CALGARY, ALBERTA--(Marketwired - Oct. 11, 2016) -

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NuVista Energy Ltd. ("NuVista" or the "Company") (TSX:NVA) is pleased to announce the strategic acceleration of our 2017 and 5 year growth plan, a Wapiti area processing agreement for additional capacity commencing in 2019, and $90.0 million bought deal equity financing.

Well results in the Gold Creek and Pipestone areas of Wapiti have continued to mature to the point that we now have the confidence to declare both areas as development blocks. The early development wells in Gold Creek are already on production, and facility planning for full development of both blocks is now underway. Coupled with the strong performance of our pre-existing blocks in Elmworth and Bilbo, these four development areas provide the inventory and line of sight to step up our Wapiti area growth to the next level of scale. The requisite cost reduction efficiencies and our previously announced success on five extended reach horizontal wells in the Bilbo block provide strong visibility into the continued improvement of superior economics across all NuVista blocks in the Wapiti area.

NuVista has determined that the appropriate conditions now exist to accelerate our growth plans and commit to additional future processing capacity. This is based upon the continuing improvement in our costs and well results, the de-risking of our plays in recent years, the need for additional processing capacity in 2019 to allow the valuable Gold Creek and Pipestone blocks to accelerate our production growth, and our assessment of the economic environment.

New Gas Processing Agreement

NuVista is pleased to announce that it has entered into an agreement as anchor tenant with SemCAMS ULC ("SemCAMS") for firm processing of an additional 120 MMcf/d of raw gas from our condensate rich Montney play in the Wapiti area of Alberta. The processing capacity will be added in three incremental steps of 40 MMcf/d, commencing in 2019, 2020, and 2021 respectively. The agreement is underpinned by take-or-pay terms for a period of 15 years, and the 80% take-or-pay terms provide flexibility to produce above or below these firmly contracted amounts. The capacity will be provided via the new 200 MMcf/d gas plant at Gold Creek which was previously announced by SemCAMS in August of 2016. With this agreement, NuVista and SemCAMS have moved past Final Investment Decision. Both parties have received all board approvals needed to proceed with construction of the AER licensed gas plant. NuVista will supply gas to this contract from the Gold Creek, Pipestone, Elmworth, and surrounding areas. Bilbo and adjacent Southern lands will continue to be processed at the Keyera Simonette gas plant. When added to our existing capacity, this agreement will expand NuVista's total Wapiti area firm processing capacity to approximately 277 MMcf/d of raw gas by 2021.

NuVista now possesses the well location inventory and the processing capacity to provide profitable and predictable growth surpassing 60,000 Boe/d by the year 2021. In conjunction with the opportunities described above, NuVista plans to accelerate the pace of spending and growth in our five year plan including additional development and delineation wells across all four blocks. In addition we will be adding Gold Creek trunk pipelines and water handling, and Pipestone compression and gathering facilities in 2017 and 2018.

It is anticipated that the increased scale of activity will bring NuVista continued savings in all areas from larger pad capital efficiencies through to operating cost reductions. Importantly, with the placement of the new SemCAMS gas plant in close proximity to NuVista's Gold Creek block, long distance compression and transportation of NuVista volumes feeding the plant is not required. It is anticipated this will reduce overall operating costs for NuVista volumes entering the new SemCAMS plant by approximately $1.50 - $2.50/Boe. This represents an important planned step to increase volumes while blending ever downwards NuVista's overall corporate operating costs.

Outlook: Accelerating through 2017

Effective immediately, we are increasing our 2016 capital guidance to a range of $200 to $215 million. These funds are being allocated to drilling two incremental wells, additional Gold Creek pilot spending designed to test increased frac intensity and well length, and early water and trunkline infrastructure spending towards future growth. Although the 2017 capital budget will not be finalized and approved until the fourth quarter of 2016, we anticipate spending in the range of $260 to $300 million depending on commodity prices and other factors. Capital spending for 2018 is anticipated to increase 10-15% over 2017 levels. Production is expected to average approximately 28,000 - 31,000 Boe/d for 2017 despite the planned 5-year cycle maintenance outages at Keyera Simonette and SemCAMS K3 gas plants in 2017 causing a total negative annualized impact of approximately 2,000 Boe/d. Based on our preliminary 2017 capital spending plans, the fourth quarter of 2017 is targeted to average 32,500 - 35,000 Boe/d after the mid 2017 plant maintenance work is complete. Production levels are forecast to reach 40,000 Boe/d in the latter half of 2018. Production capacity exceeds 60,000 Boe/d within the next 5 years, while maintaining a net debt to funds from operations ratio below approximately 1.5x in the current strip environment, after consideration of the current bought deal equity financing. This represents a compound annual growth rate of 15 to 20%. Please refer to the following link for a graph depicting our firm and TOP contracted capacity.

To view the figure associated with this release, please visit the following link: http://media3.marketwire.com/docs/NuVista-Chart.pdf.

Bought Deal Equity Financing

NuVista is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by RBC Capital Markets and Peters & Co. Limited, pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 13,140,000 common shares (the "Common Shares") at a price of $6.85 per Common Share for aggregate gross proceeds of approximately $90.0 million (the "Offering"). The Company has granted the underwriters an option to purchase up to an additional 15% of the common shares at the same price and commission. The option is exercisable in whole or in part, at any time until and including 30 days following closing of the Offering, at the sole discretion of the underwriters, for the purpose of covering over-allotments, if any, and for market stabilization purposes.

Total net proceeds to NuVista, after estimated expenses, will be approximately $86.0 million. The net proceeds of the Offering will initially be used by NuVista to pay down bank indebtedness and then redrawn to accelerate development spending in our 2016-2017 Wapiti Montney capital program.

The Offering is scheduled to close on or about October 28, 2016 and is subject to customary regulatory approvals including the approval of the Toronto Stock Exchange (the "TSX"). Following the closing of the Offering NuVista will have approximately 170.4 million Common Shares outstanding before the exercise of the option.

With this funding NuVista is confident we can deliver our long term growth plan while maintaining financial flexibility. Given a top quality and 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. These strategic steps combine to accelerate our progress along the path of profitable growth and the growing efficiencies of scale. 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.

This release is not an offer of securities of the Company for sale in the United States. The Common Shares of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and the Common Shares may not be offered or sold in the United States except pursuant to an applicable exemption from such registration. No public offering of securities is being made in the United States.

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.

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, with respect to: management's assessment of NuVista's future strategy, plans, opportunities and operations, NuVista's five year growth plan, improved economics across all NuVista's Wapiti properties, anticipated results from future drilling activities, future processing capacity requirements and plans, the timing of completion of the new SemCAMS gas plant, forecast production and production mix, future funds from operations, net debt, net debt to funds from operations ratio and other financial results, drilling inventory, drilling plans, future infrastructure plans, operating costs, NuVista's capital programs and allocation thereof, 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, the impact of expected plant outages on future production, anticipated potential and growth opportunities associated with NuVista's asset base, industry conditions, the expected amount and use of the net proceeds of the Offering, and the timing for closing of the Offering.

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; completion of the Offering on the terms and timing anticipated; the risk that the SemCAMS gas plant is not completed on the timing or having the capacity as anticipated, and 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, funds from operations, net debt and net debt to funds from operations ratio 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", "net debt", and "net debt to funds from operations ratio", 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. Net debt to funds from operations is net debt divided by annualized funds from operations.

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