PRESS RELEASE
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# DELPHI ENERGY ANNOUNCES EXPANDED CAPITAL PROGRAM FOR DEVELOPMENT OF ITS LIQUIDS-RICH WEST BIGSTONE PROPERTY

**CALGARY, ALBERTA** – November 1, 2018 – Delphi Energy Corp. ("Delphi" or the "Company") is pleased to announce it is expanding its 2018 drilling program by approximately $15 million at the Company's West Bigstone Montney property.

The expanded capital program follows up on successful delineation drilling conducted in 2017 and the first half of 2018 which confirmed the liquids-rich, high productivity nature of the western portion of the greater Bigstone Montney area, as demonstrated by five recent horizontal wells in the development area.

| Well | Flow Period | Sales Gas (mcf/d) | Field Condensate (bbl/d) | Total (boe/d) | Liquids (%) | Field Condensate Gas Ratio (bbl/mmcf) |
|---|---|---|---|---|---|---|
| 16-10-60-24W5(1) | IP90 | 3,456 | 613 | 1,214 | 53% | 177 |
| 00/15-19-59-23W5(2) | IP90 | 3,302 | 605 | 1,300 | 58% | 183 |
| 16-31-59-23W5(2) | IP30 | 1,991 | 676 | 1,095 | 70% | 340 |
| 02/15-19-59-23W5(2) | test rate(3) | 5,417 | 1,278 | 2,418 | 63% | 236 |
| 15-10-60-24W5(1) | test rate(4) | 3,494 | 1,610 | 2,217 | 74% | 461 |

(1) Assuming estimated gas plant natural gas liquid recoveries of 7.1 bbl/mmcf for Delphi Negus
(2) Assuming estimated gas plant natural gas liquid recoveries of 43.8 bbl/mmcf for SemCAMS K3
(3) Final 24 hour rate on 2.5 day flow test
(4) Final 24 hour rate on 2.2 day flow test

## STRATEGIC RATIONALE

Delineation success at West Bigstone combined with the anticipated benefits of a multi-well pad development are the fundamental drivers behind Delphi's decision to accelerate spending. While pad development extends the cycle time from spud to first production, the modest impact of the delay is significantly outweighed by the estimated well cost savings and productivity gains expected.

Drilling operations on the first four-well pad in West Bigstone have commenced and completions are expected to begin in the first quarter of 2019. The results of the 2018 delineation drilling program at West Bigstone highlight the value of Delphi's commitment to applying industry leading technology to the company's world class Montney asset and demonstrates the Company's ability to diligently execute such operations.

To bridge the initial lag between investment and cash flow inherent in the shift to pad drilling operations, Delphi has entered into an agreement with Luminus Management, LLC ("Luminus") for a $15 million financing transaction through the issuance of $15 million principal amount of 10 percent senior secured notes. Delphi is pleased to have the continued support of Luminus to facilitate the development of its Bigstone Montney assets.

Net debt to adjusted funds flow is projected to increase during the drilling and completion of the four-well pad at West Bigstone, but is expected to be reduced below current levels during the second quarter of 2019, as production from the pad comes online, prior to commencing the drilling of the next pad. Delphi's guidance for production in 2018 remains unchanged as the volumes associated with the capital acceleration plan will not be realized until 2019.

**THE FINANCING TRANSACTION**

The Company has agreed to issue an additional $15 million principal amount of its currently outstanding senior secured notes priced at 100 percent of par value (plus accrued and unpaid interest). The additional notes are being offered as further notes to Delphi's existing $90 million aggregate principal amount of 10 percent senior secured notes due 2021 which trade on the TSX exchange. The additional notes shall be fungible with the existing notes for trading purposes.

The offering is expected to close on November 9, 2018, subject to necessary regulatory approvals. The additional notes issued to Luminus will be subject to a statutory hold period of four months plus one day from the date of closing, in accordance with applicable securities legislation.

**CREDIT FACILITY UPDATE**

The Company is also pleased to announce that it has completed the mid-year review and confirmed the borrowing base of its $105 million senior secured credit facility with its syndicate of lenders, led by Alberta Treasury Branches and including The Bank of Nova Scotia and Bank of Montreal. The facility is available on a revolving basis until May 28, 2019 at which time it may be extended at the lenders' option.

**MARKETING AND HEDGING UPDATE**

Delphi has a total of 57 mmcf/d of firm and priority interruptible service on the Alliance pipeline system and 24 mmcf/d of firm service on the NGTL pipeline system. All of Delphi's natural gas hedges are focused on its more robust Chicago delivery point. Delphi continues to generate marketing income from the excess service it holds on Alliance through a combination of 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.

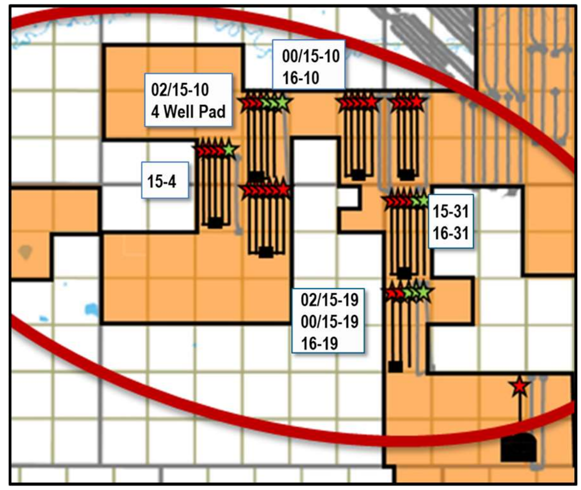
The Company has continued its active forward-looking hedging strategy, locking in strong natural gas and WTI pricing into 2019 and 2020.

| Commodity Hedges | Q4 2018 | 2019 | 2020 |
|---|---|---|---|
| Natural gas (mmcf/d) | 17.4 | 15.0 | 3.7 |
| Average hedge price (C$/mcf)(2) | $3.64 | $3.47 | $3.45 |
| % of natural gas production hedged(3) | 46 | 39 | 10 |
| | | | |
| Crude oil (bbl/d) | 2,100 | 2,950 | 500 |
| Average hedge price (C$/bbl) | $72.41 | $85.73 | $90.05 |
| % of condensate and NGL production hedged(3) | 60 | 84 | 14 |
| | | | |
| Propane (bbl/d) | - | 400 | 100 |
| Average hedge price (C$/bbl) | - | $42.82 | $41.40 |
| % of propane production hedged(3) | - | 62 | 15 |

(1) Assumes an FX of 1.327 CAD per USD for the fourth quarter of 2018 and 1.28 CAD per USD for 2019 and 2020.
(2) Includes the impact of NYMEX HH natural gas – Chicago basis hedges.
(3) Based on 38 mmcf/d of natural gas production, 3,500 bbl/d of condensate and NGL production and 650 bbl/d of propane production.

**OPERATIONS UPDATE**

The Company has finished drilling and completing four (2.6 net) of the five planned wells of its previously communicated second half drilling program with three of the four wells now on production. The fourth well at 100/15-10-60-24W5 ("15-10") is scheduled to commence production in late November, after being drilled to a total depth of 6,147 metres, with a horizontal lateral in the Montney of 2,963 metres and completed with a 65 stage frac completion.




With the expanded capital program and an attractive service cost pricing environment, the completion of the fifth well at 15-31-59-23W5 (“15-31”), originally planned for first quarter 2019, will be moved into the fourth quarter, with an on-production date scheduled for January 2019. The expanded capital program in 2018 will also include the drilling of an additional delineation well approximately one mile further west of the section 10 wells and commencement of drilling operations on a four-well development pad with a second rig, offsetting the 100/15-10 and 16-10 wells. The 16-10 well has cumulative production after five months of 76,000 bbls of field condensate and 0.6 bcf of natural gas. The first well of the pad at 102/15-10 is currently drilling in the horizontal section.

## OUTLOOK

Delphi will continue to focus on the liquids-rich development of its Montney assets at Bigstone. Based on the recent results, Delphi projects that over a three-year period (2019 to 2021) in a scenario where capital spending equates to funds from operations, production would increase by approximately 30 percent and reduce net debt to trailing adjusted funds from operations to below 2.0 times. In this scenario, Delphi would expect to outspend adjusted funds from operations through 2019 and to underspend adjusted funds from operations in 2020 and 2021.

Higher commodity prices would allow Delphi to accelerate the capital program while still reducing net debt to adjusted funds from operations. This three-year outlook contemplates the drilling of 37 wells. With an estimate of over 400 drilling locations on 128 undeveloped sections of land, Delphi has the potential to significantly increase production and adjusted funds flow from the Bigstone property.

Delphi will be reporting operating and financial results for the third quarter after the close of market on Tuesday, November 13th.

**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.*

*Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.*

***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.*