PRESS RELEASE
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DELPHI ENERGY CORP. PROVIDES UPDATE TO ITS 2017 ACCELERATED DRILLING PROGRAM

CALGARY, ALBERTA – February 16, 2017 – **Delphi Energy Corp. (TSX: DEE)** ("**Delphi**" or the "**Company**") is pleased to provide the following update regarding its ongoing capital program focused entirely on its Bigstone Montney asset where the Company holds over 147 gross sections of land, significant key infrastructure and a rapidly growing condensate-rich Montney production base.

Delphi's planned drilling program in 2017 more than doubles the 2016 program with the addition of a second drilling rig that commenced activity in December 2016. The 2017 development plan contemplates the drilling of 13 gross (8.4 net) Bigstone Montney horizontal wells and the completion, tie-in and well site equipping of 14 gross (9.0 net) wells. It is anticipated that the 2017 development plan will grow production by year-end 2017 to approximately 11,500 barrels per oil equivalent ("boe"), an anticipated growth increase of 60 percent over 2016.

Field Operations Update

Results from the Company's ongoing drilling and completion operations are meeting or exceeding expectations. The combination of new development moving further west on the Company's Bigstone Montney property, along with Delphi's third generation frac design, has shown significant improvements to field condensate to natural gas rate yields.

Delphi has several new wells in various stages of operations:

- Wells four and five of the 2016 program were brought on at the end of December 2016 and have now recorded 30 days of production;
- The sixth well of the 2016 program was completed in January 2017 and brought on production in early February;
- The first and second wells of the 2017 program have been drilled to total depth and are ready for completion operations that are scheduled to commence at the end of February 2017; and,
- Delphi's two drilling rigs are currently drilling wells number three and four of the 2017 program, with plans to remain drilling through spring break-up. Four additional wells from two separate pads will be ready for completion in early summer.

The Company is pleased to report initial production results on the 16-9-60-23W5 ("16-9") (61.8 percent working interest) and 14-21-60-23W5 ("14-21") (59.3 percent working interest) wells. Over the first 30 days on production, the 16-9 well averaged a total of 1,161 boe/d with a field condensate to sales gas ratio of 121 barrels per million cubic feet ("bbl/mmcf"). Total liquid production, including estimated gas plant recovered natural gas liquids of 46 bbl/mmcf sales, accounted for 50 percent of the total sales production rate. The average initial production over the first 30 days of the 14-21 well was 1,606 boe/d. This production rate is 24 percent higher than the immediate offset at 15-21, showing how Delphi's enhancements in frac design have improved performance of these wells. In addition, the field condensate rate at 14-21 over the first 30 days averaged 737 barrels per day ("bbls/d"), which is the highest field condensate rate of all Delphi horizontal Montney wells at Bigstone to date. This condensate rate equates to a yield of 180 bbl/mmcf sales.

Completion operations at the Company's sixth well of the 2016 program, 16-21-60-23W5 well ("16-21") (59.3 percent working interest), have concluded and the well was brought on production in early February 2017. The 16-21 well was drilled to a total depth of 5,832 metres with an extended-reach horizontal lateral in the Montney of 2,858 metres and was completed through a 40-stage slickwater frac design. The well was flowed on clean-up for three days, recovering approximately 18 percent of the initial load frac water. Over the last 24-hours prior to running production tubing and being brought on production, the well flowed on clean-up at an average rate of 8.7 mmcf/d of raw gas and 1,276 bbls/d of field condensate (170 bbls/mmcf of sales gas). Total sales production for 16-21 over this 24-hour period was approximately 2,873 boe/d, including an estimated plant natural gas liquids (“NGL”) yield of 46 bbls/mmcf of sales gas.

The Company has concluded drilling operations on its first and second wells of the 2017 capital program at 15-8-60-23W5 (“15-8”) (65 percent working interest) and 15-11-60-23W5 (“15-11”) (65 percent working interest) in late January 2017. The 15-8 well was drilled to a total depth of 5,906 metres with a horizontal lateral in the Montney of 2,740 metres. The 15-11 well was drilled to a total depth of 5,970 metres with a horizontal lateral in the Montney of 2,866 metres. A 40-stage frac completion liner was installed in each well with fracturing operations scheduled to commence in the coming weeks. Both wells are expected to be brought on production prior to spring break-up.

Delphi commenced drilling its third and fourth wells of the 2017 capital program at 13-15-60-23W5 (“13-15”) (65 percent working interest) and 15-9-60-23W5 (“15-9”) (61.8 percent working interest). Both wells are follow-up locations to recent successes of ongoing field operations.

Alliance Firm Service Transportation

The Company currently transports 90 percent of its natural gas production on the Alliance pipeline with full path firm service to Chicago and has the required Alliance capacity to handle 100 percent of forecasted 2017 natural gas production growth. The contracted Alliance service with its incremental priority interruptible service, together with the existing and incremental 2018 contracted firm service on TransCanada Pipeline Limited, will provide the Company with sufficient firm service to handle Delphi’s growth plans beyond 2017.

Bigstone Montney Infrastructure

Delphi is currently expanding pipeline and inlet liquids separation capacity at the Bigstone 7-11 facility (65 percent working interest) to handle growing production volumes from the western side of Bigstone. The project is expected to be completed in early March 2017 and will allow for significant condensate growth as drilling moves westward and will reduce elevated pipeline pressures curtailing existing production.

To handle the Company’s growing production volumes beyond 2017, Delphi is working to efficiently expand its existing Montney field dehydration and compression capacity at East and South Bigstone. Through this effort, Delphi has secured a 20 mmcf/d amine processing equipment package to sweeten a portion of the Montney production for processing at the under-utilized Partner operated Bigstone sweet gas plant located at 14-28-59-22W5, where the Company owns a 25 percent working interest.

As the Company moves Montney development further west, the production turns from sour to sweet. Commensurate with plans to exploit the West Bigstone asset, a 15 mmcf/d expansion of Delphi’s 100 percent owned and operated Negus gas plant at 11-3-60-25W5 is planned for the second half 2018. Delphi has already secured certain long lead time equipment to expand the sweet processing plant to 30 mmcf/d.

Risk Management Program

Delphi continues to maintain a strong risk management position on both volumes and pricing. The Company has approximately 60 percent or 20 million cubic feet per day (“mmcf/d”) of its 2017 forecast natural gas production hedged at an average price of CDN$4.21 per million British thermal units (“mmbtu”) and approximately 47 percent or 1,000 bbls/d of condensate hedged at an average WTI price of CDN$66.70 per barrel (“bbl”).

Grant of Incentive Stock Options

The Board of Directors of the Company has approved the granting of incentive stock options (“Options”) under its stock option plan (the “Plan”) to its directors and officers to acquire up to an aggregate of 1,900,000 common shares (“Common Shares”) of the Company and the granting of Options to its employees to acquire up to an aggregate of 1,040,000 Common Shares.

These 2,940,000 new Options, to acquire Common Shares to eligible participants under the Plan, were granted effective February 5, 2017 with an exercise price equal to the volume-weighted average trading price of the Company’s common shares on the Toronto Stock Exchange, over the five days preceding that date, being $1.50 per share. The Options are exercisable for a period of five years and will vest as to one-third on each of the first three anniversaries of the effective date. This grant follows the expiry of 1,609,500 Options on January 31, 2017, with further 2,235,000 Options expected to expire or be exercised on or before May 15, 2017.

Outlook

Delphi's production growth profile through 2017 is largely weighted to the second half of the year, with fourth quarter of 2017 production expected to average approximately 11,000 to 11,500 barrels of oil equivalent per day ("boe/d"), representing approximately 60 percent growth (absolute and per share) over production in the fourth quarter of 2016. Condensate production is forecast to more than double in the fourth quarter of 2017 as compared to the fourth quarter of 2016. Increased condensate yields on new wells, combined with higher forecast condensate prices in 2017 have the compound result of doubling revenue per boe and increasing unhedged field operating netbacks per boe by a factor of three times to 2016 netbacks.

Delphi is positioned to achieve significant production, cash flow and reserve growth to the benefit of all our stakeholders having secured the necessary natural gas takeaway capacity and infrastructure capacity, along with a substantial drilling inventory on its 147 sections of Montney lands.

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.

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Forward-Looking Statements. *This news 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 to 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.*