CALGARY, ALBERTA--(Marketwired - Nov 12, 2015) - Delphi Energy Corp. (TSX:DEE) ("Delphi" or the "Company") is pleased to announce its financial and operational results for the quarter ended September 30, 2015.

Third Quarter 2015 Highlights

- Generated funds from operations of $10.1 million and realized net earnings of $10.7 million in the third quarter of 2015;
- Closed the disposition of its Wapiti assets for gross proceeds of $50.0 million. The proceeds were applied against the Company's outstanding bank indebtedness and subordinated debt;
- Negotiated the sale of the Company's greater Hythe area and subsequent to quarter end entered into a purchase and sale agreement for gross proceeds of $12.0 million. The sale closed on November 2, 2015 and the proceeds from the disposition have been applied against the Company's outstanding bank indebtedness;
- Completed one (0.83 net) horizontal Montney well that was drilled in the first quarter of 2015 and drilled and completed one (0.83 net) horizontal Montney well in the quarter;
- Constructed injection facilities on the previously acquired water disposal well with water injection operations commencing subsequent to the end of the third quarter;
- Maintained Montney natural gas liquids ("NGL") and field condensate yields at 91 barrels per million cubic feet ("bbls/mmcf") in the third quarter of 2015. Field and plant condensate yield was 57 bbls/mmcf or 63 percent of the total 91 bbls/mmcf;
- Realized gains of $8.3 million from commodity price risk management contracts in the third quarter of 2015; and
- At September 30, 2015, Delphi's risk management contracts had a mark to market value of $22.4 million.

Operational Highlights

	Three Months Ended September 30			Nine Months Ended September 30		
Production	2015	2014	% Change	2015	2014	% Change
Field condensate (bbls/d)	1,192	1,227	(3)	1,383	1,348	3
Natural gas liquids (bbls/d)	1,045	1,356	(23)	1,439	1,551	(7)
Crude oil (bbls/d)	6	169	(96)	34	210	(84)
Total crude oil and natural gas liquids	2,243	2,752	(18)	2,856	3,109	(8)
Natural gas (mcf/d)	33,871	40,251	(16)	40,998	41,646	(2)
Total (boe/d)	7,888	9,461	(17)	9,689	10,050	(4)

Financial Highlights ($ thousands except per unit amounts)

	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	% Change	2015	2014	% Change
Crude oil and natural gas sales	16,234	35,117	(54)	61,674	128,336	(52)
Realized sales price per boe	33.77	38.69	(13)	29.69	42.82	(31)
Funds from operations	10,070	14,221	(29)	29,576	49,290	(40)
Per boe	13.89	16.34	(15)	11.19	17.96	(38)
Per share - Basic	0.06	0.09	(33)	0.19	0.32	(41)
Per share - Diluted	0.06	0.09	(33)	0.19	0.31	(39)
Net earnings (loss)	10,670	12,163	(12)	(19,441)	18,325	(206)
Per boe	14.70	13.97	5	(7.35)	6.68	(210)
Per share - Basic	0.07	0.08	(13)	(0.13)	0.12	(208)
Per share - Diluted	0.07	0.08	(13)	(0.13)	0.11	(218)
Capital invested	20,951	29,350	(29)	41,267	83,999	(51)
Disposition of properties	(43,397)	(15,964)	172	(53,866)	(15,964)	237
Net capital invested	(22,446)	13,386	(268)	(12,599)	68,035	(119)
Acquisition of undeveloped properties	-	8,800	(100)	-	8,800	(100)
Total capital invested	(22,446)	22,186	(201)	(12,599)	76,835	(116)

	September 30, 2015	December 31, 2014	% Change
Net debt (1)	129,161	173,655	(26)
Total assets	410,040	481,749	(15)
Shares outstanding (000's)			
Basic	155,510	155,477	-

Diluted	167,688	168,208	-

(1) Defined as the sum of long term and subordinated debt plus (minus) the working capital deficit (surplus) excluding the current portion of the fair value of financial instruments.

MESSAGE TO SHAREHOLDERS

The commodity price environment continues to be very challenging with crude oil prices averaging US $46.44 per barrel during the third quarter of 2015, down 52 percent from the comparative quarter of the previous year and down 20 percent from the second quarter of 2015. Edmonton light crude oil prices were down slightly less at 42 percent and 17 percent versus the comparative period of 2014 and the second quarter of 2015, respectively. The reductions in Edmonton light oil prices were positively influenced by a further devaluation of the Canadian dollar against the US dollar. Delphi's commodity price risk management program continues to be an integral part of its financial strategy to protect funds from operations during periods of price volatility. Despite the drop in crude oil prices, the Company received Cdn $95.05 per barrel for its condensate production in the third quarter of 2015, including a realized risk management gain of $19.74 per barrel for maturing contracts in the period and $22.46 per barrel on the unwinding of several condensate related risk management contracts for the period January 1, 2017 - December 31, 2018.

In the third quarter of 2015, Canadian natural gas prices were lower by 28 percent at $2.90 per mcf as compared to the comparative quarter of 2014 but higher than the second quarter of 2015 by nine percent. Delphi's realized natural gas price for the third quarter of 2015 was $3.83 per mcf, a decrease of six percent from the comparative period of 2014. In the third quarter of 2015, Delphi's realized natural gas price was reduced by $0.62 per mcf as a result of selling approximately 19 percent of its natural gas volumes at CREC pricing due to constraints on the TransCanada and Alliance pipelines. Similar to condensate pricing, the Company's realized natural gas price was positively influenced by its risk management program and includes a realized risk management gain of $0.73 per mcf for maturing contracts in the period and $0.48 per mcf on the unwinding of several natural gas risk management contracts for the period December 1, 2015 to December 31, 2016.

Production volumes in the third quarter of 2015 averaged 7,888 boe/d, a 17 percent decrease over the comparative quarter in 2014 and 23 percent decrease from the second quarter of 2015. Production volumes primarily decreased due to the disposition of the Company's Wapiti CGU on July 22, 2015, a decrease of approximately 840 boe/d for the quarter, as well as TransCanada pipeline restrictions and the Alliance pipeline force majeure for an incremental reduction of approximately 750 boe/d of production downtime during the quarter. Natural declines in the quarter were partially offset by the production start-up of two gross (1.7 net) Montney wells which were brought on stream later the third quarter.

Delphi's production portfolio for the third quarter of 2015 was weighted 15 percent to field condensate, 13 percent to natural gas liquids and 72 percent to natural gas. This compares to a production portfolio for the comparative quarter in 2014 weighted 13 percent to field condensate, 14 percent to natural gas liquids, two percent to crude oil and 71 percent to natural gas. On a revenue basis for the third quarter of 2015, the production portfolio remained almost equally weighted, with 46 percent of the revenue generated from the condensate and natural gas liquids volumes. The CREC pricing decreased natural gas revenue in the third quarter of 2015 by $1.9 million and $5.0 million for the nine months ending September 30, 2015.

Funds from operations in the third quarter of 2015 were $10.1 million or $0.06 per basic and diluted share, compared to $14.2 million or $0.09 per basic and diluted share in the comparative quarter of 2014. The decrease in funds from operations in the third quarter of 2015 as compared to the same quarter in 2014 is primarily due to lower production volumes and a lower cash netback for the quarter as the decrease in realized revenue per boe from lower commodity prices was only partially offset by reduced cash costs. While revenue per boe was down $4.92 per boe versus the same quarter of 2014, royalty costs per boe were down 63 percent, $3.66 per boe, from the comparative quarter of 2014 with operating costs per boe higher by 13 percent, $1.20 per boe, as fixed costs were spread over lower production volumes. The absolute amount of operating costs in the third quarter of 2015 were down $1.0 million or 12 percent from the second quarter of 2015 with the disposition of Wapiti representing $0.6 million of this reduction.

During the third quarter of 2015, Delphi invested $21.0 million primarily on drilling and completions. Delphi drilled two gross (1.9 net) wells and performed completion operations on three gross (2.7 net) wells in its Bigstone area. The Company also invested $2.3 million in its water disposal facility which was commissioned in October. In the third quarter, the Company closed the disposition of its Wapiti assets for net proceeds of $48.8 million, of which a $10.0 million deposit was received in the second quarter of 2015. In addition, Delphi received proceeds of $4.6 million in exchange for a gross overriding royalty on two gross wells completed during the quarter as part of its latest five well gross overriding royalty arrangement.

At September 30, 2015, the Company had $115.4 million outstanding under its senior credit facility and $13.8 million outstanding under its subordinated credit facility for net debt of $129.2 million and was in compliance with all covenants of the credit facilities. Total net debt has decreased by $51.5 million from $180.7 million at March 31, 2015, primarily from the disposition of the Company's Wapiti assets, which closed on July 22, 2015. The proceeds were applied to the Company's outstanding indebtedness with $44.0 million repaid on the senior credit facility and $6.0 million repaid on the subordinated credit facility. At September 30, 2015, the Company's net debt to funds from operations ratio was 3.2:1.

Operations Update

Delphi has completed the drilling of its fifth horizontal Montney well of 2015 at 14-24-60-23W5 ("14-24"). The 14-24 well (0.83 net) was drilled to a total depth of 5,560 metres with a horizontal lateral length of 2,602 metres. The well was drilled from spud to total depth in 28 days, a near record pace for Delphi's horizontal Montney wells. Gross final costs for the drilling and liner setting operation are estimated at a Company record of $3.8 million. Completion operations, utilizing the Company's newly optimized frac design over a 37 stage liner, will commence later in the fourth quarter or in the first quarter of 2016. As a result of continued innovation and reduced service costs, current and go-forward drilling and completion capital have been reduced by more than 30 percent from average 2014 levels.

Delphi has commenced the drilling of its sixth horizontal Montney well of 2015 in East Bigstone at 14-27-60-23W5. Commensurate with a drilling program objective that minimizes capital to bring on production, the wells being drilled in 2015 are proximal to existing gathering infrastructure. These infill drilling locations are consistent with the Company's strategy to minimize capital costs while targeting the most efficient production and proved developed producing reserve additions.

Delphi continues to pursue operating efficiency gains and operating cost reductions in the field. The Company has commenced water disposal at the previously announced disposal well that was acquired earlier in the year. Avoiding water disposal costs through third parties will result in reductions to both operating costs, estimated to be reduced by $0.70/boe for the Company's Bigstone Montney production, and capital costs on Delphi's completion operations for its future Montney development wells. The Company is also preparing to install a pipeline to access higher quality fuel gas to improve the efficiency of the Montney 7-11 compression and dehydration facility, increasing the throughput capacity and decreasing the required maintenance/operating costs.

Addressing and optimizing the Company's overall cost structure continues to be a primary focus to maximize profitability. Reduced capital costs and lower operating costs combined with a superior asset has enabled the Company to continue to deploy capital to its Montney play and continue to provide high return on investment. Targeting reductions of 30 percent for capital costs, operating costs and general and administrative costs will enable the company to grow and profit in the current environment.

The Company has 17 wells which have been drilled with an average horizontal length of 2,500 to 3,000 metres and fracked with 30 to 40 stages utilizing slickwater frac techniques. All but one of these wells now have IP30 day production performance data with 10 wells having produced for at least a year providing IP365 well performance data. The 10 wells have an average IP365 total sales rate of 798 boe/d with three wells averaging over 1,000 boe/d each in their first 365 days of production. The strong production performance results in shorter periods to payback, enhances the ability to grow Montney production on an absolute basis and contributes to significant value of the asset.

Corporate Update

While remaining focused on its large-scale Montney project at Bigstone, the Company has successfully streamlined its business through two previously announced asset dispositions for combined gross proceeds of approximately $62.0 million. The two dispositions represent approximately 2,600 boe/d or 26 percent of the Company's production capability and seven percent of the field operating income in 2015. The Montney production which is forecast to grow 25 to 30 percent by the end of 2016 will soon represent 85 to 90 percent of the Company's production base. The benefits of the dispositions combined with Montney production growth and cash generating capability is transformational.

The Company will commence shipping most of its natural gas production on the Alliance pipeline beginning December 1, 2015 eliminating curtailments and negative CREC pricing adjustments go forward. Forecast revenue per boe, excluding hedges, is expected to increase by approximately 40 percent partially offset by an increase in transportation costs.

The Company now has lower interest expense, with net debt reduced 30 percent. As a result of the dispositions the Company has moved to right-size its staffing requirements. This is expected to result in approximately $2.0 million of annualized general and administrative cost savings. Overall, the Company expects to generate 17 to 20 percent savings in G&A and interest costs in 2016 compared to 2015. Initiatives to reduce operating costs at the Bigstone Montney asset and the sale of the higher operating cost Hythe assets are expected to generate approximately 20 percent lower operating costs in 2016.

The impact to the cash generating capability of the Company's production will be visible in the first quarter of 2016 with cash netbacks per boe, excluding hedging gains, expected to be 2.5 to 3.0 times greater than those reported in the third quarter of 2015. Although hedging gains in 2016 are forecast to be lower than what is forecast in 2015, the cash flow generated from field operations is expected to more than double and offset the lower forecast hedging gains.

The Company has also monetized certain natural gas and crude oil hedges as a result of the sale of the Hythe and Wapiti producing assets for total proceeds of approximately $4.9 million. The Company remains well hedged though 2016 and into 2017 with most of its natural gas hedge position focused on the Chicago market rather than AECO market. On December 1, 2015, the Company commences transporting most of its natural gas under its Alliance firm service agreement, eliminating exposure to ongoing TCPL curtailments and resulting Alberta based natural gas price weakness. The Company has experienced and expects continued exposure to TCPL related production curtailments and resulting price weakness through to the end of November.

Natural Gas (Cdn)	Dec 2015	2016	2017
Volume (mmcf/d)	4.7	2.8	2.4

% Hedged [1]	15%	9%	8%
Fixed Price (Cdn $/mcf)	$3.95	$3.84	$3.96
Strip Price (Cdn $/mcf)	$2.54	$2.61	$2.95

Natural Gas (US)	Dec 2015	2016	2017	2018
Volume (mmcf/d)	22.5	23.5	15.0	10.0
% Hedged [1]	70%	73%	47%	31%
Fixed Price (US $/mcf)	$3.34	$3.50	$3.66	$3.56
Strip Price (US $/mcf)	$2.32	$2.60	$2.89	$2.97
% US Revenue Hedged	59%	83%	68%	23%
US/Cdn FX Hedge Rate	$1.242	$1.263	$1.284	$1.257

Condensate (Cdn)	Dec 2015	2016
Volume (bbls/d)	1,220	800
% Hedged [1]	81%	53%
Floor Price (WTI Cdn $/bbl)	$80.00	$78.50
Ceiling Price (WTI Cdn $/bbl) [2]	-	$85.00
Strip Price (WTI Cdn $/bbl)	$58.69	$65.27

Total	Dec 2015	2016	2017	2018
Volume hedged [1]	84%	76%	42%	24%

1. *Percent hedged is based on average natural gas production of 32 mmcf/d and 1,500 bbls/d of condensate and C5+.*
2. *400 bbls/d have upside to a ceiling price of $85.00 per barrel at a deferred cost of $4.02 per barrel.*

The Bigstone Montney asset continues to demonstrate superior economic performance. The Company holds 139.5 gross sections of Montney rights and 89 sections of Cretaceous rights. In addition, the Company owns and operates a network of gas gathering pipelines, field compression and gas processing facilities.

Delphi also reports that Tony Angelidis, the Company's Senior Vice-President of Exploration and a founding partner of the Company is leaving the Company at the end of the year, accommodating a three year succession plan whereby John Behr, Manager Geo-Sciences and New Ventures will assume those responsibilities. John joined the Company in 2013 and has held various senior leadership roles throughout his 30 year career as a geophysicist.

2015 Guidance Update

With the disposition of Hythe and continued TCPL and Alliance pipeline constraints resulting in CREC pricing for a portion of our natural gas production until the end of November, and lower commodity prices forecast for the remainder of the year, the Company has updated its guidance for 2015. As a result of lower realized prices, the disposition of Hythe and the drilling of a sixth well in 2015, funds from operations has been reduced slightly while net debt at December 31, 2015 has been reduced to $123.0 to $125.0 million.

	2015 Guidance Post Wapiti and Hythe Dispositions
Average Annual Production (boe/d)	9,500 - 9,800
Exit Production Rate (boe/d)	8,000 - 8,500
AECO Natural Gas Price (Cdn $ per mcf)	$2.70
WTI Oil Price (US $ per bbl)	$49.50
Natural Gas Liquids Price (Cdn $ per bbl)	19.50
Foreign Exchange Rate (US/Cdn)	1.27
Well Count (Drilled and Completed)	4.0 gross
Net Capital Program ($ million)	($9.0) - ($7.0)
Funds from Operations ($ million)	$38.0 - $40.0
Net Debt at December 31 ($ million)	$123.0 - $125.0
Net Debt / Q4 FFO (annualized)	3.2 - 3.4

Outlook

Delphi continues to navigate this very challenging lower commodity price environment with a singular focus on its core Bigstone Montney asset complemented with significant strategic non-core dispositions. This focused effort is successfully improving well productivity, driving down capital costs, grinding operating costs lower, alleviating TCPL transportation issues and creating greater financial flexibility. All of these successes are contributing to a sustainable economic business, even in a "lower for longer" commodity price environment.

The Company remains committed to a conservative approach to its capital spending plans through the remainder of 2015 and into 2016 to preserve financial flexibility. Capital spending remains dependent upon realized commodity prices and level of service cost reductions. Delphi expects to communicate 2016 guidance early in the first quarter of 2016.

On behalf of the Board of Directors and all the employees of Delphi, we would like to thank our shareholders for their continued support.

CONFERENCE CALL AND WEBCAST

A conference call and webcast to review Q3, 2015 results is scheduled for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, November 12, 2015. The conference call number is 1-800-396-7098. A brief presentation by David Reid, President and CEO and Brian Kohlhammer, Senior VP Finance & CFO, 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 the Delphi Energy website at www.delphienergy.ca.

A taped rebroadcast will be available until 6:00 p.m. Mountain Time, Thursday, November 19, 2015. To access the rebroadcast, dial 1-800-408-3053 or 905-694-9451. The passcode is 1310852. It will also be available on Delphi's website. Delphi's third quarter 2015 financial statements and management's discussion and analysis are available on Delphi's website at www.delphienergy.ca and SEDAR at www.SEDAR.com.

Delphi Energy is a Calgary-based company that explores, develops and produces oil and natural gas in Western Canada. The Company is managed by a proven technical team. Delphi trades on the Toronto Stock Exchange under the symbol DEE.

Forward-Looking Statements. The 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 with 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.

Non-IFRS Measures. The release contains the terms "funds from operations", "funds from operations per share", "net debt", "net debt to funds from operations ratio", "operating netbacks" "cash netbacks" and "netbacks" which are not recognized measures under IFRS. 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 funds from operations 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 and to repay debt. Funds from operations is a non-IFRS measure and has been defined by the Company as cash flow from operating activities before accretion on long term and subordinated debt, decommissioning expenditures and changes in non-cash working capital from operating activities. The Company also presents funds from operations 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 funds from operations 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 IFRS. The Company has defined net debt as the sum of long term debt and subordinated debt plus/minus working capital 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. Net debt to funds from operations ratio is defined as net debt to annualized quarterly funds from operations, based on the most recently completed quarter. This ratio is used to calculate the Company's compliance with its net debt to funds from operations ratio covenant. Operating netbacks have been defined as revenue less royalties, transportation and operating costs. Cash netbacks have been defined as operating netbacks less interest and general and administrative costs. Netbacks are generally discussed and presented on a per boe basis.

For the calculation of finding, development and acquisition costs, recycle ratio and net asset value per share, refer to the Company's press release of crude oil and natural gas reserves information dated February 25, 2015.

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