Delphi Energy Corp.

PRESS RELEASE

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TSX SYMBOL: DEE

DELPHI ENERGY CORP. ANNOUNCES CLOSE OF ALLIANCE SERVICE SALE AND AGREEMENT TO REACTIVATE ALLIANCE LATERAL LINE

CALGARY, ALBERTA – Sept 16, 2019 – **Delphi Energy Corp. ("Delphi"** or the **"Company")** announces the closing of the sale of a portion of its Alliance Service and the execution of an Interconnection Development Agreement with Alliance Pipeline Limited Partnership to reactivate its lateral line to the company-owned Bigstone West Gas Plant located at 14-28-59-22W5M.

CLOSING OF THE SALE OF A PORTION OF EXCESS ALLIANCE FIRM TRANSPORTATION SERVICE

As previously announced on June 17, 2019, Delphi has sold and permanently assigned 16 million cubic feet of gas per day ("mmcf/d") (approximately 35 percent) of its firm full-path service to the Chicago area on the Alliance pipeline system for $11.9 million. As a result of Delphi's reduced firm transportation commitment on Alliance, Delphi's outstanding letters of credit associated with the Alliance service will be reduced by $1.8 million. Delphi is retaining approximately 29.8 mmcf/d of firm service and 7.5 mmcf/d of priority interruptible service on the Alliance pipeline system. The Company currently utilizes about 55 percent of the retained service. Due to the closing of this transaction, the borrowing base of the Company's senior credit facility has been reduced by $10.0 million to $90.0 million. The proceeds from the transaction have been used to repay bank debt. Currently, Delphi has $71.0 million drawn on its $90.0 million senior credit facility.

AGREEMENT ON THE REACTIVATION OF ALLIANCE LATERAL PIPELINE

Delphi and Alliance have entered into an agreement wherein the parties will exchange the following: Delphi will pay for the updating and reactivation of the Alliance Meter Station at the Bigstone Plant and commit to deliver approximately 10 mmcf/d at such delivery point; and Alliance will repair and reactivate the Bigstone Lateral that connects the Bigstone Plant to Alliance's natural gas mainline approximately 50 kilometres southwest of Fox Creek, Alberta. The planned in-service date for the re-activated lateral occurs in February of 2022. Currently, the Company's Amine facility sweetens Montney natural gas for further processing at the Bigstone Plant. The reactivation of the Bigstone Lateral will give Delphi access to the premium priced Chicago natural gas market for this in-field sweetened natural gas and increase access to the Alliance system to three of the four natural gas plants in which Montney natural gas is currently being processed (the Negus natural gas plant having a connection to TCPL only). In light of the current and foreseeable natural gas market, the Company views natural gas market egress optionality, particularly to Chicago, as very strategic. Once the Bigstone Lateral is reactivated, approximately 95 percent of Delphi's natural gas production will be processed at the three natural gas plants that will be dually connected to the Alliance and TCPL pipeline systems.

OPERATIONS UPDATE

Corporate production for the months of July and August averaged approximately 8,550 barrels of oil equivalent per day ("boe/d") based on field estimates. Field condensate production for this period averaged 2,250 barrels per day ("bbls/d") and when combined with natural gas liquids, including propane, butane, pentanes and spec condensate recovered at natural gas processing plants, accounted for 40 percent of production. Higher liquid content of the corporate production mix has been driven by results at West Bigstone, particularly the new four-well pad located at 13-34-59-24W5 (65 percent working interest). These four wells were brought on production in the second quarter of 2019 and continue to produce liquids at a much higher ratio compared to the rest of Delphi's Montney wells. Current liquid content including estimated natural gas liquids recoveries of 42 barrels per million cubic feet of natural gas sales, is 56 percent of production on a barrel of equivalent basis, with field condensate accounting for over 80 percent of the liquid production.

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. "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.*