



PRESS RELEASE

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TSX SYMBOL:
DEE

DELPHI ENERGY CORP. ANNOUNCES COMPLETION OF RECAPITALIZATION TRANSACTION

CALGARY, ALBERTA – November 26, 2019 – **Delphi Energy Corp.** (“**Delphi**” or the “**Company**”) is pleased to announce the completion of its previously announced recapitalization transaction (the “**Recapitalization Transaction**”). The Recapitalization Transaction was implemented pursuant to a plan of arrangement (the “**Plan of Arrangement**”) under the *Canada Business Corporations Act* (the “**CBCA**”).

The Recapitalization Transaction included the following components:

1. The existing issued and outstanding common shares of the Company (“**Common Shares**”) were consolidated on a fifteen (15) for one (1) basis.
2. Delphi completed two brokered private placements (together, the “**Private Placements**”) of subscription receipts raising gross proceeds of \$46.5 million. Pursuant to the Private Placements, Delphi issued an aggregate of 18,81,818 equity subscription receipts (“**ESRs**”) at a price of \$1.65 per ESR (the “**ESR Price**”) for gross proceeds of approximately \$30 million and 22,000 note subscription receipts (“**NSRs**”) at a price of \$750 per NSR (the “**NSR Price**”), plus accrued and unpaid interest from October 15, 2019 to the date of issuance of the NSRs, for gross proceeds of approximately \$16.5 million. Each ESR is convertible into one post-consolidation Common Share and each NSR is convertible into \$1,000 principal amount of Senior Secured Notes of Delphi due 2023 (“**NSR Notes**”). Affiliates of a pooled investment vehicle of Luminus Management, LLC subscribed for 16,778,306 ESRs for gross proceeds of approximately \$27.7 million and 16,933 NSRs for gross proceeds of approximately \$12.7 million under the Private Placements.

Under the Plan of Arrangement, one-third of the ESRs and NSRs today converted into Common Shares and NSR Notes and one-third of the proceeds from the Private Placements are now releasable to the Company. The remaining proceeds from the Private Placements will be held in escrow pending the satisfaction of certain escrow release conditions which are described in Delphi’s management information circular dated October 11, 2019 (the “**Information Circular**”). Delphi will use the proceeds of the Private Placements to further develop its reserves and fund capital expenditures.

3. The trust indenture governing Delphi’s Senior Secured Notes due 2021 (the “**Existing Notes**”) was amended and restated (the “**Amended and Restated Indenture**”) to, among other things, extend the maturity of the Existing Notes from July 15, 2021 to April 15, 2023 (the “**Amended Notes**”). The NSR Notes and Amended Notes have identical terms and will trade under on the TSX under the ticker symbol DEE.NT. The Amended and Restated Indenture governs the NSR Notes and the Amended Notes
4. Each holder of Existing Notes today received 700 transferable Common Share purchase warrants (the “**Consent Warrants**”) for each \$1,000 principal amount of Existing Notes held by such holder. Each Consent Warrant is exercisable at any time until April 15, 2023 for one fifteenth of a post-consolidation Common Share at an aggregate exercise price of \$2.23 per whole post-consolidation Common Share (equal to \$0.149 per Common Share on a pre-consolidation basis), representing a 35% premium to the ESR Price. The Consent Warrants will be listed on the TSX under the ticker symbol DEE.WT.A and will commence trading within the next two to three business days.
5. Delphi was continued under the federal jurisdiction of Canada and the *CBCA* prior to implementation of the Plan of Arrangement.
6. Pursuant to the Plan of Arrangement and the final order of the Court of Queen’s Bench of Alberta granted on November 18, 2019 (the “**Final Order**”), claims relating to, among other things, the Recapitalization Transaction and the *CBCA* proceedings have been released as against the Company and the other parties set out in the Plan of Arrangement on the terms set out in the Plan of Arrangement and Final Order.

7. Pursuant to the Final Order, defaults resulting from, among other things, the Recapitalization Transaction and the CBCA proceedings, have been waived on the terms set out in the Final Order.

The Recapitalization Transaction is more fully described in the Information Circular.

The share consolidation completed as part of the Recapitalization Transaction reduced the number of issued and outstanding Common Shares to approximately 12,369,813 (prior to taking into account the issuance of the Common Shares underlying one-third of the ESRs) and 18,430,418 (after taking into account the issuance of the Common Shares underlying one-third of the ESRs). The Common Shares will continue to trade on the TSX under the symbol DEE and are expected to commence trading on a post-consolidation basis within the next two to three business days.

As a result of the share consolidation, the Company's warrants that it issued on June 15, 2016 ("**Existing Warrants**"), which trade on the TSX under the ticker symbols DEE.WT, will be amended such that each Existing Warrant will be exercisable for one-fifteenth of a post-consolidation Common Share at a price of \$21.00 per whole post-consolidation Common Share. As of November 26, 2019, there are 14,700,000 Existing Warrants outstanding.

Raymond James Ltd. and AltaCorp Capital Inc. acted as financial co-advisors to Delphi in connection with the Recapitalization Transaction.

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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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 use of proceeds from the Private Placements. 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.

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.