

CALGARY, ALBERTA--(Marketwired - Nov 14, 2016) - [NuVista Energy Ltd.](#) ("NuVista" or the "Company") (TSX:NVA) is pleased to announce results for the three and nine months ended September 30, 2016 and provide an update on its future business plans. NuVista had another strong quarter with continued development drilling program success and lower capital costs.

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 optimizations and extended horizontal laterals. Our confidence in the emergence of our future development blocks has also increased. Our Gold Creek delineation wells have outperformed initial expectations. We also note that new and existing competitor well performance directly offsetting our Pipestone and Gold Creek blocks continues to generate very positive results.

NuVista possesses 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 third quarter 2016 production of 24,898 Boe/d, as compared to 23,451 Boe/d in the prior quarter and 21,622 Boe/d in the third quarter of 2015. This represents quarterly growth of 20% after accounting for the divestiture of the W6 Sweet Cretaceous asset at the end of the second quarter, with associated volumes of approximately 3,200 Boe/d. During the third quarter there were unplanned midstream outages with associated production impact of approximately 1,000 Boe/d;
- Achieved funds from operations of \$31.2 million (\$0.20/share, basic) for the third quarter, as compared to \$35.6 million (\$0.23/share, basic) for the second quarter and \$31.8 million (\$0.21/share, basic) in the third quarter of 2015;
- Delivered funds from operations netbacks of \$13.65/Boe for the quarter, as compared to \$16.69/Boe in the second quarter and \$16.00/Boe in the third quarter of 2015. Netbacks and funds from operations for the prior quarter were boosted by one-time GCA/royalty adjustments of \$2.9 million or \$1.36/Boe and below average operating costs;
- Achieved third quarter operating costs of \$11.31/Boe, as compared to \$9.66/Boe in the second quarter, and \$12.68/Boe in the third quarter of 2015. The increase of \$1.65/Boe in operating costs compared to the second quarter is related to an increase of \$0.79/Boe due to the sale of the W6 Sweet Cretaceous asset in the second quarter, and increased 3rd party take-or-pay ("TOP") charges of \$0.70/Boe associated with newly increased contract capacity. These TOP charges are forecast to be eliminated later in 2017 as production increases;
- Exited the third quarter of 2016 with credit revolver borrowings of \$79.2 million on our bank facility of \$200 million;
- Total net debt including working capital deficiency was \$164.8 million, with a resulting ratio of net debt to annualized current quarter funds from operations of 1.3x;
- Subsequent to the quarter, NuVista completed the issuance of 15.1 million common shares for gross proceeds of \$103.5 million; and
- Successfully executed a third quarter capital program of \$43.3 million. We drilled five (5.0 net) wells in our Montney condensate rich resource play, and achieved three encouraging new well IP30 results at Elmworth during the quarter. Of note, the wells were restricted below capability with downhole chokes and two achieved condensate ratios (CGR) which are notably high for the Elmworth area. The average IP30 for the three wells was 6.0 MMcf/d raw gas per well with an average CGR of 66 Bbls/MMcf.

NuVista's capital cost performance has continued to show continued improvement. The aforementioned three-well pad in Elmworth was achieved with an all-in drill, complete, and equip (DCET) cost of \$5.1 million per well. In 2016, NuVista has an average drilling cost to date of \$1,700 per horizontal metre. This represents a 20% reduction over the prior year and includes two recent record wells in Elmworth at \$1,100/m. NuVista completion costs in 2016 have averaged \$900/Tonne, a reduction of 27% compared to the prior year.

In October, NuVista announced an accelerated growth plan and a gas plant agreement with SemCAMS ULC to provide capacity to over 60,000 Boe/d over the next five years.

NuVista continued to benefit from our strong hedging program in the third quarter of 2016. We currently possess hedges which in aggregate cover 67% of fourth quarter 2016 projected liquids production at a WTI price of C\$70.70/Bbl, and 75% of fourth quarter 2016 projected gas production at a price of C\$3.43/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.

NuVista has contracted for 40,000 GJ/d of delivery service on the Nova system to the Alberta/BC border which will allow for gas exports to northern California. This service is anticipated to commence in late 2018 after the Sundre Crossover project is completed by Nova. This capacity coupled with NuVista's existing Alliance Pipeline capacity to Chicago will provide for a more diverse portfolio of gas markets and prices beyond AECO. NuVista will continue to evaluate other downstream gas marketing opportunities as they arise.

After more than 12 years of dedicated service, Mr. Peter Comber will be retiring from NuVista's Board of Directors and Audit Committee effective this month. Peter has always brought his broad financial and capital markets experience to provide steady guidance and oversight to NuVista. He has helped guide the Company through the early growth years as well as the recent

successful transition to the Wapiti Montney play. We thank Peter for his long and meaningful contribution to the success of NuVista, and wish him the very best on his future endeavors. We welcome Ms. Debbie Stein, who joined NuVista's Board of Directors earlier this year, to the position of Chair for NuVista's Audit Committee. 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 and 2017 Outlook

Production for the fourth quarter of 2016 is anticipated in the range of 23,500 to 24,500 Boe/d, including downtime of 650 Boe/d associated with maintenance which was executed by Pembina and Alliance Pipelines, and Keyera Simonette gas plant in October. Capital spending for 2016 was previously announced in the range of \$200 - \$215 million. Our guidance for funds from operations for 2016 is \$125 - \$130 million. This assumes fourth quarter benchmark pricing of US\$46.00/Boe WTI and C\$2.60/GJ AECO natural gas on average, with a USD/CAD exchange rate of 1.33.

For 2017, our guidance remains as previously announced with capital spending anticipated in the range of \$260 - \$300 million and production expected in the range of 28,000 - 31,000 Boe/d despite the planned 5 year cycle maintenance outages at the Simonette and K3 gas plants in 2017 causing a total negative annualized impact of approximately 3,000 Boe/d, primarily in the second and third quarter. Based on our 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, an increase of 40% from fourth quarter 2016.

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 has been updated and will be available at www.nuvistaenergy.com on November 14. NuVista's third 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 November 14, 2016 and can also be accessed on NuVista's website.

Corporate Highlights

(\$ thousands, except per share and per \$/Boe)	Three months ended September 30			Nine months ended September 30		
	2016	2015	% Change	2016	2015	% Change
Financial						
Oil and natural gas revenues	\$ 65,155	\$ 54,664	19	\$ 182,714	\$ 170,093	7
Funds from operations ⁽¹⁾	31,237	31,822	(2)	97,143	92,445	5
Per basic and diluted share	0.20	0.21	(5)	0.63	0.63	-
Net income (loss)	2,079	(74,837)	(103)	(2,788)	(103,853)	(97)
Per basic and diluted share	0.01	(0.49)	(102)	(0.02)	(0.71)	(97)
Total assets				932,181	1,034,844	(10)
Net debt ⁽¹⁾				164,783	203,754	(19)
Capital expenditures	43,318	59,889	(28)	133,276	220,964	(40)
Proceeds on property dispositions	3,956	3,775	5	73,901	13,911	431
Weighted average common shares outstanding - basic	157,097	153,233	3	154,633	146,911	5
End of period common shares outstanding				157,268	153,283	3
Operating						
Production						
Natural gas (MMcf/d)	97.4	91.3	7	97.3	93.6	4
Condensate & oil (Bbls/d)	7,634	4,999	53	6,769	4,915	38
NGLs (Bbls/d) ⁽²⁾	1,035	1,414	(27)	1,634	1,572	4
Total (Boe/d)	24,898	21,622	15	24,612	22,089	11
Condensate, oil & NGLs weighting	35 %	30 %		34 %	29 %	
Condensate & oil weighting	31 %	23 %		28 %	22 %	
Average selling prices ^{(3) & (4)}						
Natural gas (\$/Mcf)	3.37	3.55	(5)	3.47	3.67	(5)
Condensate & oil (\$/Bbl)	48.73	51.59	(6)	46.79	53.59	(13)
NGLs (\$/Bbl)	7.34	8.42	(13)	7.85	10.45	(25)
Netbacks (\$/Boe)						
Oil and natural gas revenues	28.45	27.48	4	27.09	28.21	(4)
Realized gain on financial derivatives	2.32	5.68	(59)	3.56	5.26	(32)
Royalties	(0.28)	(0.42)	(33)	(0.13)	(0.92)	(86)

Transportation expenses	(2.39)	(1.03)	132	(2.41)	(1.66)	45
Operating expenses	(11.31)	(12.68)	(11)	(10.54)	(12.13)	(13
Operating netback ⁽¹⁾	16.79	19.03	(12)	17.57	18.76	(6
Funds from operations netback ⁽⁴⁾	13.65	16.00	(15)	14.41	15.33	(6
Share trading statistics						
High	7.64	6.89	11	7.64	9.54	(20
Low	5.66	4.02	41	2.72	4.02	(32
Close	6.76	5.05	34	6.76	5.05	34
Average daily volume	538,865	432,450	25	519,539	414,309	25

⁽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 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. 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 such as IP30 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, forecast production and production mix, capital spending, our hedging policy and plans, future funds from operations and other financial results, IP30 rates and typecurves and well performance, drilling plans, commodity price expectations and AECO exposure, future royalties, future operating costs and TOP charges, 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. NuVista uses these terms to analyze financial and operating performance.

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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