DELPHI ENERGY CORP.

PRESS RELEASE

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DELPHI ENERGY REPORTS SECOND QUARTER 2017 RESULTS

CALGARY, ALBERTA – August 2, 2017 – Delphi Energy Corp. ("Delphi" or the "Company") is pleased to announce its financial and operational results for the quarter ended June 30, 2017 and to provide an update on plans for the remainder of 2017.

Based on strong results from drilling and completions in the first half of 2017, Delphi will continue to execute an accelerated capital program for its liquid-rich Bigstone Montney property through the remainder of 2017.

Second Quarter 2017 Highlights

- Produced an average of 9,420 barrels of oil equivalent per day ("boe/d") based on field estimates during the 55 days of the second quarter of 2017 which were not affected by the turnaround of the SemCAMS K3 natural gas processing facility. Production in July averaged 9,730 boe/d;
- Produced 6,484 boe/d in the second quarter of 2017, a twelve percent increase from 5,802 boe/d in the comparative quarter of 2016. Production was curtailed by approximately 2,500 boe/d due to a 36 day long turnaround of SemCAMS K3 natural gas processing facility and a concurrent nine day turnaround of Company's 7-11-60-23W5 compression and dehydration facility ("7-11 Montney facility");
- Montney field and plant condensate yield averaged 81 barrels per million cubic feet of natural gas ("bbls/mmcf") or 70 percent of the total 122 bbls/mmcf of Montney liquids yield;
- Realized an operating netback of $16.44 per barrel of oil equivalent ("boe") before gains on risk management contracts, up from $3.55 per boe for the same period in 2016;
- Closed a $65.0 million financing by way of private placement consisting of $35.0 million of equity priced at $1.27 per common share and $30.0 million of senior secured notes;
- Repaid the Company's senior secured revolving credit facility;
- Generated adjusted funds from operation of $7.0 million in the second quarter, a 69 percent increase over the comparative period in 2016, and net earnings of $4.6 million;
- Drilled four gross (2.5 net) wells and completed five gross (3.2 net) wells on the Company's Bigstone Montney property; and
- Completed the turnaround and upgrade of the 7-11 Montney facility and expansion of the 5-8-59-22W5 compression and dehydration facility (5.8 Montney facility").

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three months ended June 30			Six months ended June 30		
	2017	2016	% Change	**2017**	2016	% Change
Operating (boe conversion – 6:1 basis)						
Production:						
Field condensate (bbls/d)	**1,540**	1,060	45	**1,738**	1,382	26
Ethane (bbls/d)	**5**	6	-	**5**	7	(3)
Propane (bbls/d)	**473**	412	15	**527**	501	5
Butane (bbls/d)	**331**	304	9	**367**	350	5
Pentanes & plant condensate (bbls/d)	**210**	301	(30)	**261**	322	19
Total field condensate and natural gas liquids	**2,559**	2,083	23	**2,898**	2,562	13
Natural gas (mcf/d)	**23,551**	22,311	6	**26,628**	27,219	(2)
Total (boe/d)	**6,484**	5,802	12	**7,336**	7,099	3
Average realized sales prices, before financial instruments						
Field condensate ($/bbl)	**59.74**	46.26	29	**60.39**	43.77	38
Natural gas liquids ($/bbl)	**27.02**	20.16	34	**29.92**	16.53	81
Natural gas ($/mcf)	**4.31**	2.22	94	**4.24**	2.72	56
Netbacks ($/boe)						
Crude oil and natural gas revenues	**34.17**	20.72	65	**34.51**	21.87	58
Marketing revenue	**1.72**	-	-	**0.77**	-	-
Realized gain (loss) on financial instruments	**0.77**	11.51	(93)	**-**	9.32	-
Revenue, after realized financial instruments	**36.66**	32.23	14	**35.28**	31.19	13
Royalties	**(1.49)**	(2.43)	(39)	**(2.48)**	(2.42)	2
Operating expense	**(12.72)**	(7.95)	60	**(10.21)**	(7.88)	30
Transportation expense	**(5.24)**	(6.79)	(23)	**(5.81)**	(6.09)	(4)
Operating netback(1)	**17.21**	15.06	14	**16.78**	14.81	13
General and administrative expenses	**1.69**	2.82	(40)	**2.24**	2.32	(3)
Paid out restricted share units	**-**	0.37	-	**-**	-	-
Interest	**3.63**	4.01	(9)	**3.11**	2.78	12
Cash netback (1)	**11.89**	7.86	51	**11.43**	9.71	18
Financial ($ thousands, except per share)						
Oil and natural gas revenues	**20,162**	10,942	84	**45,833**	28,258	62
Adjusted funds from operations(1)	**7,020**	4,152	69	**15,184**	12,342	23
Per share – basic and diluted	**0.04**	0.03	33	**0.09**	0.08	13
Net earnings (loss)	**4,578**	(18,638)	-	**12,930**	(13,379)	-
Per share – basic and diluted	**0.03**	(0.12)	-	**0.08**	(0.09)	-
Net debt(1)	**90,638**	117,959	(23)	**90,638**	117,959	(23)
Capital expenditures, net of dispositions	**22,610**	(186)	-	**52,861**	11,889	345
Weighted average shares (000s)						
Basic	**164,591**	155,510	6	**160,712**	155,510	3
Diluted	**165,612**	155,510	6	**162,171**	155,510	4

(1) Refer to non-GAPP measures

MESSAGE TO SHAREHOLDERS

Delphi continues to successfully execute its planned 2017 development program at its Bigstone Montney property ahead of schedule as a result of an active drilling program through spring break-up in the second quarter. Through the first six months of 2017, the Company has drilled 8.0 gross (5.1 net) wells compared to 2.0 gross (1.7 net) wells in the first six months of 2016.

Delphi's production capability remains ahead of forecast despite a larger impact than originally expected from the scheduled turnaround of the SemCAMS K3 processing plant. With the five wells completed in the second quarter now on production and currently restricted during their initial frac water clean-up phase, and two wells drilled after the end of the second quarter ready for completions later in August, production is forecast to continue to grow through the second half of 2017, on track with the of the Company's production guidance.

Well results continue to meet or exceed our expectations. Although full production capability has not yet been realized from the new wells, in general, initial condensate yields continue to trend higher than forecast supporting continued attractive returns on capital invested in the current commodity price environment. The new wells continue to deliver strong field netbacks in the current pricing environment, resulting in a recycle ratio of approximately two times, achieving our objective of returning $2.00 for every $1.00 invested.

The Company continues to maintain a significant risk management program with 65 percent of its natural gas hedged through the remainder of 2017 at $4.20 per thousand cubic feet ("mcf") and 42 percent of its field condensate hedged at an average WTI price of CDN$66.67 per barrel ("bbl"). The Company also continues to contract approximately 90 percent of its natural gas production into the Chicago market through firm transportation on the Alliance pipeline.

With an undrawn $80.0 million credit facility, a growing production base focused on increased condensate yields, and superior marketing arrangements with a significant hedge position, Delphi remains well positioned to execute its 2017 drilling plans.

Financial Update

Delphi continued an active development program at its Bigstone Montney property in the second quarter of 2017 drilling four gross (2.5 net) wells, performing completions operations on five gross (3.2 net) wells and completing various infrastructure upgrade and expansion projects. Capital expenditures in the second quarter amounted to $22.6 million of which $21.4 million was for drilling and completion operations.

Production volumes in the second quarter of 2017 were impacted by the planned turnaround of the SemCAMS K3 natural gas processing facility and the concurrent turnaround of Delphi's 7-11 Montney facility which together curtailed production from the Bigstone Montney by about 2,500 boe/d. Based on field estimates, Delphi produced an average of 9,420 boe/d during the 55 days of the second quarter of 2017 which were not affected by the plant turnarounds and an average of 9,730 boe/d during July. For the full second quarter of 2017, including the impact of the turnarounds, production volumes averaged 6,484 boe/d. On a boe basis, production volumes in the second quarter were 40 percent weighted to condensate and natural gas liquids and 60 percent to natural gas.

Delphi's realized prices before hedging gains in the second quarter were $4.31 per mcf for natural gas, $59.74 per bbl for field condensate and $27.02 per bbl for natural gas liquids. Hedging gains in the second quarter increased the realized price of natural gas by $0.15 per mcf and the realized price of field condensate by $1.00 per bbl.

In the second quarter of 2017, Delphi generated revenue of $20.2 million and adjusted funds from operations of $7.0 million, equivalent to $0.04 per basic and diluted share. As at June 30, 2017, Delphi had no debt outstanding under its $80.0 million senior secured revolving credit facility while net debt, comprised of senior secured notes and working capital deficiency, amounted to $90.6 million dollars.

Operating expenses in the first half and second quarter of 2017 were impacted by a number of factors some of which are ongoing and others which were one-time or intermittent. Ongoing factors include a reclassification of certain costs from transportation expense to operating expense, an additional processing tariff commencing on January 1, 2017 and lasting for three years to recover operating costs associated with the SemCAMS K3 natural gas plant turnaround, and loss of processing income through the disposition of a 35 percent interest in certain facilities as part of the industry partner transaction completed in December 2016. Non-recurring or intermittent factors included operating costs associated with turnaround of the Company's 7-11 Montney facility and the costs of handling large amounts of produced frac water from the significant increase of new wells completed in the first half of 2017. The capacity of Delphi's 16-34-59-21W5 water disposal facility (“16-34 water disposal facility”) along with restricted access due to wet weather and road bans forced Delphi to truck water greater distances to third-party facilities for disposal. An upgrade and expansion of Delphi’s 65 percent owned water disposal facility will be completed in the fourth quarter of 2017 and will reduce the costs of trucking and disposal of water at third-party facilities.

Operations Update

Despite wet weather conditions during the second quarter of 2017, Delphi remained active in the field at Bigstone. Following a busy first quarter where the Company drilled four (2.6 net) wells and brought four (2.6 net) wells on production, two rigs continued drilling through spring break-up, rig releasing four (2.5 net) horizontal Montney wells. Average horizontal lateral length for these second quarter wells was 2,858 metres. All four of these wells, plus a fifth that was drilled in the first quarter, were also completed in the second quarter, each with a forty stage fracture stimulation. Over 47 million pounds of sand were used to complete these five wells with sand concentrations ranging 850 to 1,150 pounds per horizontal lateral foot.

Three of these wells, 13-09, 14-09 and 15-09-60-23W5 (all 61.8 percent working interest) are located just to the east of Delphi’s successful western-most drill, 15-08-60-23W5. After short clean-up tests, the wells were all brought on production at the end of June at restricted rates in order to handle continued load water recovery. Initial average production rates over the first 30 days for the three wells were 895 boe/d, 865 boe/d and 756 boe/d respectively, including an estimated plant natural gas liquids yield of 46 bbls/mmcf of sales gas. Field condensate to natural gas yields were 185 bbls/mmcf sales, 213 bbls/mmcf sales and 196 bbls/mmcf sales respectively, placing these three wells in the top five of the richest Delphi Montney wells at Bigstone, behind only 15-8-60-23W5 and 13-21-60-23W5.

The other two completed wells, at the southern portion of the field, at 13-17 and 16-18-59-22W5 (both 65 percent working interest) were tied-in to the Company’s 5-8 Montney facility in late July and brought on production at restricted rates. Although early time, the Company is encouraged about initial field condensate to gas ratios being higher than initial ratios at the direct offset at 12-17-59-22W5, validating design enhancements with Delphi’s third and fourth generation fracs. Initial production performance over the first 30 days of these wells will be reported when available. During the second quarter, Delphi completed an upgrade and expansion of the 5-8 Montney facility bringing capacity of the facility to ten million cubic feet per day (“mmcf/d”) of natural gas with fluid storage of 2,600 bbls.

During the 36 day scheduled turnaround at the SemCAMS K3 natural gas processing plant, Delphi took advantage of this outage by completing the triennial turnaround at its 7-11 Montney facility over a nine day period. With major repair and maintenance now completed at these facilities, Delphi expects related downtimes to be minimal. Based on field estimates, corporate production for the month of July averaged 9,730 boe/d.

Delphi’s amine project at the 7-11 Montney facility to sweeten a portion of its slightly sour Montney production for processing at the 14-28-59-22W5 Bigstone Gas Plant, where the Company owns a 25 percent working interest, has commenced with the submission of regulatory applications and procurement of equipment. Construction is expected to start early in 2018 with start-up planned for the second quarter of 2018.

During second quarter operations, significant flow-back load volumes from fracturing operations that took place on all five wells within approximately one month of each other, caused longer wait times for water disposal as well as having to truck volumes to third party water disposal facilities. In order to reduce costs associated with water disposal, Delphi has begun an expansion of the 16-34 water disposal facility that will double the fluid storage and increase pumping capacity of its 16-34 disposal well. The expansion is expected to be completed early in the fourth quarter of 2017 to help handle the volumes associated with the significant increase in activity.

Both drilling rigs remain active with one currently drilling the first of three horizontal Montney wells from a surface pad located at 13-31-59-23W5, making these the western-most Montney wells drilled by the Company at Bigstone. Completion operations for this pad are expected to commence in November with first production expected later in 2017 or early in 2018. The second rig has finished drilling the 9-21-59-22W5 well (“9-21”) to a total depth of 5,865 metres with a horizontal lateral in the Montney of 2,841 metres. 9-21 was drilled from spud of the well to total depth in a Company record 22.6 days; a full two days faster than the previous record. Completion operations for 9-21 are scheduled to start in August and will be done consecutively with the 13-10-59-23W5 well that finished drilling in early July.

Marketing and Risk Management

The Company 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 million British thermal units (“mmbtu”) and approximately 900 barrels per day (“ 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	Q3 – Q4/17	2018	2019
Percent Hedged *	65%	54%	21%
Hedge Price (CDN $/mmbtu)	$4.20	$3.92	$3.89

Crude Oil	Q3 – 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 during 2017, while maintaining balance sheet strength, highlighted by a significant increase in drilling activity over 2016 levels.

Having remained active through spring break-up, the Company is ahead of its planned drilling schedule, with a total of nine (5.7 net) new wells on production and two additional wells scheduled for completion later in August. With a growing production base, significant hedge position in 2017 and 2018 as well as an undrawn credit facility, Delphi remains well positioned to execute its 2017 drilling plans.

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 90 percent of the current Company's natural gas sales, and together with the existing and incremental 2018 contracted firm TCPL service, will provide the Company with firm service to handle growth plans beyond 2017.

The Company's primary focus remains on creating significant value for its shareholders through its successful development of the Bigstone Montney property, while maintaining an adequate level of financial flexibility given the volatile commodity price environment. Delphi is continuing with its planned 2017 capital program, but will re-assess its contemplated pace of capitalization into the 2017-18 winter program commensurate with the commodity price environment.

The existing Board of Directors welcomes the addition of Mr. Glenn A. Hamilton, Mr. Peter T. Harrison, and Mr. Ian Wild to the Board of Directors, elected at the Annual General Meeting in May. "Glenn, Peter and Ian bring tremendous depth to our Board," said David J. Reid, President and CEO.

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

CONFERENCE CALL AND WEBCAST

A conference call and webcast to review second quarter 2017 results is scheduled for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, August 3, 2017. The conference call number is 1-844-358-8760. A brief presentation by David J. Reid, President and CEO and Mark D. Behrman, 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 Delphi's website at www.delphienergy.ca or by entering http://edge.media-server.com/m/p/qbucc4nw in your web browser. A rebroadcast will also be available on Delphi's website or at http://edge.media-server.com/m/p/qbucc4nw on your web browser.

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:

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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.

Non-GAAP Measures*. The release contains the terms "adjusted funds from operations", "adjusted funds from operations per share", "net debt", "net debt to adjusted funds from operations ratio", "operating netbacks" "cash netbacks" and "netbacks" which are not recognized measures under GAAP. 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 adjusted 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. Adjusted funds from operations is a non-GAAP 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 adjusted 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 adjusted 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 GAAP. The Company has defined net debt as the sum of bank debt and senior secured notes 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. Operating netbacks have been defined as revenue plus marketing income less royalties, transportation and operating costs. Cash netbacks have been defined as operating netbacks less interest on bank debt and senior secured notes, general and administrative costs and cash costs related to the Company's restricted share units. Netbacks are generally discussed and presented on a per boe basis.*