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

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DELPHI ENERGY CORP. PROVIDES OPERATIONS UPDATE ON SUCCESSFUL WINTER PROGRAM AND PARTICIPATION AT CAPP SCOTIABANK INVESTMENT SYMPOSIUM

CALGARY, ALBERTA – April 10, 2017 – **Delphi Energy Corp. ("Delphi"** or the **"Company")** is pleased to provide an operations update on the winter program at its Bigstone Montney property. The success of the program has increased current corporate production to average over 10,000 barrels of oil equivalent per day ("boe/d") for the past two weeks. The Company reconfirms its production guidance to exit 2017 between 11,000 and 12,000 boe/d.

Delphi is also pleased to announce that it will be attending and participate at the CAPP Scotiabank Investment Symposium in Toronto, Ontario on April 11 and 12, 2017.

OPERATIONS HIGHLIGHTS

- Corporate production has averaged over 10,000 boe/d during the past two weeks based on field estimates with field condensate and natural gas liquids contributing 41 percent of the total;
- Six (3.8 net) wells from the winter program, of which three (1.8 net) wells were from the 2016 program, have been brought on production since late December 2016;
- Delphi has two rigs currently drilling wells number five and six of the 2017 program, with plans to remain drilling through spring break-up. An additional well from each of the current drilling pads will be drilled totaling five (3.2 net) wells ready for completion after spring break up.

OPERATIONS UPDATE

Delphi's planned drilling program in 2017 will more than double the number of wells drilled under 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. Recent success of the Company's winter drilling program has reconfirmed confidence in the 2017 development plan to grow year-end exit production for 2017 to between 11,000 and 12,000 boe/d, an anticipated growth increase of approximately 60 percent over 2016 exit production, while increasing leverage to condensate materially.

Results from the Company's Montney 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 yields as demonstrated by the current corporate production weighting increase to 41 percent liquids.

The Company is pleased to report the first three (2.0 net) wells of the 2017 program have recently been brought on production. Initial results of the 15-08-60-223W5 ("15-08"), 15-11-60-23W5 and 13-15-60-23W5 wells have all met or exceeded Delphi's expectations. Over the first 20 days on production 15-08 (65 percent working interest), averaged a total of 1,326 boe/d with a field condensate to sales gas ratio of 238 barrels per million cubic feet ("bbl/mmcf"). Total liquid production, including estimated natural gas liquids of 46 bbl/mmcf sales, accounted for 63 percent of the total sales production rate. Delphi will report initial production results of the other two wells when the data becomes available. Delphi's fourth well of the 2017 program at 15-9-60-23W5 (61.8 percent working interest) was drilled to a total depth of 5,912 metres with a horizontal lateral in the Montney of 2,864 metres. A 40 stage completion liner was installed with fracturing operations scheduled to commence after spring break-up.

In early March, the Company commenced drilling its fifth and sixth wells of the 2017 capital program at 13-17-59-22W5 (65 percent working interest) and 13-9-60-23W5 (61.8 percent working interest). An additional well will be drilled from each of these pad sites, resulting in Delphi having a total of five (3.2 net) additional Montney wells ready for completion operations after spring break-up.

Production for the first quarter of 2017 is estimated from field data to be slightly ahead of internal forecasts at 8,000 boe/d, representing a 13 percent increase from the fourth quarter of 2016, while field condensate production is estimated to have increased 46 percent to approximately 1,950 barrels per day (“bbls/d”), well ahead of expectations. Natural gas production for the first quarter of 2017 is estimated to have marginally increased by four percent, or approximately 1.2 million cubic feet per day (“mmcf/d”). With the most recent three wells being brought on-stream, production over the past two weeks has exceeded 10,000 boe/d with field condensate production estimated to be approximately 2,650 bbls/d, a 100 percent increase from the fourth quarter of 2016. Total condensate and natural gas liquids currently represent approximately 41 percent of the total current production volumes up from 35 percent in 2016 and 30 percent in 2015. Production in the second quarter of 2017 will be impacted by the planned maintenance turnaround at the SemCAMS operated Kaybob South #3 gas processing plant but mitigation plans have been put in place to re-direct some natural gas production to the SemCAMS operated Kaybob Amalgamated gas processing plant during the outage. As a result, the Company continues to forecast average production volumes to be relatively flat at approximately 8,000 boe/d over the first six months of 2017, with significant second half growth forecast given the current production capability, the five wells expected to be brought on production during the third quarter of 2017, and the continued drilling program in the second half of the year.

RISK MANAGEMENT

Delphi has continued to add to its strong risk management position. The Company believes that reducing commodity price volatility through an active and strategic hedging program both reduces downside cash flow risk while protecting the economics of new capital being deployed. Protecting simple payouts for new wells of approximately one year through a strategic hedging program ensures the ability to effectively reinvest post-payout free cash flow. The Company now has approximately 22 mmcf/d, or 65% of its remainder of 2017 forecast natural gas production hedged at an average price of CDN$4.20 per mmbtu and approximately 900 bbls/d of condensate hedged at an average WTI price of CDN$66.67 per barrel). Delphi has mitigated the persistent widening of the AECO and Station 2 basis differentials by contracting most of its gas into the Chicago market where pricing has materially outperformed local western Canada pricing, even with the incremental transportation costs.

Natural Gas	**Q2 – Q4/17**	**2018**	**2019**
Percent Hedged *	65%	46%	21%
Hedge Price (CDN $/mmbtu)	$4.20	$3.88	$3.89

Crude Oil	**Q2 – Q4/17**	**2018**	**2019**
Percent Hedged *	42%	14%	14%
Hedge Price (WTI CDN $/bbl)	$66.67	$70.00	$70.00

* Based on average 2017 production of 33.5 mmcf/d of natural gas and 2,150 bbls/d of field condensate.

OUTLOOK

The Company continues to forecast absolute and per share growth across all measures during 2017, while maintaining balance sheet strength. 2017 guidance is highlighted by a significant increase in drilling activity funded in part by the $20.0 million carry capital costs relating to the transaction previously announced with its industry partner.

Delphi has secured the required firm service transportation for 100 percent of forecasted 2017 natural gas production growth. The contracted Alliance full path service to Chicago with its incremental priority interruptible service handles approximately 95 percent of the Company’s natural gas sales, and together with the existing and incremental 2018 contracted firm TCPL service, will provide the Company with sufficient firm service to handle accelerated growth plans beyond 2017. Delphi’s Bigstone Montney field compression and dehydration facilities are also sufficient for the forecasted growth in 2017.

To handle the Company’s growing production volumes beyond 2017, Delphi is working to 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 Bigstone sweet gas plant located at 14-28-59-22W5, where the Company owns a 25 percent working interest.

Delphi is now well positioned to achieve increased production, cash flow and reserve growth over the near and long term to the benefit of all our stakeholders.

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

***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.

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.*