CALGARY, ALBERTA--(Marketwired - Aug 11, 2015) - NuVista Energy Ltd. ("NuVista" or the "Company") (TSX:NVA) is pleased to announce results for the three and six months ended June 30, 2015 and provide an update on its future business plans. NuVista had a strong and steady quarter with continued operational success including the extension of the Elmworth and Bilbo Development Blocks as well as further delineation in the emerging Gold Creek Development Area. NuVista has been active with three drilling rigs running until the onset of spring breakup, and the commencement of production from our new Elmworth compressor station on time and budget. The current pace of our capital program has allowed NuVista to maintain balance sheet strength while easily meeting take-or-pay ("TOP") obligations and preserving our ability to grow efficiently and profitably in the current commodity price environment.

Commodity pricing continued to be challenging in the second quarter, demonstrating significant volatility and weakness. Despite this, and other temporary production curtailments, NuVista realized funds from operations approximately equal to the first quarter of 2015, aided in part by our active ongoing hedging program.

Significant Operating Highlights

- Achieved second quarter 2015 production of 21,448 Boe/d (72% Wapiti Montney), in line with second quarter guidance despite significant TCPL/Nova outages and service reductions which were greater than original projections. Company second quarter production was 7.5% less than first quarter production due to a planned outage for maintenance at the Keyera Simonette Gas Plant (approximately -800 Boe/d) and the impact of Nova outages (approximately -750 Boe/d);
- Achieved funds from operations of $30.3 million ($0.20/share, basic) for the three months ended June 30, 2015, equal to the $30.3 million ($0.22/share, basic) for the three months ended March 31, 2015, due to slightly higher realized commodity prices offset by slightly reduced production;
- Successfully executed a second quarter capital program of $53.8 million as compared to $107.3 million in the first quarter of 2015. The Company drilled 3 (3.0 net) wells in our Wapiti Montney condensate rich resource play, completed construction and commenced production from our Elmworth block compressor station and trunk lines;
- Continued to see steady progress on improving well results, reducing costs, and enhancing capital efficiency. In this reduced commodity price environment we are seeing an emerging benefit from reducing service costs, experiencing 10-20% reductions on many drilling and completions costs since resuming operations following spring breakup;
- Completed the disposition of certain producing and non-producing assets for net proceeds of $7.4 million. The production associated with the divested assets was approximately 70 Boe/d. Year to date proceeds including minor divestitures subsequent to the second quarter totaled $13.9 million with associated production of approximately 350 Boe/d;
- Exited the second quarter of 2015 with bank borrowings of $153.4 million on a current facility of $300 million. Net debt was $169.4 million, resulting in second quarter net debt to annualized cash flow ratio of 1.4x;
- Successfully issued 11.5 million common shares and 2.5 million flow through common shares for net proceeds of approximately $107.0 million;
- Completed the annual renewal of our bank borrowing facility and maintained the facility at $300 million due to increased producing reserves offset by a reduction in the commodity price assumptions used by the lenders; and
- Achieved several new Wapiti Montney IP30 well results as shown below and in the updated NuVista corporate presentation which is available on our website. These results highlight significant advancement of delineation and positive development progress from Elmworth to Bilbo, as well as material headway towards defining a typecurve for our emerging Gold Creek development area.

New Well IP30 Results*

Well	Raw Gas (MMcf/d)	Condensate (Bbls/d)	Total Sales (Boe/d)	CGR C5+/Raw (Bbls/MMcf)
General Delineation Well Typecurve	5.8	261	1,217	45
Well #37 (Gold Creek Area) 16-1-68-7W6M	7.3	486	1,622	66
Well #38 (S of Elmworth) 11-28-68-8W6M	5.0	92	972	18
Well #39 (Gold Creek Area) 16-27-67-7W6M	4.6	254	1,058	55
Well #42 (SW of Elmworth) 16-6-68-8W6M **	5.7	338	1,263	59
Bilbo (South Block) Typecurve	5.8	435	1,361	75
Well #40 (SW of Bilbo) 16-10-65-6W6M	8.2	979	2,151	119
Well #41 (Bilbo Dev Block) 16-22-65-6W6M	3.8	352	969	93

* Well numbering refers to the numbered wells in our corporate presentation available on our website. They are effectively in chronological order since our inception in the play. All numbers shown are based on field estimate data.

** This is an IP30 projection based on 26 days of production thus far.

Emerging Development Area SW of Elmworth Development Block

A total of three new wells are currently producing which create a new emerging development area southwest of the Elmworth Development Block. One of these wells has a previously reported IP30 at 9.1 MMcf/d and 247 Bbls/d condensate. The two latest wells (#38 and #42), with IP30 data reported in this press release, are particularly encouraging in that they have proven condensate yields are not systematically reducing to the southwest, and that drilling costs (depth) and H2S concentrations are similar to Elmworth Block. A typecurve will be established for this development area with continued monitoring of well performance and additional delineation results. The production from this area is tied-in to our Elmworth compressor station gas gathering system.

Bilbo Block Extension

Well #40 in the table above is a significant stepout well, not only expanding the Bilbo block to the southwest to now include all NuVista Bilbo lands, but with powerful results. The IP30 for this well represents the second strongest of all NuVista Wapiti Montney wells drilled to date despite being produced under restricted rates. The well-produced almost 1,000 Bbls/d of condensate and over 2,100 Boe/d in total for the 30 day period. Well #41 in the Bilbo development block continues the trend we have been observing where wells below the average raw gas typecurve of the block tend to exhibit higher condensate gas ratios ("CGR"), and wells below the average CGR tend to produce above the raw gas typecurve. This results in favorable total condensate production results which are similar to typecurve, in both cases with robust resulting economics.

Emerging Development Area in Gold Creek

A total of five wells are now on production in the Gold Creek area. In addition, 2 wells with strong tests are standing waiting on tie-in. The delineation program in this area has been successful in proving that the condensate-rich Montney resource being developed in Elmworth and Bilbo extends throughout the Gold Creek area. IP30 condensate yields range from 55 to 181 Bbls/MMcf, while IP30 raw gas rates can exceed 7 MMcf/d. Two new additional IP30 rates have been achieved as reported above (Wells #37 and 39). A typecurve for the area will be established through additional drilling with continued refinement of completion design, and monitoring of existing well performance. Production from this area is also tied-in to our Elmworth compressor station gas gathering system.

The delineation wells in the table above, which offset the Elmworth development block, continue to demonstrate the significant upside and diversity of NuVista's Wapiti landbase. The results in this area are very encouraging; however, additional wells are required prior to establishing a new reliable typecurve.

Elmworth Compressor Station Production Commenced

During the quarter, NuVista completed construction and commenced production on our new Elmworth compressor station with a current capacity of 40 MMcf/d. The station has an ultimate raw natural gas design capacity of 80 MMcf/d with the incremental capacity being added in modular stages as needed to serve previously announced processing contracts plus potential future contracts. This operated project commenced production ahead of schedule and on budget in June of 2015. SemCAMS ULC has completed the North Wapiti pipeline loop project and has commenced the transportation of gas from the station to the SemCAMS K3 gas plant for processing. We look forward to ramping up production volumes in these new facilities through the third and fourth quarter of 2015 as the TCPL/Nova outage issues subside as planned in the fall, and as our increased firm TCPL/Nova Transportation contracts come into effect during the fourth quarter.

Transportation Cost Reduction and Operating Cost Update

Transportation costs were reduced from the prior quarter of $3.21/Boe to approximately $0.70/Boe on a permanent basis commencing in the second quarter as a result of the startup of the Keyera liquids handling system. An offsetting increase of approximately $0.70/Boe moved into operating costs. One-time prior period adjustments and temporary startup expenses for new facilities increased second quarter operating expenses by $1.30/Boe and $0.50/Boe respectively. The temporary startup expenses are expected to attenuate to zero by the end of 2015. As a result, we continue to expect to see operating costs trend downwards to approximately $11/Boe in 2016, and towards the $9/Boe range in the 4 year plan through the structural changes and efficiency additions we continue to make.

2015 Guidance and Outlook

NuVista has elected to maintain our 2015 capital budget unchanged in the range of $270 to $290 million. Spending for the second half of 2015 is expected to be approximately 40% of the annual total. We remain flexible to scale spending up or down further depending on industry conditions. In this low commodity price environment we are witnessing a significant reduction in service costs. We have experienced 10-20% reductions on many drilling and completions costs since resuming operations following spring breakup, and we expect this trend to carry into 2016 as we continue to realize the efficiencies of working on a play of this scale. As we move towards the fall budget period, our continued emphasis will be on cost efficient and profitable growth while maintaining balance sheet strength and flexibility in order to act on any additional opportunities that may come our way throughout the year. Given the tremendous success experienced in the Wapiti Montney play over the past few years, we are confident that we possess one of the most profitable liquids rich natural gas plays in North America and expect this to continue to lead to years of continued profitable growth and value creation.

Subsequent to the information in our press release issued Friday, August 7th, we have received an update from Alliance Pipeline on the continuing outage affecting production for many operators. The pipeline has been shut in entirely, causing the need to shut down the remainder of production from our 3-36 Bilbo compressor station. The total daily production impact to

NuVista is currently a curtailment of approximately 13,000 Boe/d. Alliance currently estimates that they may be able to restore production onto the pipeline by Wednesday, August 12th. If this were to occur, then the total production impact to NuVista's third quarter volumes will be approximately 1,000 Boe/d.

We anticipate production in the range of 21,250 to 22,000 Boe/d for the third quarter of 2015 inclusive of the assumption of an impact of -1,000 Boe/d due to the Alliance outage. For the fourth quarter of 2015, we anticipate production in the range of 23,250 to 24,000 Boe/d. The Nova/TCPL issues have also already been accounted for in this guidance, and have been imputed to impact each of the third and fourth quarters by 1,500 Boe/d, with the issues being alleviated in mid fourth quarter as our next tranche of increased firm TCPL/Nova capacity comes into effect as part of our long term growth plan.

There is no change to our 2015 annual production guidance range of 22,500 to 24,000 Boe/d despite the significant outages in downstream takeaway capacity, and the sale of assets in 2015 with associated production of approximately 350 Boe/d. However we anticipate that as a result of the downstream issues noted, annual production will be near the lower end of the guidance range.

We re-affirm that our current 2015 and 2016 production estimates in this commodity price environment are forecast to be sufficient to fulfill substantially all Take-or-Pay ("TOP") obligations with midstream companies due to the flexible terms which we have put in place previously. Despite reduced spending in this environment, our short term growth and our long term plans for 2016 and beyond remain solid and intact.

NuVista is pleased to continue delivering value through our Wapiti Montney condensate-rich play. We will remain agile and will weather this low commodity price environment with strength and patience, adjusting capital spending as required to prudently protect our balance sheet. We are fortunate that the Wapiti Montney play is among the most prolific and economic in North America, and this may prove even more important during poor commodity price periods than in favorable periods. We would like to take this opportunity to thank our shareholders, our Board, and our staff for their support and dedication as we continue to build an ever more valuable future for NuVista. Please visit our website at www.nuvistaenergy.com to view our recently updated corporate presentation which will be posted on or before Tuesday, August 11th, 2015.

Corporate Highlights

	Three months ended June 30,			Six months ended June 30,		
($ thousands, except per share and per $/Boe)	2015	2014	%	2015	2014	%
Financial						
Oil and natural gas revenue	$ 57,502	$ 51,734	11	$ 115,429	$ 120,631	(
Funds from operations (1)	30,306	15,053	101	60,623	45,946	3
Per basic and diluted share	0.20	0.11	82	0.42	0.34	2
Net earnings (loss)	(21,357)	(11,837)	80	(29,016)	(16,195)	7
Per basic and diluted share	(0.14)	(0.09)	56	(0.20)	(0.12)	6
Adjusted net earnings (loss) (1)	(2,755)	(5,509)	(50)	(3,036)	(2,842)	7
Per basic and diluted share	(0.02)	(0.04)	(50)	(0.02)	(0.02)	-
Total assets				1,076,785	1,036,961	4
Net debt (1)				169,417	186,319	(
Capital expenditures	53,759	61,839	(13)	161,075	188,408	(
Proceeds on property dispositions	7,384	8,553	(14)	10,136	8,553	1
Weighted average common shares outstanding: Basic and diluted	148,593	135,593	10	143,680	135,366	6
End of period common shares outstanding				153,232	135,895	1
Operating						
Production						
Natural gas (MMcf/d)	91.1	59.8	52	94.8	65.1	4
Condensate (Bbls/d)	4,447	1,794	148	4,551	2,296	9
Butane (Bbls/d)	441	514	(14)	473	545	(
Propane (Bbls/d)	566	549	3	587	765	(
Ethane (Bbls/d)	508	995	(49)	592	927	(
Oil (Bbls/d)	309	670	(54)	320	767	(
Total (Boe/d)	21,448	14,493	48	22,326	16,148	3
Oil & liquids weighting (4)	29 %	31 %		29 %	33 %	
Condensate weighting	21 %	12 %		20 %	14 %	
Average selling prices (2) & (3)						
Natural gas ($/Mcf)	3.61	4.33	(17)	3.72	4.42	(
Condensate ($/Bbl)	62.05	103.00	(40)	55.14	98.32	(
Butane ($/Bbl)	26.49	58.66	(55)	28.55	59.12	(
Propane ($/Bbl)	(8.00)	31.24	-	0.34	48.00	(

Ethane ($/Bbl)	7.23	13.58	(47)	8.47	14.51	(
Oil ($/Bbl)	53.60	94.98	(44)	47.52	91.78	(
Netbacks						
Oil and natural gas revenue ($/Boe)	29.46	39.23	(25)	28.56	41.27	(
Realized gain (loss) on commodity derivatives ($/Boe)	4.18	(3.88)	-	5.06	(3.02)	-
Royalties ($/Boe)	(0.95)	(4.20)	(77)	(1.16)	(4.17)	(
Transportation expense ($/Boe)	(0.63)	(1.18)	(47)	(1.97)	(1.10)	7
Operating expense ($/Boe)	(12.84)	(11.46)	12	(11.86)	(11.14)	6
Operating netback ($/Boe) (1)	19.22	18.51	4	18.63	21.84	(
Funds from operations netback ($/Boe) (1)	15.53	11.42	36	15.00	15.72	(
Share trading statistics						
High	9.54	12.37	(23)	9.54	12.37	(
Low	6.60	9.56	(31)	5.87	6.79	(
Close	6.69	11.95	(44)	6.69	11.95	(
Average daily volume	406,212	331,995	22	405,167	411,610	(

NOTES:

(1) Funds from operations, funds from operations per share, operating netback, funds from operations netback, adjusted net earnings, adjusted net earnings per share and net debt are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations are based on cash flow from operating activities as per the statement of cash flows before changes in non-cash working capital and asset retirement expenditures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net earnings (loss) per share Operating netback equals the total of revenues including realized commodity derivative gains/losses less royalties, transportation and operating expenses calculated on a Boe basis. Funds from operations netback is operating netback less general and administrative, restricted stock units and interest expenses calculated on a Boe basis. Adjusted net earnings equal net earnings excluding after tax unrealized gains (losses) on commodity derivatives, impairments, impairment reversals, goodwill impairments and gains (losses) on property divestments. Net debt is calculated as long-term debt plus adjusted working capital. Adjusted working capital is current assets less current liabilities and excludes the current portions of the commodity derivative asset or liability. Total Boe is calculated by multiplying the daily production by the number of days in the period. For more details on non-GAAP measures, including reconciliation to GAAP measures refer to NuVista's "Management's Discussion and Analysis".

(2) Product prices exclude realized gains/losses on commodity derivatives.

(3) The average liquids selling price is net of tariffs and fractionation fees.

(4) Liquids include condensate, butane, propane and ethane.

FINANCIAL STATEMENTS AND MD&A

Second quarter 2015 condensed interim financial statements and notes to the financial statements and Management's Discussion and Analysis for NuVista Energy Ltd. will be filed on SEDAR (www.sedar.com) under NuVista Energy Ltd. and can also be accessed on NuVista's website at www.nuvistaenergy.com.

ADVISORY REGARDING OIL AND GAS INFORMATION

This news release contains the term barrels of oil equivalent ("Boe"). Natural gas is converted to a Boe using six thousand cubic feet of gas to one barrel of oil. Boes may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As well, given than the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for NuVista.

ADVISORY REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, including management's assessment of: NuVista's future strategy, plans, opportunities and operations; capital budget; forecast production; production mix; drilling, development, completion and tie-in plans and timing and results thereof; planned throughput capacity; ability to fulfil all TOP obligations; plans to limit capital spending to manage NuVista's balance sheet and maximize value; commodity price expectations; future processing capacity and anticipated future outages; future well results, IP30 rates and typecurves; future drilling and completions costs; future supply and service costs; future transportation costs; the timing, allocation and efficiency of NuVista's capital program and the results therefrom; capital efficiencies, the anticipated potential and growth opportunities associated with NuVista's asset base; and industry conditions.

By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond NuVista's control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and funds from operations, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties; the ability to access sufficient capital from internal sources and bank and equity markets; and including, without limitation, those risks considered under "Risk Factors" in our Annual Information Form.

This press release also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations and funds from operations, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and FOFI, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements and FOFI in this press release in order to provide readers with a more complete perspective on NuVista's future operations and such information may not be appropriate for other purposes. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP measurements

Within this new release, references are made to terms commonly used in the oil and natural gas industry. Management uses funds from operations to analyze operating performance and leverage. Funds from operations as presented, does not have any standardized meaning prescribed by GAAP and therefore it may not be comparable with the calculation of similar measures for other entities. Funds from operations as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, per the statement of cash flows, net earnings (loss) or other measures of financial performance calculated in accordance with GAAP. All references to funds from operations throughout this press release are based on cash flow from operating activities before changes in non-cash working capital and asset retirement expenditures. Adjusted working capital equals current assets less current liabilities excluding the current portion of the commodity derivative asset or liability. Net debt is equal to bank debt net of the adjusted working capital. Annualized current quarter funds from operations is calculated as cash flow from operating activities before changes in non-cash working capital and asset retirement expenditures for the current quarter, annualized for the year. Net debt to annualized current quarter funds from operations is net debt divided by annualized current quarter funds from operations. Funds from operations per share is calculated based on the weighted average number of common shares outstanding.

Contact

NuVista Energy Ltd.
Jonathan A. Wright
President and CEO
(403) 538-8501
NuVista Energy Ltd.
Ross L. Andreachuk
VP, Finance and CFO
(403) 538-8539
www.nuvistaenergy.com