CALGARY, ALBERTA--(Marketwired - May 11, 2016) - NuVista Energy Ltd. ("NuVista" or the "Company") (TSX:NVA) is pleased to announce results for the three months ended March 31, 2016 and provide an update on its future business plans. NuVista had another strong quarter of growth with continued development drilling program success and lower costs. Netbacks held up well despite the historically low commodity prices which were experienced by industry, as a result of increased condensate production and our favorable hedge positions.

These factors have placed NuVista in a position to continue to weather the current weak commodity environment, and ready to pivot to more rapid growth as commodity prices continue recovering. We possess a material position in the condensate-rich Wapiti Montney play which has the ability to deliver strong financial returns to shareholders over the long term. With our prudent focus on balance sheet strength, we maintain flexibility to adjust capital spending and pace of growth commensurate with the business environment while adhering to our long term growth and profitability objectives.

Significant Operating Highlights

- Achieved first quarter 2016 production of 25,484 Boe/d, representing growth of 9% compared to the prior quarter, exceeding the top of our first quarter guidance range of 24,500 - 25,000 Boe/d;
- Achieved funds from operations of $30.3 million ($0.20/share, basic) for the first quarter;
- Successfully executed a first quarter capital program of $61.2 million. Drilled 5 (5.0 net) wells in our Montney condensate rich resource play, brought 7 new wells on production and completed and production tested another 4 wells. Favorable weather and increased drilling efficiency allowed projects to be accelerated into the first quarter to avoid spring breakup. This had the effect of phasing capital from second quarter to first quarter with no change to first half 2016 spending plans overall. Capital costs continue below our original 2016 budget estimates, so we remain on track with our 2016 spending guidance. New well results continue to meet and exceed our expectations as laid out in the corporate presentation on our website;
- Achieved first quarter operating costs of $10.59/Boe, a 3% reduction from the first quarter of 2015 and a 5% reduction from the fourth quarter of 2015. Operating costs continue to reduce as a result of steadily increasing utilization as we tie in new wells to our large new facilities, and continued efficiencies from strategic infrastructure additions including Company owned water disposal wells and facilities;
- Achieved reduced G&A costs which have continued to trend downwards as planned, reaching $1.90/Boe for the first quarter of 2016, and representing a reduction of 23% from the 2015 average. Cost reduction in all aspects of our business remains a key area of focus for NuVista;
- Delivered funds from operations netback of $13.06/Boe for the first quarter of 2016 despite the current low commodity price environment;
- Exited the first quarter of 2016 with bank borrowings of $230.6 million on a current facility of $300 million. NuVista's annual redetermination of the borrowing base with the banks will be concluded during the second quarter of 2016; and
- Maintained a ratio of net debt to annualized current quarter funds from operations of 2.1x despite the first quarter being the largest planned spending quarter of the year, as is typical due to winter drilling season phasing. With May 1 strip pricing, run rate capital spending is expected to be less than funds from operations for the remainder of 2016.

NuVista continued to benefit from our strong hedging program in the first quarter of 2016. We currently possess hedges which in aggregate cover 53% of remaining 2016 projected liquids production at a WTI price of C$77.17/Bbl, and 73% of remaining 2016 projected gas production at a price of C$3.30/Mcf. Both of these percentage figures relate to production net of royalty volumes. Combined with our Alliance pipeline volumes shipped to Chicago, NuVista has less than 10% of our natural volumes exposed to AECO prices in 2016. With the significant reduction in AECO pricing during the summer 2016 period, we have thus far elected to limit new well production volumes close to previously guided levels to eliminate effectively all AECO exposure near term.

We are pleased to note that the main terms of the Modernized Royalty Framework (MRF) have now been finalized as announced by the Government of Alberta. The outcome is expected to be slightly favorable for the Company and for Alberta as it brings renewed fiscal certainty, a focus upon capital cost reduction which is an area of strength for NuVista and continued investment in the Alberta economy. The changes are not expected to have any measurable impact on Company revenues, payout periods, or project/well economics.

2016 Outlook: Guidance Reaffirmed

NuVista will continue to focus prudently upon our balance sheet during 2016. We are continuing as planned with a one-rig development program in the Wapiti Montney area, which has recently been reduced from two rigs. The Company's second half capital spending plans will be re-evaluated during the second quarter of 2016, and the pace of spending will be contingent on the commodity price outlook. We have significant flexibility to adjust the capital program quickly when desired, accelerating growth as commodity prices recover. We re-affirm our projected 2016 capital spending in the range of $115 - $135 million. We also reaffirm our production guidance for 2016 in the range of 24,500 - 25,500 Boe/d, an increase of 12% compared to 2015 average production. Our guidance for funds from operations for 2016 remains unchanged, in the range of $100 - $110 million. This assumes May benchmark strip pricing of US$45.00/Boe WTI and C$1.80/GJ AECO natural gas for the remainder of 2016.

Given top quality assets and a management team focused upon relentless improvement, NuVista will continue to optimize results in the current commodity price environment. We would like to thank our staff, contractors, and suppliers for their continued dedication and delivery, and we thank our board of directors and our shareholders for their guidance and support as we build an ever more valuable future for NuVista.

Please note that our corporate presentation is being updated and will be available at www.nuvistaenergy.com on or before midday on May 12, 2016. NuVista's first quarter 2016 condensed interim financial statements and notes to the financial statements and management's discussion and analysis will be filed on SEDAR (www.sedar.com) under NuVista Energy Ltd. on or before Thursday, May 12, 2016 and can also be accessed on NuVista's website.

Corporate Highlights

	Three months ended March 31		
($ thousands, except per share and per $/Boe)	2016	2015	% Change
Financial			
Oil and natural gas revenues	$ 59,720	$ 57,927	3
Funds from operations (1)	30,288	30,317	-
Per basic and diluted share	0.20	0.22	(9)
Net earnings (loss)	2,453	(7,659)	(132)
Per basic and diluted share	0.02	(0.06)	(133)
Total assets	1,014,772	1,094,181	(7)
Net debt (1)	255,646	260,087	(2)
Capital expenditures	61,193	107,316	(43)
Proceeds on property dispositions	450	2,752	(84)
Weighted average common shares outstanding - basic	153,319	138,712	11
End of period common shares outstanding	153,349	138,834	10
Operating			
Production			
Natural gas (MMcf/d)	102.6	98.6	4
Condensate & oil (Bbls/d)	6,243	4,986	25
NGLs (Bbls/d) (2)	2,143	1,794	19
Total (Boe/d)	25,484	23,215	10
Condensate, oil & NGLs weighting	33 %	29 %	
Condensate & oil weighting	25 %	21 %	
Average selling prices (3) & (4)			
Natural gas ($/Mcf)	3.75	3.83	(2)
Condensate & oil ($/Bbl)	41.67	48.03	(13)
NGLs ($/Bbl)	5.35	14.87	(64)
Netbacks			
Oil and natural gas revenues ($/Boe)	25.75	27.73	(7)
Realized gain on financial derivatives ($/Boe)	4.94	5.87	(16)
Royalties ($/Boe)	(1.32)	(1.36)	(3)
Transportation expenses ($/Boe)	(2.74)	(3.21)	(15)
Operating expenses ($/Boe)	(10.59)	(10.94)	(3)
Operating netback ($/Boe) (1)	16.04	18.09	(11)
Funds from operations netback ($/Boe) (1)	13.06	14.52	(10)
Share trading statistics			
High	5.50	8.98	(39)
Low	2.72	5.87	(54)
Close	4.90	7.62	(36)
Average daily volume	463,637	404,105	15

(1) See "Non-GAAP measurements".
(2) Natural gas liquids ("NGLs") include butane, propane and ethane.
(3) Product prices exclude realized gains/losses on financial derivatives.
(4) The average NGLs selling price is net of tariffs and fractionation fees.

ADVISORIES 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 that 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.

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, forecast production and production mix, our hedging policy and plans, future funds from operations and other financial results, drilling plans, commodity price expectations and AECO exposure, future royalties, future operating costs, the timing, allocation and efficiency of NuVista's capital program and the results therefrom, 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", "funds from operations per share", "funds from operations netback", "net debt", "net debt to annualized current quarter funds from operations", "operating netback" and "funds from operations netback" to analyze operating performance and leverage. These terms do not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other entities.

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, asset retirement expenditures, note receivable recovery and environmental remediation expenses. Funds from operations as presented are not intended to represent operating cash flow or operating profits for the period nor should they 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. For more details on non-GAAP measures, including a reconciliation to GAAP measures, refer to our Management's Discussion and Analysis.

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, asset retirement expenditures, note receivable recovery and environmental remediation expenses. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net loss per share. Operating netback equals the total of revenues including realized financial 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. 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 financial derivative assets or liabilities and asset retirement obligations. Net debt to annualized current quarter funds from operations is net debt divided by annualized current quarter funds from operations.

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