipped on the Alliance pipeline.

Delphi's commodity price risk management program continues to be an integral part of its financial strategy to protect funds from operations during periods of price volatility. The Company received $58.34 per barrel for its oil and condensate production in the third quarter of 2016, including a realized risk management gain of $8.56 per barrel for maturing contracts in the period. Delphi's realized natural gas price for the second quarter of 2016 was $4.36 per mcf, an increase of 14 percent from the comparative period of 2015. The Company's realized natural gas price was positively influenced by its risk management program and includes a realized gain of $0.76 per mcf for maturing contracts in the period.

Delphi's royalties during the third quarter of 2016 of $3.14 per boe consisted of $0.35 per boe (11 percent) for Crown royalties and $2.79 per boe (89 percent) for gross overriding royalties ("GORR's). The production encumbered with GORR's will decrease over time as the new wells brought on-stream will not be encumbered by a GORR but rather subject to Crown royalties only.

Operating costs per boe have decreased by 40 percent in comparison to the same quarter in 2015, excluding prior period adjustments, primarily due to a 28 percent reduction in Bigstone Montney operating costs and the Wapiti and Hythe dispositions undertaken in the second half of 2015. The 69 percent increase in transportation costs is primarily related to the commencement of the Company's full path firm service with the Alliance pipeline system on December 1, 2015. The higher transportation costs are offset by higher realized natural gas prices in the Chicago market.

The Company generated a field operating netback of $17.31 per boe in the third quarter of 2016, including risk management gains, unchanged from the comparative quarter of 2015. Excluding risk management gains, the field operating netback in the third quarter of 2016 increased by 109 percent.

Funds from operations in the third quarter of 2016 were $9.4 million or $0.06 per basic and diluted share, compared to $10.1 million or $0.06 per basic and diluted share in the comparative quarter of 2015.

During the third quarter of 2016, Delphi had a net capital expenditure program of $15.4 million, primarily related to the drilling of one gross (0.8 net) wells and the completion of two gross (1.8 net) wells and the re-frac of one of the Company's initial gelled oil frac wells. During the quarter, drilling and completion operations were delayed due to wet weather conditions making it difficult to mobilize equipment to well locations. During the first nine months of 2016, Delphi has invested $31.8 million of capital expenditures, primarily on drilling and completions. Delphi has drilled three gross (2.4 net) wells and performed completion activities on four gross (3.3 net) wells in its Bigstone Montney area. In addition to drilling and completion operations, Delphi installed a compressor at the Company's 7-11 Bigstone Montney facility and an additional fuel gas pipeline in the greater Bigstone area. The installation of the compressor at the 7-11 has eliminated the rental cost of two compressors and the fuel gas pipeline is delivering higher quality fuel gas that is consumed at the Company's Bigstone Montney facilities, which is reducing maintenance on the facilities included in operating costs. In the first quarter of 2016, Delphi received proceeds of $4.6 million in exchange for a gross overriding royalty on the two gross wells completed during the first quarter of 2016, as part of its last five well gross overriding royalty arrangement.

At September 30, 2016, the Company had $59.8 million outstanding in the form of bankers` acceptances on its senior credit facility and a working capital deficit of $12.1 million. The Company was in compliance with all covenants of the credit facilities. The carrying value of Delphi's senior secured notes at September 30, 2016 on the statement of financial position was $52.5 million. As a result, the Company had net debt outstanding at September 30, 2016 of $124.4 million. For accounting purposes, over the five year term of the senior secured notes, the carrying value of the senior secured notes will accrete up to the $60.0 million amount due upon maturity.

Operations Update

The Company concluded drilling operations on its fourth well of the 2016 capital program at 16-09-60-23W5 ("16-09") (82.5 percent working interest) in late October. The well was drilled to a total depth of 6,034 metres. The well was drilled in 30 days with a horizontal lateral in the Montney of 2,855 metres. A 40-stage frac completion liner was installed with fracturing operations scheduled to commence later this month. Sand concentrations per horizontal metre are planned to be 23 percent higher than any other Bigstone Montney well to date. 16-09 is expected to be brought on production in early December.

Delphi has commenced drilling its fifth well of the 2016 capital program with a spud in late October at 14-21-60-23W5 ("14-21") (66.3 percent working interest). 14-21 is a follow-up location to the Company's offsetting 13-21-60-23W5 well ("13-21") that was brought on production in March 2016. 13-21 continues to outperform Delphi's expectations as production over the first 180 days has averaged 962 boe/d with a field condensate to gas ratio over this time period of 166 bbl/mmcf of sales gas. This ratio is 65 percent higher than the next highest Bigstone Montney well, which was at the 15-21-60-23W5 well, only 800 metres to the east of 13-21. Results from the Company's third generation frac design continue to evolve and impress.

Initial production performance of Delphi's third well of the 2016 capital program at 14-11-60-23W5 ("14-11") (75 percent working interest) is revealing some of the performance enhancements the third generation frac design has on Bigstone Montney. Production over the first 30 days averaged 1,212 boe/d with a field condensate to gas ratio of 106 bbl/mmcf. 14-11 is a direct offset to the Company's 5-2-60-23W5 ("5-2") well, which was completed with the first generation frac design. Over the first 30 days on production, 5-2 had an average field condensate to gas ratio of 43 bbl/mmcf sales gas. Sand concentrations per horizontal metre of the 14-11 well were 14 percent higher than the next highest well. Initial gas decline of the 14-11 well appears to be among the shallowest of the Bigstone Montney wells the Company has drilled to date. Delphi remains encouraged by the evolution of its frac design and continues to advance the recipe with the planned 16-09 frac in the coming weeks. 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 also made a marked improvement on field condensate to gas rate yields.

Marketing and Risk Management

On December 1, 2015, Delphi began delivering approximately 90 percent of its natural gas production on its Alliance full path firm service capacity into the Chicago market. Well in advance of commencement of these deliveries, the Company continued execution of its successful risk management strategy to protect its revenue stream into the Chicago market through NYMEX, Chicago basis and Cdn/US foreign exchange rate contracts. As a result, the Company is protected through the remainder of 2016 with approximately 75 percent of its natural gas production hedged at an average price of Cdn. $4.54 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 $4.22 per mcf (excluding transportation costs). Delphi also has approximately 49 percent of its condensate volumes contracted at a floor price of $66.67 per barrel. The table below summarizes the Company's current commodity price risk management contracts for the remainder of 2016 and future years.

Natural Gas (Cdn)	Oct – Dec 2016	Jan – Mar 2017	Apr – Dec 2017
Volume (mmcf/d)	2.4	2.4	2.4
% Hedged (1)	7%	7%	7%
Hedge Price (Cdn $/mcf) (2)	$3.89	$3.96	$3.96
Strip Price (Cdn $/mcf) (6)	$2.51	$2.52	$2.46

Natural Gas (US)	Oct – Dec 2016	Jan – Mar 2017	Apr – Dec 2017	2018	2019
Volume (mmbtu/d)	22.6	21.8	17.0	10.0	7.0
% Hedged (1)	68%	66%	52%	30%	21%
Hedge Price (US $/mmbtu)	$3.61	$3.24	$3.20	$2.87	$2.92
Strip Price (US $/mmbtu) (6)	$2.63	$2.84	$2.92	$2.90	$2.88
% Hedged in Cdn $ (3)	100%	100%	100%	100%	100%
Hedge Price (Cdn $/mmbtu) (4)	$4.61	$4.31	$4.24	$3.77	$3.89

Crude Oil	Oct – Dec 2016	Jan – Mar 2017	Apr – Dec 2017	2018	2019
Volume (bbls/d)	900	900	900	300	300
% Hedged (1)	49%	49%	49%	16%	16%
Floor Price (WTI Cdn $/bbl)	$76.44	$66.67	$66.67	$70.00	$70.00
Ceiling Price (WTI Cdn $/bbl) (5)	$85.00	$66.67	$66.67	$70.00	$70.00
Strip Price (WTI Cdn $/bbl) (6)	$59.90	$62.77	$65.72	$67.82	$69.23

(1) Percent hedged is based on expected 2H 2016 average natural gas production of approximately 33 mmcf/d and 1,850 bbls/d of condensate and C5+
(2) Before deduction of transportation costs to ship production to AECO on the TCPL pipeline
(3) Percent of US $ hedge value locked in with Cdn/US FX hedges
(4) Before deduction of transportation costs to ship production to Chicago on the Alliance pipeline
(5) 400 bbls/d have upside to a ceiling price of $85.00 per barrel at a deferred cost of $4.02 per barrel
(6) Strip pricing as of November 8, 2016

The Transaction

Pursuant to the aforementioned Transaction, Delphi will assign to the Partner certain working interests, to varying degrees, in the Bigstone Montney assets including interests in partially developed and undeveloped lands (the “Landbase”), production and infrastructure. The execution of a definitive agreement is anticipated by November 30, 2016. The Transaction, which is subject to customary post-closing adjustments, is expected to close on or about December 22, 2016. Delphi will retain operatorship of the Montney capital program, production and facilities.

Transaction consideration is comprised of:

- **Joint Drilling Program**. Delphi and the Partner will undertake a $40 million (gross) joint drilling program, to be completed before July 15, 2017, of which Delphi will contribute $6 million while retaining a 65 percent working interest, in approximately five to six wells to be drilled at Bigstone Montney. The Partner will contribute $20 million in capital, along with its 35 percent working interest share for $14 million.

- **Cash**. In addition to the above drilling capital contribution, Delphi will receive $30 million in cash at closing as equalization consideration.

Transaction Assets

- 450 boe per day (approximately 5 percent of corporate productive capability).

- Total proved reserves of 2.8 million boe (approximately 12 percent of corporate) and associated future development capital of $24.1 million (before escalation) based on the year end 2015 reserve report prepared for Delphi by GLJ Petroleum Consultants Ltd. dated February 22, 2016 and effective December 31, 2015.

- Total proved plus probable reserves of 7.3 million boe (approximately 16 percent of corporate) and associated future development capital of $59.3 million (before escalation) based on the year end 2015 reserve report prepared for Delphi by GLJ Petroleum Consultants Ltd. dated February 22, 2016 and effective December 31, 2015.

- The Partner will receive a 35 percent working interest in Delphi’s 100 percent-owned sour processing infrastructure.

- Delphi will assign various working interests in its Landbase at Bigstone Montney to the Partner, with the intent on closing, that Delphi will hold 65 percent of the combined interests and the Partner will hold 35 percent of the combined interests;

    - Delphi will assign a total of 25.4 net undeveloped sections to the Partner; and

    - Delphi will receive a total of 2.25 net undeveloped sections from the Partner.

Guidance

Delphi has put its 2016 guidance under review due to the potential impact of the Transaction. The 2017 full year guidance is anticipated to be released following the successful closing of the Transaction.

Outlook

The Company continues to manage its development plans 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, a lower cost structure and a successful long term risk management program. Throughout the recent commodity price environment, the Company's cash netbacks have remained relatively stable providing a predictable cash flow source for re-investment without increasing debt levels. 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 Bigstone Montney proved producing finding and development costs of $10.12 per boe.

Continued innovation of our well design, driving costs lower, while maintaining operatorship and control of our infrastructure are key in maintaining our top decile capital and cash generating efficiencies. Generating margin growth continues to yield positive results. The most recent five wells are exhibiting condensate yields that are averaging 70 percent higher than the previous wells, driving corporate yields higher over time. Bigstone Montney operating costs are down approximately 28 percent. In addition, the new wells are unencumbered from our previous GORR arrangements. These targeted improvements on the new wells have the impact of increasing revenue per boe by 20 to 25 percent and field operating netbacks by 40 to 50 percent. The Company's significant risk management position through 2019 ensures economic returns of the new wells drilled in a volatile commodity price environment, protecting both the equity account and the balance sheet. Delphi's significant drilling inventory is immediately accessible to deliver production growth into a less volatile commodity price environment.

Delphi's pace of drilling is expected to increase two to three-fold throughout 2017 compared to 2016 activity levels with up to 14 gross new wells planned. With a second rig expected to be in the field for the winter drilling program, the Company expects to drill up to eight gross wells this winter with approximately five to six of the new wells funded through the Transaction. The remaining wells will be funded within cash flow. The majority of these newly drilled Joint Venture wells would be expected to come on production in the second half of 2017.

CONFERENCE CALL AND WEBCAST

A conference call and webcast to review 2016 Q3 results is scheduled for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, November 10, 2016. The conference call number is 1-866-225-0198. 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 or by entering http://www.gowebcasting.com/8037 in your web browser.

A taped rebroadcast will be available until 6:00 p.m. Mountain Time, Thursday, November 17, 2016. To access the rebroadcast, dial 1-800-408-3053 or 905-694-9451. The passcode is 9719540. It will also be available on Delphi's website. Delphi's third quarter 2016 financial statements and management's discussion and analysis are available on Delphi's website and SEDAR at www.SEDAR.com.

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 an industry-leading producer of liquids-rich natural gas. The Company has achieved top decile results through the development of our high quality Montney property, uniquely positioned in the Deep Basin of Bigstone, in northwest Alberta. Delphi continues to outperform key industry players by improving operational efficiencies and growing our dominant Bigstone land position in this world-class play. Delphi is headquartered in Calgary, Alberta and 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 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.