



PRESS RELEASE

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DELPHI ENERGY CORP. Reports 2017 Year End Results and Reserves and Provides Operations Update

CALGARY, ALBERTA – March 7, 2018 – **Delphi Energy Corp.** (“Delphi” or the “Company”) is pleased to announce its financial and operational results, crude oil and natural gas reserves information for the year ended December 31, 2017 and an operations update.

2017 HIGHLIGHTS

- Produced 8,401 barrels of oil equivalent per day (“boe/d”), a 14 percent increase from 7,392 boe/d in 2016. Average production in the fourth quarter of 2017 increased 35 percent to 9,588 boe/d compared to 7,127 boe/d in the fourth quarter of 2016;
- Field condensate production in the fourth quarter of 2017 increased to 2,374 barrels per day (“bbls/d”), a 77 percent increase from 1,338 bbls/d in the fourth quarter of 2016;
- Field condensate and natural gas liquids (“NGL”) accounted for 58 percent of crude oil and natural gas revenues in 2017 and 64 percent in the fourth quarter;
- Realized a natural gas price of \$4.04 per thousand cubic feet (“mcf”) as a result of selling approximately 90 percent of our natural gas in Chicago via full-path transportation arrangements on Alliance and a hedging gain of \$0.27 per mcf;
- Cash netbacks per barrel of oil equivalent (“boe”) increased by eight percent resulting in adjusted funds flow of \$36.7 million, a 23 percent increase over 2016. Cash netbacks per boe in the fourth quarter of 2017 increased 29 percent resulting in adjusted funds flow of \$14.1 million, a 74 percent increase over the comparative quarter of 2016.
- Drilled six (3.9 net) successful delineation wells and eleven (7.1 net) successful in-fill wells in the Company’s Bigstone Montney property, as part of a 17 (11.0 net) well drilling program;
- Acquired 14.5 gross (13.5 net) sections of Montney rights in the greater Bigstone area contiguous to the Company’s current Montney lands;
- Invested \$15.0 million in various infrastructure projects to handle additional sales volumes and provide for reduced operating expenses in 2018 and constructed over 21 kilometres of main gathering and associated fuel gas pipelines and over five kilometres of well tie-in and associated fuel gas pipelines;
- Increased total proved and total proved plus probable reserves by 40 percent and 33 percent, respectively, from a successful delineation drilling program in 2017;
- Increased the net present value (discounted at ten percent) of total proved and total proved plus probable reserves by 23 percent and 30 percent respectively;
- Increased field condensate reserves related to the Company’s Montney shale gas reserves by 76 percent and 68 percent for total proved and total proved plus probable reserves, respectively; and
- For the 15 (9.6 net) wells brought on production in 2017, achieved a proved developed producing finding and development cost of \$14.37 per boe⁽¹⁾.

(1) Includes capital to drill, complete, equip and tie-in of \$86.8 million and proved developed producing reserve “extensions and improved recovery” of 6.04 million barrels of oil equivalent (“mmboe”). Excludes technical revisions associated with other wells. Includes \$5.9 million of 2016 capital and excludes \$17.7 million of capital spent in 2017 for drilling and completion of wells not brought on production in 2017.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

| | Three months ended December 31 | | | Twelve months ended December 31 | | |
|--|--------------------------------|----------|-------------|---------------------------------|----------|----------|
| | 2017 | 2016 | % Change | 2017 | 2016 | % Change |
| Financial | | | | | | |
| (\$ thousands, except per share) | | | | | | |
| Oil and natural gas revenues | 30,896 | 20,546 | 50 | 101,836 | 69,134 | 47 |
| Net earnings (loss) | (1,764) | (25,461) | 93 | 6,902 | (41,114) | - |
| Per share – basic and diluted | (0.01) | (0.16) | 94 | 0.04 | (0.26) | - |
| Adjusted funds flow ⁽¹⁾ | 14,144 | 8,120 | 74 | 36,670 | 29,865 | 23 |
| Per share – basic and diluted ⁽¹⁾ | 0.08 | 0.05 | 60 | 0.21 | 0.19 | 11 |
| Net debt ⁽¹⁾ | 136,421 | 85,945 | 59 | 136,421 | 85,945 | 59 |
| Capital expenditures, net of dispositions | 42,156 | (30,679) | - | 117,292 | (3,427) | - |
| Weighted average shares (000s) | | | | | | |
| Basic | 185,472 | 155,630 | 19 | 173,171 | 155,540 | 11 |
| Diluted | 185,472 | 155,630 | 19 | 173,975 | 155,540 | 12 |
| Operating | | | | | | |
| (boe conversion – 6:1 basis) | | | | | | |
| <u>Production:</u> | | | | | | |
| Field condensate (bbls/d) | 2,374 | 1,338 | 77 | 1,968 | 1,444 | 36 |
| Natural gas liquids (bbls/d) | 1,315 | 1,125 | 17 | 1,250 | 1,183 | 6 |
| Natural gas (mcf/d) | 35,391 | 27,988 | 26 | 31,098 | 28,595 | 9 |
| Total (Boe/d) | 9,588 | 7,127 | 35 | 8,401 | 7,392 | 14 |
| <u>Average realized sales prices, before financial instruments</u> | | | | | | |
| Field condensate (\$/bbl) | 64.20 | 57.17 | 12 | 59.14 | 48.64 | 22 |
| Natural gas liquids (\$/bbl) | 47.34 | 30.42 | 56 | 35.42 | 20.62 | 72 |
| Natural gas (\$/mcf) | 3.39 | 4.00 | (15) | 3.78 | 3.28 | 15 |
| <u>Netbacks (\$/boe)</u> | | | | | | |
| Crude oil and natural gas revenues | 35.03 | 31.33 | 12 | 33.22 | 25.55 | 30 |
| Marketing income ⁽¹⁾ | 1.63 | - | - | 0.58 | - | - |
| Realized gain (loss) on financial instruments | 1.25 | 2.93 | (57) | 1.00 | 6.51 | (85) |
| Revenue, after realized financial instruments | 37.91 | 34.26 | 11 | 34.80 | 32.06 | 9 |
| Royalties | (2.26) | (1.89) | 20 | (2.35) | (2.49) | (6) |
| Operating expense | (10.59) | (9.57) | 11 | (9.60) | (7.70) | 25 |
| Transportation expense | (4.62) | (4.93) | (6) | (5.67) | (5.63) | 1 |
| Operating netback ⁽¹⁾ | 20.44 | 17.87 | 14 | 17.18 | 16.24 | 6 |
| General and administrative expenses | (1.39) | (1.77) | (21) | (2.14) | (2.01) | 6 |
| Paid out restricted share units | - | - | - | - | (0.11) | 100 |
| Interest | (3.02) | (3.72) | (19) | (3.08) | (3.09) | - |
| Cash netback ⁽¹⁾ | 16.03 | 12.38 | 29 | 11.96 | 11.03 | 8 |

(1) Refer to non-GAAP measures

OPERATING AND FINANCIAL HIGHLIGHTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2017

Delphi completed a \$117.3 million capital program for 2017. The program included \$98.6 million for drilling 17 (11.0 net) wells and completing 16 (10.2 net) wells, along with \$15.0 million for expansion of compression, pipeline gathering and water disposal facilities and \$2.2 million for the acquisition of 13.5 net sections of land in the Bigstone area. In addition, Delphi acquired a 17 million cubic feet per day ("mmcf/d") amine processing package to sweeten natural gas from the Montney and allow it to be processed at a Company owned facility rather than through third-party processors. Commissioning of the amine facility is planned for the second quarter of 2018. Capital spending in the fourth quarter net of dispositions was \$42.2 million and included the drilling of four (2.6 net) wells and the completion of five (3.2 net) wells. The drilling program in 2017 included six (3.9 net) delineation wells, all of which were successful. The successful delineation wells and investment in facilities have positioned the Company for profitable growth.

Average production was 8,401 boe/d for the year and 9,588 boe/d for the fourth quarter; increases of 14 and 35 percent over the corresponding periods in 2016. Field condensate production in the fourth quarter was 2,374 bbls/d, an increase of 77 percent over the same period in 2016. It comprised 25 percent of production on a boe basis compared to 19 percent in the fourth quarter of 2016. While comprising 25 percent of production, field condensate generated 45 percent of crude oil and natural gas revenues. Similarly, field condensate and NGL production in the fourth quarter comprised 38 percent of total production and 64 percent of crude oil and natural gas revenues.

Annual crude oil and natural gas revenues were \$101.8 million, an increase of 47 percent over 2016 due to both increased production and higher realized prices. Crude oil and natural gas revenues in the fourth quarter were \$30.9 million, an increase of 50 percent over the same period in 2016.

The operating netback was \$17.18 per boe in the year and \$20.44 per boe in the fourth quarter while the corresponding cash netbacks were \$11.96 per boe and \$16.03 per boe, respectively. Annual adjusted funds flow increased 23 percent from the prior year to \$36.7 million or \$0.21 per basic and diluted share. Adjusted funds flow in the fourth quarter increased 74 percent to \$14.1 million or \$0.08 per basic and diluted share.

The borrowing base of Delphi's senior credit facility was increased by \$15.0 million to \$95.0 million in the fourth quarter and a third bank joined the lending syndicate. Bank debt at the end of the year was \$26.9 million and outstanding letters of credit were \$7.3 million, leaving \$60.8 million available to be drawn. Net debt at the end of the year was \$136.4 million resulting in a net debt to adjusted funds flow ratio of 2.4 times based on annualized fourth quarter adjusted funds flow of \$56.6 million.

NATURAL GAS MARKETING AND HEDGING

Given the high liquids content of Delphi's production, natural gas accounted for only 36 percent of crude oil and natural gas revenues in the fourth quarter despite the fact that Delphi realized a natural gas price before hedging gains of \$3.39 per mcf compared to an AECO price of \$1.69 per mcf.

Over 90 percent of Delphi's natural gas is sold in the Chicago market via firm service on the Alliance pipeline system. Approximately 60 percent of the expected Chicago sales volumes in 2018 are hedged with NYMEX Henry Hub gas swaps for an average of 19,826 million British thermal units per day ("mmbtu/d") at an average price of US\$3.08 or C\$3.85 per million British thermal units ("mmbtu"), based on an exchange rate of 1.25 CAD per USD. Hedging gains added \$0.47 per mcf to Delphi's realized natural gas price in the fourth quarter of 2017.

Delphi has a total of 57.3 mmcf/d of firm and priority interruptible service on Alliance compared to total average gas production of 35.4 mmcf/d in the fourth quarter of 2017. Delphi generates marketing income on excess service through temporary assignment to other shippers at a premium over cost or through the purchase of natural gas in Alberta or British Columbia for sale in Chicago.

As a hedge to condensate and other natural gas liquids prices that are correlated to WTI crude oil prices, Delphi has an average of 2,238 bbls/d of WTI swaps in 2018 with an average fixed price of C\$71.60 per barrel.

RESERVES SUMMARY

GLJ Petroleum Consultants Ltd. ("GLJ"), the Company's independent petroleum engineering firm, has evaluated Delphi's crude oil, natural gas and natural gas liquids reserves as at December 31, 2017 and prepared a reserves report (the "GLJ Report") in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and the "Canadian Oil and Gas Evaluation Handbook". GLJ's price forecast dated January 1, 2018 was used in the evaluation. Company gross reserves in the total proved and total proved plus probable categories increased 40 percent and 33 percent respectively, compared to 2016.

The following is a summary of reserves information detailed in the GLJ Report at December 31, 2017:

| Reserves Category | Conventional | | Shale Gas | | Natural Gas Liquids | | Oil Equivalent ⁽¹⁾ | |
|----------------------------|----------------------|--------------------|----------------------|--------------------|------------------------|----------------------|-------------------------------|--------------------|
| | Natural Gas | | | | | | | |
| | Company Gross (mmcf) | Company Net (mmcf) | Company Gross (mmcf) | Company Net (mmcf) | Company Gross (mmbbls) | Company Net (mmbbls) | Company Gross (mboe) | Company Net (mboe) |
| Proved | | | | | | | | |
| Producing | 7,448 | 6,578 | 50,608 | 44,686 | 5,139 | 3,851 | 14,815 | 12,395 |
| Developed Non-Producing | 922 | 859 | 1,782 | 1,665 | 185 | 162 | 636 | 583 |
| Undeveloped | - | - | 41,540 | 38,906 | 4,479 | 4,021 | 11,403 | 10,505 |
| Total Proved | 8,370 | 7,437 | 93,931 | 85,257 | 9,803 | 8,034 | 26,853 | 23,483 |
| Total Probable | 6,784 | 6,099 | 76,377 | 68,515 | 7,772 | 6,172 | 21,633 | 18,608 |
| Total Proved Plus Probable | 15,154 | 13,536 | 170,307 | 153,771 | 17,576 | 14,206 | 48,486 | 42,091 |

(1) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil (6:1).

(2) Tables may not add due to rounding.

Net Present Value of Future Net Revenue

The estimated future net revenues associated with Delphi's reserves at December 31, 2017, based on the GLJ January 1, 2018 price forecast, are summarized in the following table. The net present value of future net revenues, discounted at ten percent, from total proved and total proved plus probable reserves increased by 23 percent and 30 percent respectively, compared to 2016.

| (\$ thousands) | Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year) ⁽¹⁾ | | | | | Unit Value Before Income Tax Discounted at 10%/year ⁽²⁾ | |
|----------------------------|---|---------|---------|---------|---------|--|--------|
| | 0% | 5% | 10% | 15% | 20% | \$/boe | \$/mcf |
| | Proved | | | | | | |
| Producing | 195,971 | 161,745 | 138,322 | 121,706 | 109,423 | 11.16 | 1.86 |
| Developed Non-Producing | 11,431 | 9,352 | 7,906 | 6,867 | 6,094 | 13.56 | 2.26 |
| Undeveloped | 145,793 | 85,602 | 49,797 | 27,239 | 12,279 | 4.74 | 0.79 |
| Total Proved | 353,195 | 256,699 | 196,025 | 155,811 | 127,795 | 8.35 | 1.39 |
| Total Probable | 336,224 | 182,254 | 109,375 | 70,826 | 48,419 | 5.88 | 0.98 |
| Total Proved Plus Probable | 689,418 | 438,952 | 305,400 | 226,637 | 176,215 | 7.26 | 1.21 |

(1) Future net revenues are estimated using forecast prices, costs arising from the anticipated development and production of reserves, associated royalties, operating costs, development costs, and abandonment and reclamation costs. The estimated values disclosed do not necessarily represent fair market value.

(2) Unit values are calculated using net reserves defined as Delphi's working interest share after deduction of royalty obligations plus Delphi's royalty interests.

(3) Tables may not add due to rounding.

Future Development Costs

Future development costs ("FDC") have increased by \$92.0 million and \$113.0 million for the total proved and total proved plus probable categories respectively, primarily as a result of new undeveloped locations being booked offsetting the successful delineation wells drilled in 2017.

The following table provides the future development costs, undiscounted, included in the GLJ Report for total proved and total proved plus probable reserves.

| (\$ thousands) | 2018 | 2019 | 2020 | 2021 | 2022 | Rem | Total |
|----------------------------|--------|--------|--------|--------|------|-----|---------|
| Total Proved | 73,580 | 55,162 | 21,417 | 138 | - | 146 | 150,443 |
| Total Proved Plus Probable | 73,580 | 84,533 | 98,781 | 16,576 | 550 | 949 | 274,967 |

Forecast Prices

The following is a summary of GLJ's January 1, 2018 price forecast used in the evaluation.

| Year | Natural Gas | | Oil | | | Inflation % | Exchange Rate \$US/\$CDN |
|-------|---------------------------------|----------------------------------|--------------------------------|--------------------------|--|----------------|--------------------------------|
| | AECO/NIT Spot \$CDN/MMBtu | NYMEX Henry Hub \$US/MMBtu | Edmonton Light \$CDN/bbl | NYMEX WTI \$US/bbl | Pentanes Plus Edmonton \$CDN/bbl | | |
| 2018 | 2.20 | 2.85 | 70.25 | 59.00 | 76.42 | 2.0 | 0.790 |
| 2019 | 2.54 | 3.00 | 70.25 | 59.00 | 74.68 | 2.0 | 0.790 |
| 2020 | 2.88 | 3.25 | 70.31 | 60.00 | 74.38 | 2.0 | 0.800 |
| 2021 | 3.24 | 3.50 | 72.84 | 63.00 | 77.16 | 2.0 | 0.810 |
| 2022 | 3.47 | 3.70 | 75.61 | 66.00 | 79.88 | 2.0 | 0.820 |
| 2023 | 3.58 | 3.86 | 78.31 | 69.00 | 82.53 | 2.0 | 0.830 |
| 2024 | 3.66 | 3.94 | 81.93 | 72.00 | 86.14 | 2.0 | 0.830 |
| 2025 | 3.73 | 4.02 | 85.54 | 75.00 | 89.76 | 2.0 | 0.830 |
| 2026 | 3.80 | 4.10 | 88.35 | 77.33 | 92.57 | 2.0 | 0.830 |
| 2027 | 3.88 | 4.18 | 90.22 | 78.88 | 94.43 | 2.0 | 0.830 |
| 2028+ | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | 2.0 | 0.830 |

Reserves⁽¹⁾ Reconciliation

The following reconciliation of Delphi's reserves compares changes in the Company's gross reserves at December 31, 2016 to the reserves at December 31, 2017, each evaluated in accordance with National Instrument 51-101 definitions. Negative technical revisions and economic factors to the shale gas and associated natural gas liquids product types were solely comprised of shale gas and the associated plant extracted natural gas liquids. Technical revisions and economic factors related to field condensate (included in the "associated natural gas liquids" product type) were positive at 73 mboe and 54 mboe for total proved and total proved plus probable, respectively.

| | Shale Gas | | Conventional Natural Gas | | Total Oil Equivalent (mboe) |
|----------------------------------|------------------------|---|--------------------------|---|-----------------------------------|
| | Shale Gas (mmcf) | Associated Natural Gas Liquids (mbbls) | Natural Gas (mmcf) | Associated Natural Gas Liquids (mbbls) | |
| Proved | | | | | |
| December 31, 2016 | 67,316 | 6,189 | 9,357 | 245 | 19,213 |
| Extensions and Improved Recovery | 43,199 | 4,882 | 0 | 0 | 12,082 |
| Technical Revisions | (6,854) | (370) | 811 | 38 | (1,339) |
| Discoveries | - | - | - | - | - |
| Acquisitions | - | - | - | - | - |
| Dispositions | - | - | - | - | - |
| Economic Factors | (7) | (1) | (173) | (4) | (35) |
| Production | (9,724) | (1,126) | (1,626) | (49) | (3,067) |
| December 31, 2017 | 93,931 | 9,574 | 8,370 | 230 | 26,853 |

| | Shale Gas | | Conventional Natural Gas | | Total Oil Equivalent (mboe) |
|----------------------------------|------------------|---|--------------------------|---|-----------------------------|
| | Shale Gas (mmcf) | Associated Natural Gas Liquids (mnbbls) | Natural Gas (mmcf) | Associated Natural Gas Liquids (mnbbls) | |
| Probable | | | | | |
| December 31, 2016 | 62,193 | 5,500 | 6,934 | 218 | 17,239 |
| Extensions and Improved Recovery | 24,872 | 2,650 | 0 | 0 | 6,795 |
| Technical Revisions | (10,584) | (605) | (3) | 21 | (2,349) |
| Discoveries | - | - | - | - | - |
| Acquisitions | - | - | - | - | - |
| Dispositions | - | - | - | - | - |
| Economic Factors | (104) | (8) | (147) | (3) | (53) |
| Production | - | - | - | - | - |
| December 31, 2017 | 76,377 | 7,536 | 6,784 | 236 | 21,633 |

| | Shale Gas | | Conventional Natural Gas | | Total Oil Equivalent (mboe) |
|----------------------------------|------------------|---|--------------------------|---|-----------------------------|
| | Shale Gas (mmcf) | Associated Natural Gas Liquids (mnbbls) | Natural Gas (mmcf) | Associated Natural Gas Liquids (mnbbls) | |
| Proved Plus Probable | | | | | |
| December 31, 2016 | 129,509 | 11,689 | 16,292 | 464 | 36,452 |
| Extensions and Improved Recovery | 68,071 | 7,532 | 0 | 0 | 18,877 |
| Technical Revisions | (17,438) | (976) | 808 | 59 | (3,689) |
| Discoveries | - | - | - | - | - |
| Acquisitions | - | - | - | - | - |
| Dispositions | - | - | - | - | - |
| Economic Factors | (111) | (9) | (320) | (8) | (88) |
| Production | (9,724) | (1,126) | (1,626) | (49) | (3,067) |
| December 31, 2017 | 170,307 | 17,110 | 15,154 | 466 | 48,486 |

(1) Gross reserves represent the operated and non-operated working interest share of reserves before deduction of royalties and does not include any royalty interests of the Company.

(2) Tables may not add due to rounding.

Finding and Development Costs

In 2017, Delphi brought 15 gross (9.6 net) wells on production. Capital to drill, complete, equip and tie-in these wells totaled \$86.8 million which includes \$5.9 million of capital spent on these wells in 2016 and excludes \$17.7 million of capital spent in 2017 for drilling and completion of wells not brought on production in 2017. Company gross proved developed producing reserve additions (classified as extensions and improved recovery) for these wells was 6.04 mmboe resulting in a finding and development cost of \$14.37 per boe. Finding and development costs for proved and proved plus probable reserves for 2017 and the last three years are presented below.

Three year average finding, development and acquisition costs in the total proved category is not meaningful as total reserve additions are negative. Three year average finding, development and acquisition costs in the total proved plus probable category is not meaningful as total costs and reserve additions are both negative. The Company disposed of both its Wapiti and Hythe properties in 2015 and certain interests in Bigstone through a transaction with an industry partner in 2016.

| | 2017 | | 2015 - 2017 Totals/Average | | | |
|--|------------------|--------------|----------------------------|------------------|--------------|----------------------------|
| | Proved Producing | Total Proved | Total Proved plus Probable | Proved Producing | Total Proved | Total Proved plus Probable |
| Capital (\$ thousands) | | | | | | |
| Exploration and Development ("E&D") Costs ⁽¹⁾ | 108,829 | 108,829 | 108,829 | 196,630 | 196,630 | 196,630 |
| Change in FDC related to E&D | 138 | 92,182 | 112,674 | (3,967) | (15,218) | 9,814 |
| Total E&D Costs | 108,967 | 201,011 | 221,503 | 192,663 | 181,412 | 206,444 |
| Acquisition and Disposition ("A&D") Costs ⁽¹⁾ | (1,595) | (1,595) | (1,595) | (92,892) | (92,892) | (92,892) |
| Change in FDC related to A&D | - | - | - | (2,483) | (65,807) | (126,267) |
| Total A&D Costs | (1,595) | (1,595) | (1,595) | (95,375) | (158,699) | (219,159) |
| Total Costs | 107,372 | 199,416 | 219,908 | 97,288 | 22,713 | (12,715) |
| Reserves (mboe) | | | | | | |
| Total Reserve Discoveries, Extensions & Revisions ⁽²⁾ | 4,673 | 10,707 | 15,101 | 12,188 | 7,692 | 9,365 |
| Total Acquisitions and Dispositions | - | - | - | (6,846) | (14,513) | (25,976) |
| Total Reserve Additions | 4,673 | 10,707 | 15,101 | 5,342 | (6,821) | (16,612) |
| E&D, including change in FDC related to E&D (F&D) | 23.32 | 18.77 | 14.67 | 15.81 | 23.58 | 22.04 |
| E&D and A&D, including change in FDC (F,D&A) | 22.98 | 18.62 | 14.56 | 18.21 | (3.33) | 0.77 |

(1) Capital invested has been reduced by \$10.1 million for capital carry costs incurred in 2017 as part of the transaction on the Bigstone Montney asset announced on November 8, 2016.

(2) Includes extensions and improved recovery, technical revisions, discoveries and economic factors.

Delphi will release its Annual Information Form by April 2, 2018, which will include all required National Instrument 51-101 reserves disclosure.

OPERATIONS UPDATE

The Company brought two (1.3 net) wells on production in February 2018, the first wells to come on production since November 2017. In one of these wells a new ball drop frac liner was successfully tested in a portion of the horizontal lateral. This new frac system will accommodate more frac stages and higher frac pump rates as well as simplifying wellbore clean-out operations, if needed.

Delphi has completed its planned winter drilling program with four gross (2.6 net) wells having been drilled prior to March. Completion operations have commenced on the first well at 16-10-60-24W5 ("16-10"). 16-10 was drilled to a total depth of 5,994 metres and is the western-most well the Company has drilled in over six years. The well will be completed through a 65-stage hybrid frac design as part of the Company's sixth generation frac design utilizing 30 percent more discrete stages and 30 percent more sand than used previously. The frac crew will remain in the field with plans to complete the remaining three 2018 wells as weather permits.

All major equipment for the Company's amine sweetening plant is on location and plans remain on-track for the construction and commissioning of the project at the 7-11-60-23W5 compression and dehydration Montney facility. When brought on-line in the second quarter of 2018, up to 17 mmcf/d of gross raw sweetened Montney gas will be processed at the Repsol operated Bigstone Gas Plant where the Company owns a 25% working interest. This will significantly reduce operating costs for the portion of Montney gas that gets processed at this plant.

Delphi continues to explore other initiatives to reduce the cost structure of its Bigstone Montney operation. Pipeline infrastructure for field condensate and water handling are top priorities as these have the potential to significantly reduce associated operating costs and reduce or eliminate reliance on trucking.

OUTLOOK AND 2018 GUIDANCE

Delphi has maintained a high level of drilling activity over the past 15 months with 21 new wells drilled, increasing the total number of wells drilled on its 169 sections of Montney acreage to 52 over the past 5 years. This increased pace of capitalization has materially de-risked the overall acreage with several successful delineation wells to the south and west portions of its acreage.

Although expectations are well defined on the eastern portions of the lands, increased delineation drilling to the west will be beneficial in defining a “richer” condensate type curve expectation. Nine wells have now been drilled on the west side with greater than 90 days of production where the Company continues to enhance its completion techniques from the observed production results.

The Company views this initial success moving west to acreage that is yielding 200 to 300 bbls/mmcf of field condensate as very positive with an expectation of increased margin growth and enhanced return on capital.

With the two most recent wells on-stream, Delphi’s production over the last 7 days has averaged approximately 10,800 boe/d (27 percent condensate and 15 percent NGL’s) based on field estimates. The Company also has five new wells in various stages of completion operations with expectations for all wells to commence production by early third quarter. This puts the Company in an excellent position to pause its drilling program through spring breakup to evaluate the production performance of the new wells to best plan the second half of the 2018 capital program. As such the Company is providing guidance for the first half of 2018 only at this time, giving full consideration to the scheduled production downtime associated with ongoing completion operations and the construction and commissioning of the amine processing facility. Delphi looks to formalize its second half 2018 capital program later in the second quarter.

The following table highlights the major assumptions with respect to Delphi’s guidance for the first half of 2018.

| | 2018 First Half Guidance |
|--------------------------------------|-------------------------------------|
| Net Capital Program (\$ million) | \$38 - \$45 |
| Gross Well Count Drilled (net) | 4 (2.6) |
| Gross Well Count On Production (net) | 5 (3.3) – 7 (4.6) |

| | 2018 First Half Guidance | 2017 First Half Actuals | % Change |
|--|-------------------------------------|------------------------------------|-----------------|
| Average Production (boe/d) | 9,800 – 10,200 | 7,336 | 36 |
| Natural Gas (mmcf/d) | 35.0 – 37.0 | 26.6 | 35 |
| Field Condensate (bbls/d) | 2,350 – 2,450 | 1,738 | 38 |
| NGL’s (bbls/d) | 1,470 – 1,530 | 1,160 | 29 |
| Percent Liquids (%) | 40 | 40 | - |
| Adjusted Funds Flow (“AFF”) | \$25.0 - \$27.0 | \$15.2 | 71 |
| Cash Netback (per boe, excluding hedges) | \$14.25 | \$11.43 | 25 |
| Net Debt ⁽¹⁾⁽²⁾ | \$149.0 – \$154.0 | \$90.7 | 55 |
| Net Debt / AFF (annualized) | 2.9 – 3.0 | 3.0 | |

(1) Based on WTI crude oil price of \$63 per barrel, NYMEX Henry Hub natural gas price of \$2.80 per mmbtu and FX of 1.27 CAD per USD.

(2) Net debt is defined as the sum of bank debt, senior secured notes and the long term portion of unutilized take-or-pay contract plus (minus) the working capital deficit (surplus) excluding the current portion of the fair value of the financial instruments.

Delphi remains well positioned with a high quality resource base supported by strategic infrastructure and a large drilling inventory, a strategic “long Alliance Chicago” natural gas marketing strategy, and a strong commodity hedge position.

CONFERENCE CALL AND WEBCAST

A conference call and webcast to review 2017 year end results is scheduled for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, March 8, 2018. The conference call number is 1-844-358-8760. A brief presentation by David J. Reid, President and CEO, Mark Behrman, CFO and Rod Hume, Senior Vice President, Engineering will be followed by a question and answer period. The conference call will also be broadcast live on the Internet and may be accessed through www.delphienergy.ca or by entering <https://edge.media-server.com/m6/p/fitkqvdz> in your web browser.

A recorded rebroadcast will be archived and made available on the Company’s website at www.delphienergy.ca or by entering <https://edge.media-server.com/m6/p/fitkqvdz> in your web browser. Delphi’s annual and fourth quarter 2017

financial statements and management's discussion and analysis are available on the Company's website at www.delphienergy.ca and SEDAR at www.SEDAR.com.

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

MARK D. BEHRMAN
CFO

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 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, 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.