

NuVista Energy Ltd. Reduces Minimum Volume Commitments and Increases Liquidity

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CALGARY, Sept. 29, 2020 - [NuVista Energy Ltd.](#) (TSX:NVA) is pleased to announce the successful renegotiations of our Minimum Volume Commitments (MVCs) under various processing and transportation agreements, and the successful consummation of an agreement for Letters of Credit support in the amount of \$40 million with Export Development Canada.

The adjustments to our MVCs profile provides NuVista with:

- A successful reduction of approximately 20% in our near-term MVCs, therefore;
- The flexibility to continue to maintain annual average production volumes flat at current levels through 2021, if commodity prices remain below US\$40/Bbl WTI in 2020/21, without growing MVCs costs;
- The continued availability of incremental capacity to grow production in 2021 and beyond with capital expenditures approximately within cash flow, should commodity prices remain at or above current strip levels. This results in an average annual growth target of 10%, which will comfortably exceed the revised future MVCs levels; and
- No material impact on our near-term or long term total cost structure on a per Boe basis.

In order to obtain this enhanced flexibility, we negotiated win-win adjustments to reduce MVCs with our midstream providers for processing and transportation for the years 2020-2022+, in exchange for term extension. This collaborative approach has ensured the mutual preservation of overall contract value while reducing near term requirements to grow in this unprecedented economic environment. While the outlook for recovery of WTI oil and NYMEX gas prices remains favorable, the estimated timing of recovery carries uncertainty. As a result, NuVista has pivoted to this flexible spending plan.

We are also pleased to announce that NuVista has closed a \$40 million unsecured letter of credit facility under EDC's Account Performance Security Guarantee (APSG) program. The Company intends to transfer currently outstanding letters of credit in the amount of \$19.3 million from its \$475 million credit facility to the APSG program, further enhancing the liquidity available under the credit facility.

Balance sheet strength is paramount. NuVista has prioritized this as previously announced, through the following combination:

- Reduced capital spending by 75% for the second half of 2020 while maintaining flat production;
- Significantly reduced G&A expenses and operating costs;
- Targeted \$50 - \$60MM in net debt reduction in the second half of 2020;
- Significantly reduced our near-term MVCs profile; and
- Augmented our liquidity with the APSG program.

This approach is expected to result in greater than \$100 million of available liquidity by the end of 2020.

NuVista has top quality assets and a management team focused on relentless improvement. We have the necessary foundation and liquidity to add significant value as commodity prices recover. We have set the table for returns-focused profitable growth to between 70,000 - 90,000 Boe/d with only half-cycle spending, since the required facilities infrastructure will be in place by year end. We will continue to adjust to this environment in order to maximize the value of our asset base and ensure the long term sustainability of our business. 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 continued guidance and support. Please note that our updated corporate presentation is available at www.nuvistaenergy.com.

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 focus, strategy, plans, opportunities and operations; future production, that we will have continued capacity to grow production in 2021 and beyond with capital expenditures approximately within cash flow; our annual growth target; the impact of the renegotiation of our MVCs on our near-term and long term total cost structure; plans to transfer outstanding letters of credit to the APSG program; 2020 capital spending; operating costs and G&A expense reductions; net debt reduction targets and 2020 exit increased liquidity; the quality of our assets; that we have the necessary foundation and liquidity to add significant value as commodity prices recover; plans to maximize the value of our asset base and ensure the long term sustainability of our business; plans to update our corporation presentation and the timing of its availability; and industry conditions and commodity prices. 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 (and the duration thereof) of the COVID-19 pandemic, 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 adjusted funds flow, 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, access to infrastructure and markets, 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. 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 forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements 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 the press release, references are made to terms commonly used in the oil and natural gas industry. For ease of readability, in the press release "adjusted funds flow" is referred to as "cashflow". Management uses "adjusted funds flow", "capital expenditures", and "net debt" to analyze performance and leverage. These terms do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. For further information refer to the section "Non-GAAP measures" in our MD&A.

Advisory Regarding Oil And Gas Information

Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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