NuVista Energy Ltd. Announces Strong Third Quarter 2021 Financial and Operating Results and 2022 Budget

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CALGARY, Nov. 10, 2021 - NuVista Energy Ltd. ("NuVista" or the "Company") (TSX:NVA) is pleased to announce financial and operating results for the three and nine months ended September 30, 2021, and provide a number of updates which demonstrate continued successful advancement of our Pipestone and Wapiti Montney play development. This was a successful quarter for NuVista, with results that included the continued ramp-up of production in the new Pipestone North compressor station facility, the drilling of 14 and startup of 6 new wells, and the delivery of production and cash flow results which were ahead of expectations. We are pleased to note that both condensate and natural gas future strip prices have increased significantly, resulting in a material increase to cash flows and decreasing projected net debt levels. Our continuing efforts will be to focus on a disciplined capital program to maximize economic returns from our existing facilities combined with net debt reduction.

During the quarter ended September 30, 2021, NuVista:

- Produced 51,005 Boe/d, versus the guidance range of 50,000 - 52,000 Boe/d. The production consisted of 31% condensate, 9% NGL's, and 60% natural gas;
- Achieved $80.6 million of cash flow in the quarter ($0.36/share basic), above expectations due to increased commodity pricing, partially offset by hedging losses. This figure is an increase of 45% versus the prior quarter, and an increase of 94% compared to the third quarter of 2020;
- Achieved an operating netback of $28.06/Boe excluding hedging, an improvement of 28% and 235% as compared to the previous quarter and the third quarter of 2020, respectively. Corporate netback after hedging and all corporate costs also improved significantly to $17.18/Boe, an increase of 45% as compared to the prior quarter;
- Reduced net G&A expenses to $0.99/Boe, a reduction of 11% compared to the prior quarter;
- Executed a successful capital program of $77.2 million, including 14 new wells drilled, 12 completed, and 6 new brought online. Well results are exceeding management expectations, and our average year to date costs to drill and complete per horizontal meter are more than 15% lower than the 2020 all-well average;
- Continued to significantly advance our progress and plans in environmental, social and governance items ("ESG"), including the release of our 2019 & 2020 ESG report and 2025 targets; and
- Successfully refinanced and redeemed our $220 million of senior unsecured notes, as previously reported. The notes were due 2023, and they were retired with the issuance of $230 million 5 year senior unsecured notes due July 2026, at a coupon rate of 7.875%.

The world is in an inflationary environment right now, and the control of costs and assurance of reliable supply of people and equipment is of high importance. We have made significant efforts to smooth and flatten out our rig schedule, and therefore our personnel and equipment needs. This helps to ensure steady work for all and therefore the maximum predictability to NuVista's people and equipment supply chain. It also leads to the maximization of efficiency, cost, and safety performance. NuVista has continued to drill and complete wells ever more quickly, which reduces cost per well and reduces cycle times to first production. It also leads to more wells being drilled per rig per year, which requires slightly earlier spend phasing.

Excellence in Operations and Cost Reductions

Wapiti

Activity in the Greater Wapiti area has been directed to maintaining flat production levels while generating material free cash flow to fund the ramp up in Pipestone and contribute to net debt reduction. Quarterly production was 26,750 Boe/d (30% condensate) with accompanying free cash flow generation of $47MM. During the quarter the latest Elmworth IP365 milestone was reached. The 4-well pad averaged 5.6 MMcf/d

and 205 Bbls/d condensate for a total of 1,105 Boe/d, which is a 22% improvement over the historic average first-year production per well. Also, in the quarter we finished drilling a new 4-well pad on the Elmworth Property, which we have subsequently completed and begun testing with excellent early flowback results. Drill costs for this pad were $949/Hz meter, while completion costs were $499/Tonne of sand. These costs are approximately 15% below those achieved on the pad referenced earlier that has just reached IP365. In an effort to maintain steady and flat drilling rig counts we have accelerated the drilling of the next Elmworth 6-well pad from 2022 into 2021.

Pipestone

Activity in Pipestone is proceeding well and exceeding expectations. Production in the quarter averaged 24,000 Boe/d (34% condensate), approximately flat from the prior quarter, and has already begun to ramp up through the fourth quarter. Well costs, productivity and cycle times are all continuing to improve. Our latest 6-well pad to come on production (Pipestone Pad #6) was drilled and completed for costs of $830/Hz meter and $420/Tonne of sand, with total drill, complete, equipping and tie-in ("DCET") costs which averaged $5.6 million per well. Production over the first 30 days averaged 6.1 MMcf/d including approximately 70% condensate (240 Bbls/MMcf). Based on field estimates, this pad has reached pay out of capital invested within the first three months of production, a NuVista record.

Pipestone Pad #7, a 6-well pad, achieved drilling and completion costs of $720/Hz meter and $460/Tonne of sand and has been brought on-stream in November with excellent early flowback results. In addition, Pipestone Pad #8, also a 6-well pad, is currently drilling. In order to maintain continuous frac crew operations, the completion of this pad will be accelerated from 2022 into late 2021. For similar operational continuity reasons, we plan to commence drilling on Pipestone Pad #9 immediately after Pad #8, which was originally scheduled to spud in early 2022.

Significant Commodity Price Diversification and Risk Management

Global oil prices continued to strengthen significantly through the third quarter as advances in vaccine delivery have spurred increased demand and expectations. The supply outlook looks tight as a consequence of reduced global capital spending and OPEC production discipline. Condensate pricing differentials have continued strong due to increased demand and moderated supply growth. With natural gas storage levels reducing partially due to a large increase in LNG shipments, impactful and sustained strength in NYMEX gas pricing has been occurring and is expected to continue through 2022. Propane and butane are also experiencing improved pricing levels. As commodity prices have now returned to levels in excess of what we require to drive our near term strategic priorities, we have re-engaged our rolling hedge program to ensure partial attenuation of future price volatility.

We have primarily been using a combination of collars, swaps and three-way collars in order to provide downside protection while maintaining upside for price growth. For the full year of 2022, we have hedged approximately 28% of projected liquids production at an average floor price of C$71.14/Bbl using three-way collars. The average ceiling price is C$86.03/Bbl. We have hedged approximately 22% of projected natural gas production for 2022 with floor and ceiling prices of C$3.04/Mcf and $5.00/Mcf (hedged and exported volumes converted to an AECO equivalent price). All of the preceding percentage figures relate to production net of royalty volumes, and the hedge volumes are front end loaded in the year.

ESG Progress Continues

We continue to execute upon our stated GHG and methane emission reduction projects, and we were proud to issue our newest ESG report during the quarter, covering 2019 and 2020. In this report we detailed the significant progress that we continue to make, and we committed to 2025 targets in all key areas of ESG to ensure our continued progress.

2021 Guidance Update and 2022 Budget

In order to maintain a smooth unbroken 3-rig drilling schedule and to optimize value, NuVista is shifting a small amount of 2022 capital spending into the fourth quarter of 2021. NuVista's capital spending guidance for 2021 has been increased to a range of $275 - $285 million, from the original top of range of $250 million.

Our 2022 capital spending budget has been set at the reduced level of $290 - $310 million, which is $25 million less than the original outlook. The aforementioned numbers have been adjusted to account for expected inflation in the range of 5-10%, offset by continued engineering and efficiency gains. NuVista retains the flexibility to adjust capital spending upwards or downwards to maximize value and to suit the ongoing economic environment as it unfolds.

Excellent well results and a slight acceleration of capital phasing leads to enhanced production, cash flow, and overall value. Full year 2021 production guidance is increased and tightened to 51,000 - 52,000 Boe/d versus the prior range of 50,000 - 52,000 Boe/d. Fourth quarter production guidance is 56,000 - 58,000 Boe/d***. Full year 2022 production guidance is set at 65,000 - 68,000 Boe/d, an increase from our prior outlook of 62,500 - 67,500 Boe/d.

At strip prices* we anticipate exiting 2021 with a net debt to annualized fourth quarter cash flow ratio of well under 1.0x and absolute net debt levels below $485 million. This is a reduction of almost $175 million from the peak during the 2020 pandemic and is well below our previous year end 2021 expected debt level of $520 million despite the shifting of capital into 2021 from 2022.

* 2021 full year pricing projection incorporating actual year to date pricing and October 22nd strip pricing: WTI US$69.25/Bbl, NYMEX US$3.75/MMBtu, AECO $3.35/GJ, CAD:USD FX 1.25

Our 2022 budget is anticipated to achieve our significant growth objectives in production and cashflow while enabling a continued material reduction in net debt. At current strip prices**, NuVista's 2022 free cash flow (forecast cash flow net of forecast capital spending) is projected to be approximately $315 million. 100% of free cash flow will be directed towards debt reduction until our net debt is reduced below $400 million. This is expected to be achieved as early as the second quarter of 2022. Free cash flow remaining after passing below this milestone is anticipated to be allocated between further debt reduction, return of capital to shareholders and continued optimization of the business. The specific nature of shareholder return will be determined and communicated as this milestone approaches.

2022 Guidance Highlights Table	
Capital Expenditures $MM	$290 - $310
Average Production, Boe/d	65,000 - 68,000
% Condensate	~30%
% NGL	~8%
% Natural Gas (conversion 6:1)	~62%
Free Cash Flow, $MM**	$315
Average YoY Production Growth	30%
All in Capital Efficiency, $/Boed ****	~$9,100
Year on Year Cash Cost Reduction, per Boe	~10%

** 2022 pricing reflects October 22nd strip pricing: WTI US$75.25/Bbl, NYMEX US$4.35/MMBtu, AECO $3.95/GJ, CAD:USD FX 1.24
*** Note: production splits for the fourth quarter of 2021 are the same as the 2022 ones above
**** Capital efficiency is a measure of forecast capital expenditures divided by forecast production additions in the first year

We intend to carefully direct available cash flow towards a prudent balance of net debt reduction, shareholder return, and production growth until our existing facilities are filled to maximum efficiency, and net debt to cash flow levels reach approximately 0.5x. That maximum efficiency point is 85,000 - 90,000 Boe/d, and we are confident that the actions described above accelerate the Company towards that goal by as early as 2023. With facilities filled, returns and netbacks are enhanced significantly due to efficiencies of scale, with overall cash costs per Boe which are expected to reduce by over 25%, or approximately $6/Boe by 2023 as compared to the first quarter of 2021. Capital spending will continue to be weighted heavily towards Pipestone, as our highest return area, with expected well payouts well below a year.

NuVista has top quality assets and a management team focused on value and relentless improvement. We have the necessary foundation and liquidity to add significant value as commodity prices continue with strength. We have set the table for returns-focused profitable growth to between 85,000 - 90,000 Boe/d with

only half-cycle spending, since the required processing and transportation infrastructure is now in place. 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 corporate presentation, including our outlook for 2022 and beyond, is being updated and will be available at www.nuvistaenergy.com on November 10, 2021. NuVista's financial statements, notes to the financial statements and management's discussion and analysis ("MD&A") for the quarter ended September 30, 2021, will be filed on SEDAR (www.sedar.com) under NuVista Energy Ltd. on November 10, 2021 and can also be accessed on NuVista's website.

Financial and Operating Highlights

	Three months ended September 30			Nine months ended September 30		
(Cdn $000s, except otherwise indicated)	2021	2020	% Change	2021	2020	% Char
FINANCIAL						
Petroleum and natural gas revenues	222,601	105,708	111	561,935	300,260	87
Cash flow from operating activities	124,007	36,581	239	228,515	102,481	123
Adjusted funds flow (1) (2)	80,602	41,484	94	169,311	107,467	58
Per share - basic	0.36	0.18	100	0.75	0.48	56
Per share - diluted	0.35	0.18	94	0.73	0.48	52
Net income (loss)	147,065	(44,144)	(433)	151,512	(913,313)	117
Per share - basic	0.65	(0.20)	(425)	0.67	(4.05)	117
Per share - diluted	0.63	(0.20)	(415)	0.65	(4.05)	116
Capital expenditures (2)	77,152	7,081	990	202,444	156,578	29
Proceeds on property dispositions	-	-	-	93,578	-	-
Net debt (1) (2)				545,410	623,324	(12
OPERATING						
Daily Production						
Natural gas (MMcf/d)	184.1	183.7	-	177.0	186.5	(5
Condensate & oil (Bbls/d)	15,779	13,790	14	14,912	14,450	3
NGLs (Bbls/d)	4,534	5,034	(10)	5,052	5,271	(4
Total (Boe/d)	51,005	49,443	3	49,467	50,810	(3
Condensate, oil & NGLs weighting	40 %	38 %		40 %	39 %	
Condensate & oil weighting	31 %	28 %		30 %	28 %	
Average realized selling prices (4)						
Natural gas ($/Mcf)	4.88	2.16	126	4.07	2.20	85
Condensate & oil ($/Bbl)	84.59	49.09	72	78.72	43.37	82
NGLs ($/Bbl) (3)	41.36	14.65	182	32.57	11.28	189
Netbacks ($/Boe)						
Petroleum and natural gas revenues	47.44	23.24	104	41.61	21.57	93
Realized gain (loss) on financial derivatives	(6.04)	3.87	(256)	(5.78)	4.17	(239
Royalties	(3.51)	(0.69)	409	(2.79)	(0.94)	197
Transportation expenses	(5.38)	(4.38)	23	(5.31)	(4.29)	24
Operating expenses	(10.49)	(9.80)	7	(10.70)	(9.88)	8
Operating netback (2)	22.02	12.24	80	17.03	10.63	60
Corporate netback (2)	17.18	9.12	88	12.54	7.72	62
SHARE TRADING STATISTICS						
High ($/share)	5.35	1.02	425	5.35	3.36	59
Low ($/share)	2.90	0.61	375	0.89	0.24	271
Close ($/share)	5.14	0.63	716	5.14	0.63	716
Average daily volume ('000s)	781	1,663	(53)	1,201	2,214	(46
Common shares outstanding ('000s)				226,420	225,727	-

(1) Refer to Note 15 "Capital management" in NuVista's financial statements and to the sections entitled "Adjusted funds flow" and "Liquidity and capital resources" contained in NuVista's Management, Discussion & Analysis.
(2) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be

comparable to similar measures presented by other companies where similar terminology is used. Reference should be made to the "Non-GAAP measurements".
(3) Natural gas liquids ("NGLs") include butane, propane and ethane and an immaterial amount of sulphur revenue.
(4) Product prices exclude realized gains/losses on financial derivatives.

Advisories 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.

Any references 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 cautioned not to place reliance on such rates in calculating the aggregate production for NuVista.

Payout means the anticipated years of production from a well required to fully pay for the drilling, completion, equipping and tie-in of such well.

Basis of presentation

Unless otherwise noted, the financial data presented in this press release has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") also known as International Financial Reporting Standards ("IFRS"). The reporting and measurement currency is the Canadian dollar. National Instrument 51-101 - "Standards of Disclosure for Oil and Gas Activities" includes condensate within the product type of natural gas liquids. NuVista has disclosed condensate values separate from natural gas liquids herein as NuVista believes it provides a more accurate description of NuVista's operations and results therefrom.

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; plans to focus on a disciplined capital program to maximize economic returns from existing facilities combined with net debt reduction; plans to control costs and ensure a reliable supply of people and equipment; that NuVista will move forward through to 2022 with strength and increasing momentum; expectations with respect to when certain well pads at Pipestone North, Pipestone South and at Elmworth will be drilled and or completed; industry conditions and commodity prices; effect of our financial, commodity, and natural gas risk management strategy and market diversification; ESG plans and initiatives; guidance with respect to 2021 and 2022 capital spending amounts and spending plans; that the shift in 2021 capital spending will optimize value, NuVista is shifting a small amount of 2022 capital spending into the fourth quarter of 2021; expected capital spending inflation in the range of 5-10%, anticipated continued engineering and capital spending efficiency gains; fourth quarter and full year 2021 production guidance; anticipated reductions in net debt and net debt to cash flow ratio alongside significant production and cash flow growth into 2022; 2021 year end net debt and net debt to annualized fourth quarter cash flow ratio; 2022 guidance with respect to free cash flow, capital spending, production, capital efficiency, cash costs and production mix; plans to carefully direct available cash flow towards a prudent balance of net debt reduction, shareholder return, and production growth until existing facilities are filled to maximum efficiency, and net debt to cash flow levels reach approximately 0.5x; that NuVista's maximum production efficiency point is 85,000 - 90,000 Boe/d, and that the Company will achieve that goal by as early as 2023; that returns and netbacks will be enhanced significantly when NuVista's facilities are filled, due to efficiencies of scale, that overall cash costs will be reduced by approximately $6/Boe by 2023; that capital spending will continue to be weighted heavily towards Pipestone; that Pipestone will continue to be the Company's highest return area; expected well

payouts at Pipestone; the quality of NuVista's asset base; NuVista's focus on value and relentless improvement; that NuVista has the necessary foundation and liquidity to add significant value if commodity prices continue with strength; that NuVista will experience returns-focused profitable growth to between 80,000 - 90,000 Boe/d with only half-cycle spending; that NuVista has the required facility infrastructure in place to support its growth plans and that NuVista will continue to adjust to industry conditions in order to maximize the value of its asset base and ensure the long term sustainability of its business.

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 cash 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 debt 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.

This press release also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in 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. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI and forward-looking statements, or if any of them do so, what benefits we will derive therefrom.

We have included the FOFI and forward-looking statements in this press release in order to provide readers with a more complete perspective on our prospective results of operations and such information may not be appropriate for other purposes. The FOFI and forward-looking statements and information contained in this press release are made as of the date hereof and we undertake no obligation to update publicly or revise any FOFI or forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Non-GAAP measurements

Within the press release, references are made to terms commonly used in the oil and natural gas industry, but do not have any standardized meaning as prescribed by IFRS and therefore may not be comparable with the calculations of similar measures for other entities. Management believes that the presentation of these non-GAAP measures provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis. Management uses "cash flow", "cash flow per share", "operating netback", "corporate netback", "capital expenditures", "cash costs", "free cash flow", "net debt", "net debt to cash flow ratio" and "net debt to annualized cash flow ratio" to analyze performance and leverage.

For ease of readability, in this press release, we have used the term "cash flow" instead of "adjusted funds flow" as defined in our MD&A. Free cash flow is forecast cash flow less forecast capital expenditures. Cash costs are defined as the total of operating expenses, transportation expenses, general and administrative expenses and financing costs.

The following list identifies certain non-GAAP measures included in this press release, a description of how the measure has been calculated, a discussion of why management has deemed the measure to be useful and a reconciliation to the most comparable GAAP measure.

Adjusted funds flow

NuVista has calculated adjusted funds flow based on cash flow provided by operating activities, excluding changes in non-cash working capital, asset retirement expenditures and environmental remediation recovery, as management believes the timing of collection, payment, and occurrence is variable and by excluding them from the calculation, management is able to provide a more meaningful measure of NuVista's operations on a continuing basis. More specifically, expenditures on asset retirement obligations may vary from period to period depending on the Company's capital programs and the maturity of its operating areas. The settlement of asset retirement obligations is managed through NuVista's capital budgeting process which considers its available adjusted funds flow.

Adjusted funds flow 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. Adjusted funds flow per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net earnings (loss) per share. Refer to Note 15 "Capital Management" in the financial statements.

NuVista considers adjusted funds flow to be a key measure that provides a more complete understanding of the Company's ability to generate cash flow necessary to finance capital expenditures, expenditures on asset retirement obligations, and meet its financial obligations.

The following table provides a reconciliation between the non-GAAP measure of adjusted funds flow to the more directly comparable GAAP measure of cash flow from operating activities:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2021	2020	2021	2020
Cash provided by operating activities	124,007	36,581	228,515	102,481
Add back:				
Asset retirement expenditures	571	382	4,669	10,356
Change in non-cash working capital [1]	(43,976)	4,521	(63,873)	(5,370)
Adjusted funds flow	80,602	41,484	169,311	107,467
Adjusted funds flow, $/Boe	17.18	9.12	12.54	7.72
Adjusted funds flow per share, basic	0.36	0.18	0.75	0.48
Adjusted funds flow per share, diluted	0.35	0.18	0.73	0.48

[1] Refer to Note 19 "Supplemental cash flow information" in the financial statements.

Operating netback and corporate netback ("netbacks")

NuVista reports netbacks on a total dollar and per Boe basis. Operating netback is calculated as petroleum and natural gas revenues including realized financial derivative gains/losses, less royalties, transportation and operating expenses. Corporate netback is operating netback less general and administrative, deferred share units, interest and lease finance expense. Netbacks per Boe are calculated by dividing the netbacks by total production volumes sold in the period.

Management feels both operating and corporate netbacks are key industry benchmarks and measures of operating performance for NuVista that assists management and investors in assessing NuVista's profitability, and are commonly used by other petroleum and natural gas producers. The measurement on a Boe basis assists management and investors with evaluating NuVista's operating performance on a comparable basis.

The following table provides a reconciliation between the non-GAAP measures of operating and corporate netback to the most directly comparable GAAP measure of net earnings (loss) for the period:

Three months ended September 30 Nine months ended Septem

($ thousands)	2021	2020	2021	2020
Net earnings (loss) and comprehensive income (loss)	147,065	(44,144)	151,512	(913,313
Add back:				
Other Income	(138)	-	(1,024)	-
Depletion, depreciation, amortization and impairment	(125,026)	39,581	(51,441)	1,044,686
Loss (gain) on property dispositions	-	(2,000)	(35,375)	759
Share-based compensation	2,604	1,023	9,190	2,611
Unrealized loss (gain) on financial derivatives	11,817	46,561	55,234	39,423
Deferred income tax expense (recovery)	45,002	-	44,984	(69,174
General and administrative expenses	4,634	2,978	14,861	10,296
Financing costs	17,381	11,686	42,026	32,667
Operating netback	103,339	55,685	229,967	147,955
Deduct:				
General and administrative expenses	(4,634)	(2,978)	(14,861)	(10,296
Share-based compensation expense (recovery)	(1,286)	94	(5,508)	1,396
Interest and lease finance expense	(16,817)	(11,317)	(40,287)	(31,588
Corporate netback	80,602	41,484	169,311	107,467

Capital expenditures

Capital expenditures are equal to cash flow used in investing activities, excluding changes in non-cash working capital, other receivable and property dispositions. Any expenditures on the other receivable are being refunded to NuVista and are therefore included under current assets. NuVista considers capital expenditures to be a useful measure of cash flow used for capital reinvestment.

The following table provides a reconciliation between the non-GAAP measure of capital expenditures to the most directly comparable GAAP measure of cash flow used in investing activities for the period:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2021	2020	2021	2020
Cash flow used in investing activities	(107,155)	(625)	(133,638)	(187,600)
Changes in non-cash working capital	31,160	6,185	29,005	31,385
Other receivable	(1,157)	(12,641)	(4,233)	(363)
Property dispositions	-	-	(93,578)	-
Capital expenditures	(77,152)	(7,081)	(202,444)	(156,578)

Net debt

NuVista has calculated net debt based on cash and cash equivalents, accounts receivable and prepaid expenses, accounts payable and accrued liabilities, other receivable, long-term debt (credit facility) and senior unsecured notes.

Net debt is used by management to provide a more complete understanding of the Company's capital structure and provides a key measure to assess the Company's liquidity. Management has excluded the current and long term financial instrument commodity contracts as they are subject to a high degree of volatility prior to ultimate settlement. Similarly, management has excluded the current and long term portion of asset retirement obligations as these are estimates based on management's assumptions and subject to volatility based on changes in cost and timing estimates, the risk-free rate and inflation rate.

The following table shows the composition of the non-GAAP measure of net debt with GAAP components from the balance sheet:

($ thousands)	September 30, 2021	December 31, 2020
Cash and cash equivalents, accounts receivable and prepaid expenses	(80,220)	(53,093)

Other receivable	*(1,238)*	*(5,471)*
Accounts payable and accrued liabilities	*131,476*	*75,142*
Long-term debt (credit facility)	*265,225*	*362,673*
Senior unsecured notes	*222,874*	*217,724*
Other liabilities	*7,293*	*1,860*
Net debt	*545,410*	*598,835*

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