Delphi Energy Corp.

PRESS RELEASE

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TSX SYMBOL: DEE

DELPHI ENERGY CORP. ANNOUNCES EXTENSION OF CREDIT FACILITY

CALGARY, ALBERTA – July 11, 2019 – **Delphi Energy Corp. ("Delphi"** or the **"Company")** announces that the annual borrowing base redetermination of its senior credit facility has been finalized.

The amended credit facility has a borrowing base of $100.0 million reducing to $90.0 million upon the earlier of September 30, 2019 and the completion of the sale of excess Alliance pipeline transportation service for $11.9 million which was previously announced on June 17, 2019. The revolving period of the senior credit facility has been extended to November 28, 2019, with the maturity date extended to November 29, 2020. Under the amended credit facility, capital spending until November 30, 2019 is limited to $4.0 million other than as funded by the issuance of new equity or senior secured notes.

Upon closing the sale of the excess Alliance service, expected to be on or about September 3, 2019, Delphi expects to have bank debt net of working capital of approximately $70 million.

OPERATIONS UPDATE

In the second quarter of 2019, the Company brought on production the four wells from its multi-well pad with a surface location of 13-34-59-24W5 ("13-34"), directly offsetting the Company's delineation wells drilled in West Bigstone at 16-10-60-24W5 and 15-10-60-24W5 ("16-10" and "15-10"). Delphi has a 65 percent working interest in the 13-34 pad and the 16-10 and 15-10 wells. The four extended-reach wells on the 13-34 pad were drilled in the fourth quarter of 2018 and the first quarter of 2019 with an average horizontal length in the Montney of 2,850 metres, efficiently developing two full sections at a time. Delphi successfully finished completion operations on the four-well pad at West Bigstone in the first quarter. The two eastern-most wells on the 13-34 pad were completed with a hybrid completion consisting of 50 fracs pumped using a ball-drop liner, and 30 individual fracs placed using plug and perf for a total of 80 discrete fracs. This is a similar design as was used at 16-10 and 15-10 where 65 fracs were placed. On the two western-most wells on the pad, an extreme limited entry fracturing technique was used consisting of 40 stages with five clusters per stage for a total of 200 clusters or fracture initiations. Observing the 13-34 pad's well performance over the first 90 to 180 days will be important to determining the impacts of the increased fracture intensity and number of fracture initiations compared to the 65 stages placed in the two offset wells. This will be important in optimizing overall capital efficiencies on the future multi-well pads.

Facility upgrades, including provisions for gas lift of wells in the area were completed to handle the increased volumes from this and future pads at West Bigstone. A 14 kilometre dedicated pipeline constructed back to the 7-11 facility in East Bigstone now connects West Bigstone to the primary fluid and natural gas handling infrastructure in East Bigstone. The new pipeline allows for continued growth in West Bigstone without impacting performance of legacy wells and future development in East Bigstone.

Over the first 30 days on production, the four wells on the 13-34 pad flowed at an average rate of 2.0 million cubic feet per day ("mmcf/d") of raw natural gas and 590 barrels per day ("bbls/d") of 42 degree API field condensate (343 barrels per million cubic feet ("bbls/mmcf") of sales gas). Total sales production rate over this time period averaged approximately 949 barrels of oil equivalent per day ("boe/d") (70 percent liquids) including current estimated plant natural gas liquids yield of 42 bbls/mmcf of sales gas. In the month of June, total production from the pad was approximately 2,840 boe/d gross consisting of 59 percent liquids. Combined with the 16-10 and 15-10 wells, total estimated production from the two sections in which these six wells are drilled was 3,825 boe/d gross or 2,486 boe/d net, accounting for approximately 27 percent of Delphi's corporate production in the month.

Based on field estimates, second quarter 2019 production averaged approximately 9,200 boe/d (44 percent liquids), meeting expectations of 9,000 - 9,500 boe/d on higher than forecast liquids volumes offset by lower natural gas volumes. Field condensate production averaged 2,800 bbls/d, an increase of 21 percent over the first quarter of 2019 and marking the first time in a quarter that field condensate production accounted for more than 30 percent of the Company's production.

OUTLOOK

With the drilling success in West Bigstone, the Company expects its condensate production to continue to grow disproportionately to its natural gas production over the next three to five years. The impact of the Company's condensate growth, product marketing advantages, cost reductions and hedging strategy continue to demonstrate a strong cash generating business model in a volatile commodity price environment.

Hedging contracts in place for 2019 protect the realized price for approximately 85 percent of Chicago natural gas sales and approximately 85 percent of field condensate and NGL sales combined, based on production in the fourth quarter of 2018. Delphi's 2019 and 2020 hedging contracts have a current mark to market value of approximately $14.6 million, compared to current future commodity prices.

In this current commodity price, equity capital markets, and banking environment, the Company is focused on delivering a cash flow growth model primarily through increased condensate yields, while utilizing free cash flow generated in excess of its capital program and non-core asset dispositions to reduce bank debt.

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 flow", "adjusted funds flow per share", "net debt", "net debt to adjusted funds flow ratio", "marketing income", "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 flow 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 flow is a non-GAAP measure and has been defined by the Company as cash flow from operating activities before decommissioning expenditures and changes in non-cash working capital from operating activities. The Company also presents adjusted funds flow 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 flow 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, senior secured notes and the long term portion of unutilized take-or-pay contract and leases plus/minus working capital deficit/surplus 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. Marketing income is defined as the margin earned on the sale of purchased third party natural gas volumes and premiums received on the assignment of a portion of committed capacity on the Alliance pipeline system to a third party. Management considers marketing income important measures of the Company's ability to mitigate the cost of excess committed capacity. 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, finance charges associated with lease obligations, 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.*