



PRESS RELEASE

2300, 333 – 7th Avenue S.W. Calgary, Alberta T2P 2Z1
T (403) 265-6171 F (403) 265-6207 E info@delphienergy.ca www.delphienergy.ca

DELPHI ENERGY CORP. ANNOUNCES APPROVAL OF INTERIM FINANCING AND EXTENSION OF STAY PERIOD TO OCTOBER 9, 2020

CALGARY, ALBERTA – May 22, 2020 – **Delphi Energy Corp.** (“**Delphi**” or the “**Company**”) announces that it has obtained an order from the Court of Queen’s Bench of Alberta (the “**Court**”) granted in Delphi’s proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”): (i) extending the stay period to October 9, 2020, (ii) approving interim financing arrangements intended to fund the Company’s operations and expenses during the CCAA proceedings, and (iii) approving a claims process with a claims bar date of July 10, 2020.

Interim financing arrangements will be provided by ATB Financial pursuant to an interim letter of credit facility, in an aggregate amount not to exceed \$6.25 million, and by Luminus Energy IE Designated Activity Company (“**Luminus Energy**”), an affiliate of a pooled investment vehicle of Luminus Management, LLC (“**Luminus**”), pursuant to an interim loan facility, in an aggregate amount not to exceed \$13.5 million. ATB Financial and Luminus Energy have respectively been granted third and fourth ranking super-priority charges over the Company’s and its subsidiaries’ assets and property in connection with such facilities. Luminus is a related party of Delphi which, through one or more of its pooled investment vehicles or affiliates thereof, holds 14,065,138 common shares, representing approximately 57% of Delphi’s outstanding common shares, and approximately \$58.7 million principal amount of Delphi’s second lien senior secured notes, representing approximately 49% of the outstanding second lien senior secured notes.

The extension of the stay period to October 9, 2020 is expected to allow the Company time to pursue restructuring efforts for the benefit of all stakeholders. The Company currently intends to work toward developing a plan of compromise or arrangement under the CCAA to be voted on by its creditors.

Update on Continuous Disclosure Filings

As previously announced by Delphi, the Company is relying on exemptive relief granted by Canadian securities regulatory authorities that allows it to delay the filing of its interim financial report for the interim period ended March 31, 2020 as required by section 4.4 of National Instrument 51-102 and related management’s discussion & analysis as required by subsection 5.1(2) of National Instrument 51-102 (collectively, the “Q1 Filings”) and estimates that the Q1 Filings will be available for filing on or before June 29, 2020. Until such time as these filings are made, Delphi’s management and other insiders are subject to a trading blackout that reflects the principles contained in section 9 of National Policy 11-207 – Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions. Except as previously announced by Delphi in connection with the CCAA proceedings, there have been no material business developments since the date of Delphi’s audited consolidated financial statements for the years ended December 31, 2019 and 2018 that were filed on March 12, 2020, a copy of which is available on SEDAR at www.sedar.com.

Additional Information

Delphi and certain of its subsidiaries were granted an initial order and protection under the CCAA on April 14, 2020. PricewaterhouseCoopers Inc. has been appointed by the Court as monitor in the CCAA proceedings. Materials publicly filed in the CCAA proceedings, including copies of the initial order of the Court, are available on the monitor’s website at <http://www.pwc.com/ca/delphi>. Delphi will continue to provide updates regarding its restructuring as developments warrant.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

DELPHI ENERGY CORP.

2300 - 333 – 7th Avenue S.W.

Calgary, Alberta

T2P 2Z1

Telephone: (403) 265-6171 Facsimile: (403) 265-6207

Email: info@delphienergy.ca Website: www.delphienergy.ca

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 the expectation that the interim financing arrangements will be sufficient to fund the Company's operations and expenses during the CCAA proceedings, expectations regarding the Company's ability to pursue restructuring efforts for the benefit of all stakeholders and to develop a plan of compromise or arrangement under the CCAA to be voted on by its creditors, and the expected filing date for Delphi's Q1 Filings. 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 ability of the Company to operate in the ordinary course during the CCAA proceedings, including with respect to satisfying obligations to service providers, suppliers, contractors and employees; the ability of the Company to continue as a going concern; the Company's future liquidity position, and access to capital, to fund ongoing operations and obligations; the ability of the Company to stabilize its business and financial condition; the ability of the Company to implement and successfully achieve its business priorities; the ability of the Company to comply with its contractual obligations, including, without limitation, its obligations under debt arrangements; the general regulatory environment in which the Company operates; the tax treatment of the Company and the materiality of any legal and regulatory proceedings; 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.

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).

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.

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.