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PRESS RELEASE
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TSX SYMBOL: DEE

DELPHI ENERGY PROVIDES OPERATIONS UPDATE

CALGARY, ALBERTA – January 16, 2018 – Delphi Energy Corp. ("Delphi" or the "Company") is pleased to provide an operations update.

- Q4 2017 production up 29% from a year earlier
- Q4 2017 condensate production up 67% from a year earlier
- 2017 capital program executed within budget
- Q4 realized natural gas price estimated to be Cdn$3.53 per mcf compared to AECO pricing of Cdn$1.69 per mcf
- Positive recent well results on frac innovations
- First West Bigstone well in six years now drilled

"Delphi is well-positioned for 2018," said David J. Reid, President and Chief Executive Officer. "With significant excess contracted capacity on the Alliance pipeline, a healthy balance sheet, and a large inventory of well-defined drilling locations, Delphi maintains significant operating leverage and upside potential."

PRODUCTION UPDATE

Delphi produced approximately 9,200 barrels of oil equivalent per day ("boe/d") in the fourth quarter of 2017, a 29 percent increase over the comparative quarter in 2016. Field condensate production increased 67 percent to 2,220 barrels per day ("bbls/d") in the fourth quarter of 2017, while natural gas and natural gas liquids increased 20 percent over the comparative quarter of 2016.

The Company averaged approximately 9,950 boe/d in December 2017 based on field estimates, excluding 500 boe/d curtailed due to temporary third party plant throughput restrictions. The Company achieved year-over-year production growth of 12 percent, averaging approximately 8,305 boe/d. As a result of increased liquids production and favourable marketing arrangements, Delphi expects that adjusted funds from operations will meet prior 2017 guidance of $35 million to $38 million, as anticipated on November 8, 2017.

The Company has additional behind pipe production volumes from its recently completed 15-19-59-23W5 ("15-19") well awaiting start-up of the pipeline in March. Delphi also has two wells with completion operations in progress. With an early start to the winter 2018 drilling program, the Company expects to have up to five new wells on production by early second quarter.

The advancement of the Company's well completion design has resulted in higher condensate ratios and lower initial decline profiles compared with earlier wells, though in some cases lower initial overall rates.

MARKETING AND HEDGING UPDATE

Delphi's natural gas marketing strategy has insulated the Company from the weakness in both AECO and Station 2 prices. Delphi has 57 million cubic feet of natural gas per day ("mmcf/d") of Alliance full path service to Chicago contracted on a renewable 5 year term basis providing approximately 150 percent coverage for its natural gas production marketing requirements. The excess contracted service continues to generate funds from operations through temporary assignment at a premium above cost or through direct purchase of natural gas in Alberta or British Columbia which is then sold in Chicago at premium prices. At current 2018 basis differentials, the Company expects to generate approximately $7 million of cash flow from its excess Alliance transportation service in 2018. The value of the arbitrage between AECO and Chicago prices available through all of Delphi's Alliance service is currently estimated at $40 million over the next four years.

The Company sells over 90 percent of its natural gas in Chicago and has approximately 63 percent of its current Chicago natural gas sales volumes hedged with NYMEX swaps at an average price of Cdn$3.85 per thousand cubic feet of natural gas (“mcf”).

In the fourth quarter of 2017, Delphi’s estimated realized natural gas price is Cdn$3.53 per mcf compared to NYMEX pricing of Cdn$3.73 per mcf and AECO pricing of Cdn$1.69 per mcf. Net of applicable transportation costs the Company’s realized natural gas price outperformed AECO pricing by approximately 60 percent.

The Company also has approximately 50 percent of its current condensate and NGL’s volumes hedged with WTI swaps at an average price of Cdn$71.60 per barrel.

OPERATIONS UPDATE

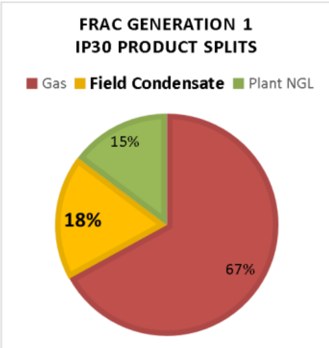
Delphi executed its 2017 capital program within budget and ahead of schedule. The 17 well drilling program in 2017 included five delineation wells and three pad operations as well as continued well completion and innovative frac design changes focused on increasing condensate recoveries. The Company also got an early start to its 2018 winter program with the commencement of drilling operations at two locations and the completion of one additional well in December. Total capital for 2017 was approximately $115 million including approximately $6 million associated with the early start to the 2018 program.

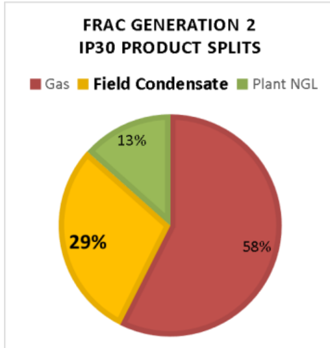
Delphi is pleased to provide test results of the Company’s fifth delineation well of the 2017 capital program. The 15-19-59-23W5 well (“15-19”) was drilled to evaluate Delphi’s central land block within the Bigstone Montney asset. It was drilled to a total depth of 6,150 metres with an extended-reach horizontal lateral in the Montney of 2,862 metres. 15-19 was the second well (after 14-15-60-23W5) to be completed with the Company’s Fifth Generation frac design through a 50-stage liner. After a fracture stimulation and a partial clean-out of the horizontal liner, the well was flowed on clean-up for a total of five days. Over the final 24-hours of this clean-up, prior to running production tubing, the well flowed at an average rate of 7.6 mmcf/d of raw gas and 1,438 bbls/d of 44 degree API field condensate (220 barrels per million cubic feet (“bbls/mmcf”) of sales gas). Total sales production rate for 15-19 over this 24-hour period was approximately 2,824 boe/d (61 percent liquids), including an estimated plant natural gas liquids (“NGL”) yield of 46 bbls/mmcf of sales gas. Pipeline construction to this well has commenced and the well is expected to be on production in March.

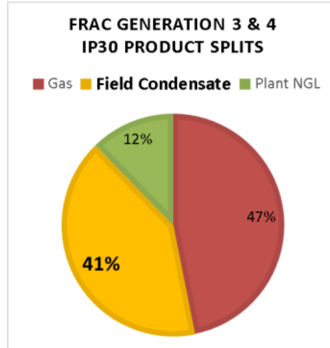
The first well completed with the Company’s Fifth Generation frac design was an infill well at 14-15-60-23W5 (“14-15”) drilled between existing producers to evaluate the effectiveness of frac design changes. It was drilled, completed (with a 50-stage liner and sand concentration of approximately 1,100 pounds per horizontal foot) and after cleaning out the horizontal liner, the well was brought on production in the fourth quarter of 2017. The direct offset at 13-15-60-23W5 (“13-15”) was drilled, completed (with a 40-stage liner and sand concentrations of approximately 800 pounds per horizontal foot) and brought on production in the first quarter of 2017. 14-15 has been on production for just over a month and has exhibited a much shallower decline with field condensate rates approximately 33 percent higher and gas rates approximately nine percent lower than the direct offset at 13-15 after the same amount of time on production.

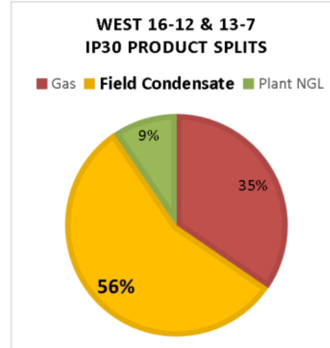
Delphi has recently finished drilling its first West Bigstone well in over six years. The 16-10-60-24W5 (“16-10”) well was drilled to a total depth of 5,994 metres in 23 days. A 65-stage hybrid liner was installed as part of the Company’s Sixth Generation frac design utilizing 30 percent more discrete stages and 30 percent more sand than used previously.

16-10 is two miles to the west of a recent two well pad that came on production in late November 2017. The two wells from this pad, 16-12-60-24W5 and 13-7-60-23W5, were drilled to total depths of 6,061 metres and 5,969 metres respectively, each with horizontal laterals in the Montney of approximately 2,850 metres. Both wells were completed with the Company’s Fourth Generation Frac design. Initial production performance is also exhibiting shallower declines and higher field condensate to natural gas yields than Bigstone Montney wells to the east, averaging 300 and 245 bbls/mmcf of sales gas over the first 30 days on production. Though natural gas production rates (currently 1.7 mmcf/d and 2.0 mmcf/d raw respectively) from these wells are lower than budgeted, field condensate rates (currently 300 bbls/d and 320 bbls/d respectively) are meeting budget assumptions.









Recent well results from certain pad drilling resulted in production rates less than immediate offsetting wells. The Company undertook remedial work to improve these results. After completion operations and a subsequent offsetting frac, Delphi cleaned out approximately 60 percent of the horizontal liner at 13-9-60-23W5 (“13-9”) in late 2017. After the clean-out, the gas rate and field condensate rate increased by 54 percent and 115 percent respectively, bringing the production of the well back in line with other wells in the area.

OUTLOOK

As the Company enters 2018, condensate production continues to outpace natural gas production growth. The Company’s natural gas marketing strategies and commodity risk management program continue to mitigate commodity price volatility. Given the successful delineation drilling in 2017, Delphi has a much larger inventory of drill-ready locations from which to select for its 2018 program. The Company looks forward to providing its 2018 guidance in mid-February 2018 and its full 2017 financial results in March 2018.

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. "IP" is an abbreviation for "Initial Production" and represents average production rates over the indicated time period in producing days.

***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, abandonment obligations 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.*