CALGARY, ALBERTA--(Marketwired - Aug 9, 2016) - NuVista Energy Ltd. ("NuVista" or the "Company") (TSX:NVA) is pleased to announce results for the three and six months ended June 30, 2016 and provide an update on its future business plans. NuVista had another strong quarter with continued development drilling program success and lower costs. Netbacks strengthened despite materially lower AECO natural gas prices, as a result of increased condensate production and pricing, reduced operating costs, and our favorable hedge positions.

New well results, on average, continue to meet or exceed our expectations as laid out in the corporate presentation on our website. The trend of improving results is primarily driven by completion optimization learnings and greater horizontal lateral length. Our confidence in the emergence of our next development blocks has also increased. Our Gold Creek delineation wells have outperformed initial expectations. We also note that new and existing competitor well performance in the "super condensate" window directly surrounding our Pipestone block of land continues with very positive results.

NuVista is 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 the pace of growth commensurate with the business environment while adhering to our long term growth and profitability objectives.

Significant Operating and Financial Highlights

- Achieved second quarter 2016 production of 23,451 Boe/d, as compared to 25,484 Boe/d in the prior quarter and 21,448 Boe/d in the second quarter of 2015. The reduction was in line with our previous guidance expectations due to spring breakup conditions, divested volumes, as well as planned and unplanned outages on the TransCanada Pipeline, Keyera Simonette, and SemCams K3 Gas Plant systems. The outages had an impact of approximately 1,700 Boe/d for the quarter and the divested volumes impacted the quarter with an additional reduction of 500 Boe/d;
- Achieved second quarter operating costs of $9.66/Boe, as compared to $10.59/Boe in the first quarter, and $12.84/Boe in the second quarter of 2015. Operating costs continue to trend lower 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 funds from operations of $35.6 million ($0.23/share, basic) for the second quarter, as compared to $30.3 million ($0.20/share, basic) for the first quarter and $30.3 million ($0.20/share, basic) in the second quarter of 2015;
- Delivered funds from operations netbacks of $16.69/Boe for the quarter, as compared to $13.06/Boe in the first quarter and $15.53/Boe in the second quarter of 2015. Netbacks and funds from operations for the quarter were boosted by favorable condensate ratios due to Bilbo and Gold Creek wells coming online, continuing operating cost reductions, as well as one-time GCA/royalty adjustments of $2.9 million or $1.36/Boe for the quarter;
- Successfully executed a second quarter capital program of $28.8 million. We drilled four (4.0 net) wells in our Montney condensate rich resource play, and achieved nine new well IP30 results during the quarter; and
- Achieved a significant new IP30 result in Bilbo as shown below. This strong result was delivered despite flowing at restricted rates the entire period. This was an extended reach horizontal well with 3,119 m of lateral length and 37 fracture stages.

New Well IP30 Results

Well	Raw Gas	Condensate	Total Sales	CGR C5+/Raw
	(MMcf/d)	(Bbls/d)	(Boe/d)	(Bbls/MMcf)
Bilbo (South Block) Typecurve	5.8	435	1,361	75
New Well Bilbo 9-24-65-6W6M*	8.0	1,222	2,268	153

* - This well result is based on 20 days of production to date. Due to the well flowing at restricted rate there is not yet any production decline. As such, the IP30 shown has been projected to 30 days based on production to date.

As previously announced in the second quarter, NuVista:

- Sold our W6 Sweet Cretaceous (Non-Montney) natural gas assets in the Wapiti area for net proceeds of $69.5 million plus certain Wapiti area Montney lands incoming. Daily production associated with these assets was approximately 3,200 Boe/d;
- Placed five-year senior unsecured notes ("Notes") in the amount of $70.0 million with a coupon rate of 9.875% and no financial or maintenance covenants; and
- Issued 3.25 million shares on a flow-through basis at $6.65/share for net proceeds of $21.5 million; and
- Exited the second quarter of 2016 with credit revolver borrowings of $89.4 million. NuVista's annual redetermination of the borrowing base with the banking syndicate was concluded during the second quarter of 2016 resulting in a revised credit facility of $200 million due to dispositions, issuance of Notes, and commodity price reductions. Total net debt including credit facility indebtedness, the Notes, and working capital deficiency was $157.1 million, with a resulting ratio of net debt to current quarter annualized funds from operations of 1.1x.

NuVista's capital cost performance has continued to improve. Our 2016 wells have averaged $6.2 million to drill and complete, or $7.4 million including equipping and pipeline tie-in cost – despite the inclusion of the higher cost 9-24 extended reach well. With longer wells and more fracture stages, our full year 2016 drilling and completion costs are expected to average $6.4 million, or approximately $225,000 per stage, a reduction of 25% versus 2015.

NuVista continued to benefit from our strong hedging program in the second quarter of 2016. We currently possess hedges which in aggregate cover 45% of remaining 2016 projected liquids production at a WTI price of C$75.92/Bbl, and 68% of remaining 2016 projected gas production at a price of C$3.47/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 gas volumes exposed to AECO prices in 2016.

We are pleased to announce the appointment of Ms. Debbie Stein to the NuVista Board of Directors effective August 9, 2016. Ms. Stein is a Chartered Accountant and has over 30 years of industry experience in the finance area, including 17 years of direct experience in the oil and gas business, most recently having held the position of Chief Financial Officer at AltaGas Ltd.

2016 Outlook: Guidance Reaffirmed

NuVista will continue to focus prudently upon our balance sheet during 2016. We have recently increased from one to two drilling rigs in the Wapiti Montney area as previously announced. This was initially intended to replace the volumes associated with the recent W6 non-Montney asset divestment by the end of 2016. However, due to strong recent well performance offsetting the reduction of 3,200 Boe/d associated with the divestment, current weekly production volumes have increased back to approximately 25,500 Boe/d. The Company's second half capital spending plans will be re-evaluated regularly, 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 $165 - $175 million ($100 million net of dispositions). 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, or 19% excluding the effect of the W6 non-Montney asset sale. Our guidance for funds from operations for 2016 has increased significantly to the range of $120 - $130 million, an increase of $20 million or 19%. This assumes August benchmark strip pricing of US$46.00/Boe WTI and C$2.56/GJ AECO natural gas on average for the second half of 2016, with a USD/CAD exchange rate of 1.31.

Given a top quality and increasingly concentrated asset base coupled with a management team focused upon relentless improvement, NuVista will continue to grow value while carefully managing the volatile 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 August 12th. NuVista's second 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 August 10th and can also be accessed on NuVista's website.

Corporate Highlights

	Three months ended June 30			Six months ended June 30		
($ thousands, except per share and per $/Boe)	2016	2015	% Change	2016	2015	% Change
Financial						
Oil and natural gas revenues	$ 57,840	$ 57,502	1	$ 117,559	$ 115,429	2
Funds from operations (1)	35,619	30,306	18	65,907	60,623	9
Per basic and diluted share	0.23	0.20	15	0.43	0.42	2
Net earnings (loss)	(7,320)	(21,357)	(66)	(4,867)	(29,016)	(83)
Per basic and diluted share	(0.05)	(0.14)	(64)	(0.03)	(0.20)	(85)
Total assets				921,401	1,076,785	(14)
Net debt (1)				157,135	169,417	(7)
Capital expenditures	28,765	53,759	(46)	89,957	161,075	(44)
Proceeds on property dispositions	69,495	7,384	841	69,945	10,136	590
Weighted average common shares outstanding - basic	153,455	148,593	3	153,387	143,680	7
End of period common shares outstanding				156,838	153,232	2
Operating						
Production						
Natural gas (MMcf/d)	91.8	91.1	1	97.2	94.8	3
Condensate & oil (Bbls/d)	6,422	4,756	35	6,333	4,871	30
NGLs (Bbls/d) (2)	1,731	1,515	14	1,937	1,652	17
Total (Boe/d)	23,451	21,448	9	24,468	22,326	10
Condensate, oil & NGLs weighting	35%	29%		34%	29%	
Condensate & oil weighting	27%	22%		26%	22%	
Average selling prices (3) & (4)						
Natural gas ($/Mcf)	3.25	3.61	(10)	3.52	3.72	(5)

Condensate & oil ($/Bbl)	49.42	61.50	(20)	45.60	54.64	(17)
NGLs ($/Bbl)	11.26	7.17	57	7.99	11.33	(29)
Netbacks						
Oil and natural gas revenues ($/Boe)	27.10	29.46	(8)	26.40	28.56	(8)
Realized gain on financial derivatives ($/Boe)	3.39	4.18	(19)	4.20	5.06	(17)
Royalties ($/Boe)	1.31	(0.95)	(238)	(0.06)	(1.16)	(95)
Transportation expenses ($/Boe)	(2.07)	(0.63)	229	(2.42)	(1.97)	23
Operating expenses ($/Boe)	(9.66)	(12.84)	(25)	(10.14)	(11.86)	(15)
Operating netback ($/Boe) (1)	20.07	19.22	4	17.98	18.63	(3)
Funds from operations netback ($/Boe) (1)	16.69	15.53	7	14.81	15.00	(1)
Share trading statistics						
High	7.18	9.54	(25)	7.18	9.54	(25)
Low	4.45	6.60	(33)	2.72	5.87	(54)
Close	6.25	6.69	(7)	6.25	6.69	(7)
Average daily volume	496,656	406,212	22	480,409	405,167	19

(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. Boe's 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. National Instrument 51-101 - Standards of Disclosure for oil and gas activities includes condensates within the product type of natural gas liquids ("NGLs"). We have disclosed condensate values separate from our NGLs as we believe it provides a more accurate description of our operations and results therefrom.

Any reference 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 caution 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, forecast production and production mix, our hedging policy and plans, future funds from operations and other financial results, IP30 rates and typecurves, 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 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. 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 senior unsecured notes 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, asset retirement obligations and deferred premium on flow through shares. Net debt to annualized current quarter funds from operations is net debt divided by annualized current quarter funds from operations.

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