

First Quarter 2023 Operational and Financial Highlights

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CALGARY, May 09, 2023 - [NuVista Energy Ltd.](#) ("NuVista" or the "Company") (TSX:NVA) is pleased to announce strong financial and operating results for the three months ending March 31, 2023, and to provide an update on a number of key strategic initiatives. Commodity prices were volatile in the first quarter, but the quality and capacity of our asset base allowed us to continue to deliver outsized returns. We continued to invest in a disciplined manner in new high-return wells to fill and optimize existing facilities. We made meaningful progress on returning capital to shareholders under our existing Normal Course Issuer Bid ("NCIB") while continuing with the reduction of debt. We have also achieved another new corporate milestone, improving our financial flexibility further by moving to a covenant-based credit facility.

First Quarter 2023 Operational and Financial Highlights

During the first quarter of 2023, NuVista:

- Produced 71,209 Boe/d in the quarter as expected, despite the impact of unplanned outages at three separate third party midstream facilities which impacted quarterly production by approximately 1,500 Boe/d. This represented a 7% increase in production from the first quarter of 2022. First quarter production consisted of 32% condensate, 9% NGLs and 59% natural gas;
- Generated adjusted funds flow⁽¹⁾ of \$207.5 million (\$0.95/share, basic⁽³⁾) in the quarter, a 9% increase from the first quarter of 2022;
- Achieved net earnings of \$80.7 million (\$0.37/share, basic) in the quarter, compared to \$70.3 million (\$0.31/share, basic) in the first quarter of 2022;
- Delivered positive free adjusted funds flow⁽²⁾ of \$27.9 million despite a high activity and capital spending quarter, with net capital expenditures⁽²⁾ of \$169.9 million and ARO spending of \$9.7 million;
- Executed a successful capital expenditure⁽²⁾ program, investing \$195.9 million in well and facility activities including the drilling of 12 gross (11.7 net) wells and the completion of 17 gross (16.2 net) wells in our condensate rich Wapiti Montney play;
- Received cash proceeds of \$26.0 million for the disposal of a non-operated working interest in an underutilized gas processing facility. Approximately half of the proceeds are being reinvested this year to replace the sold processing capacity with higher efficiency operated capacity as part of our larger Elmworth compressor station expansion;
- Managed our exposure to commodity price fluctuations through our natural gas diversification strategy, in this quarter benefiting primarily from our Malin, California exposure. We realized an average natural gas price of \$7.02/Mcf, an improvement of 62% compared to the average AECO monthly 7A index price of \$4.34/Mcf for the first quarter;
- Exited the quarter with \$65.6 million held in cash deposits and zero drawn on our \$440 million credit facility. Net debt⁽¹⁾ at the end of the quarter was \$169.0 million, a 59% reduction from the first quarter of 2022 and 2% lower than year end 2022. We maintained a favorable net debt to annualized first quarter adjusted funds flow⁽¹⁾ of 0.2x;
- Improved our financial flexibility through the successful transition from a reserve-based credit facility to a \$450 million three-year covenant-based credit facility with our existing banking syndicate effective May 9, 2023. The credit facility has an accordion feature of an additional \$300 million; and
- Repurchased and subsequently cancelled 1.1 million common shares for an aggregate cost of \$12.2 million or \$11.54/share under the terms of our NCIB. As of today, we have repurchased and subsequently cancelled 16.5 million common shares, completing 91% of the NCIB.

Notes:

- Each of "adjusted funds flow", "net debt" and "net debt to annualized first quarter adjusted funds flow" are capital management measures.
- (1) Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release.
- Each of "free adjusted funds flow", "capital expenditures" and "net capital expenditures" are non-GAAP financial measures that do not have any
- (2) standardized meanings 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 section entitled "Non-GAAP and Other Financial Measures" in this press release.

- (3) "Adjusted funds flow per share" is a supplementary financial measure. Reference should be made to the section entitled "Non-GAAP and Other Financial Measures" in this press release.

Excellence in Operations

Operations in the field proceeded as planned again in the first quarter. Production in the Wapiti area averaged over 28,000 Boe/d (32% condensate, 7% NGLs and 61% natural gas), down 2,000 Boe/d versus the previous quarter due primarily to the unplanned third party outages reported earlier. At Gold Creek we brought online our second multi-bench pad including a Lower Montney target. Initial results are very encouraging with the Lower Montney well achieving an IP30 average of 1,730 Boe/d, including 45% condensate. Drilling operations are proceeding with one rig in the Wapiti area which is currently finishing a five-well pad on the Bilbo block. This pad is expected to be completed and on-stream early in the third quarter. The remainder of 2023 drilling activity in the Wapiti area includes two additional six-well pads, which will increase area volumes to approximately 40,000 Boe/d toward the end of the year.

Production in the Pipestone area averaged over 42,000 Boe/d in the first quarter (32% condensate, 10% NGLs and 58% natural gas), similar to the previous quarter. Spot rates with the addition of our latest six-well pad have filled the area to its approximate capacity of 45,000 Boe/d. This pad has reached its IP30 milestone with per-well rates averaging 1,880 Boe/d, including 50% condensate. These rates fully meet expectations. The balance of 2023 activity will include turning inline the recently completed six-well pad at Pipestone South late in the second quarter, and the drilling of two additional pads (18 wells total) to hold volumes around 45,000 Boe/d for the second half of the year and into 2024.

Inflation continues with some persistence in 2023. Our most effective partial hedge against inflation is continued improvement in execution. New fracking records continue to be set, completing an average of 17 stages per day on a six-well pad in Pipestone while achieving over 60% fuel gas substitution as we gradually continue our transition into a full Tier IV fleet. On the drilling side the latest 8-well Pad at Pipestone North averaged 11 days per well, from spud to rig-release for all wells, resulting in an average cost of approximately \$900 per horizontal meter which is 22% lower than the pre-inflation 2019 average for the area.

Balance Sheet Strength, Return of Capital to Shareholders, and Transition to Covenant Based Credit Facility

We increased our return of capital to shareholders for 2023 to approximately 75% of free adjusted funds flow, with the remainder to be allocated primarily to further reducing net debt. Since the inception of the NCIB, repurchases represent a 7.2% reduction in common shares outstanding with 91% of the approved NCIB complete. As the current NCIB will expire on June 13, 2023, our Board of Directors has approved the filing of a renewal application of the NCIB. The application for the renewal of the NCIB (including the number of shares available for purchase thereunder) is subject to review and approval of the TSX. If approved, this will allow us to once again buy back up to 10% of the public float (as defined by the TSX) from June onwards over a one-year period.

We continue to believe that the best method for return of capital to shareholders is initially to repurchase shares, however we will re-evaluate over the next year as our growth plan proceeds. This evaluation will consider commodity prices, the economic and tax environment, and will include all options including continued disciplined growth to facility capacity of 105,000 Boe/d, share repurchases, and dividend payments.

As our net debt has already progressed below our long term target, the remaining 25% of free adjusted funds flow will be used opportunistically for a combination of continued debt reduction, facility repurchases, or tuck-in acquisitions.

Subsequent to the first quarter, we achieved a key corporate milestone through the successful transition from a sustainability-linked (SLL) reserve-based credit facility to a SLL covenant-based credit facility. Supported by our existing banking syndicate, we now have in place a \$450 million three-year SLL covenant-based credit facility, with an accordion feature of an additional \$300 million.

Board of Director Changes

With sincere appreciation, we bid Mr. Sheldon Steeves a fond farewell as he retires from our Board after ten years of dedicated service and leadership. Sheldon has always provided calm and deft advice through the many industry challenges of the past decade, and we thank him deeply as we wish him and his family all the very best in the future. With Sheldon's retirement, we welcome Ms. Mary Ellen Lutey who will be joining our Board. Ms. Lutey has deep experience in the leadership, production and development of resource plays, and we look forward to working with her as she brings her insights to growing shareholder value over the years to come.

2023 Guidance Update

We are in an extremely fortunate position of having top tier assets and economics. With disciplined execution we are able to grow production and adjusted funds flow while generating significant positive free adjusted funds flow, despite the significant moderation of natural gas pricing during the first quarter of 2023. We have hedged approximately 35% of projected natural gas production for this summer with floor and ceiling prices of C\$4.17/Mcf and \$7.31/Mcf (hedged and exported volumes converted to an AECO equivalent price). We have less than 2% exposure to AECO prices this summer due our hedges and our diversified sales portfolio.

Due to our high condensate weighting, our execution economics remain very strong. As such, we will continue with our capital execution plans unchanged at present, however we will remain nimble to adjust our activity levels downward should condensate and gas prices reach sustained lower levels.

We anticipate that the cost inflation we have encountered over the past year will ease through the coming summer. It has remained limited but persistent through the first quarter of 2023, partially offset by improving execution and capital efficiency. The softening of natural gas prices is expected to affect gas-directed activity levels, reducing the competition for services. In addition, inventories of steel products and raw materials are building, and fuel costs have already moderated. We also retain the pricing certainty provided in our long-term pressure pumping and sand contract. At this time, we are maintaining our outlook for full year spending by optimizing phasing toward the end of the year. We plan to reassess our budget in August in the context of commodity and service prices at that time.

Our full year production and net capital expenditure guidance range is unchanged at 79,000 - 83,000 Boe/d and \$425 to \$450 million, respectively. Our guidance on capital expenditures is based on "net capital expenditures" which includes proceeds received on property dispositions which will be reinvested into our development plan to replace the sold production capacity. As a result of the wildfire situation in Grande Prairie region and the related production impacts, we are choosing not to provide guidance for the second quarter production at this time. Once the situation has stabilized and facilities are restarted, we intend to provide quarterly guidance.

We intend to continue our track record of carefully directing free adjusted funds flow towards a prudent balance of return to shareholders and debt reduction, while investing in production growth until our existing facilities are filled and debottlenecked to maximum efficiency. NuVista has an exceptional business plan that maximizes free adjusted funds flow and the return of capital to shareholders when our existing facilities are debottlenecked and filled to maximum efficiency at production levels of approximately 100,000 Boe/d through 2025.

NuVista has top quality assets and a management team focused on relentless improvement. We have the necessary foundation and liquidity to continue adding significant value for our shareholders. We will continue to adjust to the 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 will be available at www.nuvistaenergy.com on May 9, 2023. NuVista's management's discussion and analysis, condensed consolidated interim financial statements for the three months ended March 31, 2023 and notes thereto, will be filed on SEDAR (www.sedar.com) under [NuVista Energy Ltd.](#) on May 9, 2023 and can also be accessed on NuVista's website.

FINANCIAL AND OPERATING HIGHLIGHTS

Three months ended March 31

(\$ thousands, except otherwise stated)	2023	2022	% Change
FINANCIAL			
Petroleum and natural gas revenues	390,163	381,827	2
Cash provided by operating activities	215,221	162,442	32
Adjusted funds flow ⁽³⁾	207,464	189,869	9
Per share, basic ⁽⁶⁾	0.95	0.83	14
Per share, diluted ⁽⁶⁾	0.91	0.80	14
Net earnings	80,709	70,255	15
Per share, basic	0.37	0.31	19
Per share, diluted	0.36	0.30	20
Net capital expenditures ⁽¹⁾	169,870	119,964	42
Net debt ⁽³⁾	168,985	412,932	(59)
OPERATING			
Daily Production			
Natural gas (MMcf/d)	253.3	229.0	11
Condensate (Bbls/d)	22,885	21,680	6
NGLs (Bbls/d)	6,113	6,756	(10)
Total (Boe/d)	71,209	66,599	7
Condensate & NGLs weighting	41	% 43	%
Condensate weighting	32	% 33	%
Average realized selling prices ⁽⁵⁾			
Natural gas (\$/Mcf)	7.02	5.79	21
Condensate (\$/Bbl)	101.31	119.21	(15)
NGLs (\$/Bbl) ⁽⁴⁾	39.30	49.30	(20)
Netbacks (\$/Boe)			
Petroleum and natural gas revenues	60.88	63.71	(4)
Realized loss on financial derivatives	(1.42)	(7.54)	(81)
Royalties	(8.04)	(5.56)	45
Transportation expense	(4.13)	(4.58)	(10)
Operating expense	(11.71)	(10.89)	8
Operating netback ⁽²⁾	35.58	35.14	1
Corporate netback ⁽²⁾	32.36	31.69	2
SHARE TRADING STATISTICS			
High (\$/share)	12.67	11.92	6
Low (\$/share)	10.42	6.94	50
Close (\$/share)	10.93	10.57	3
Average daily volume (thousands of shares)	677	1,576	(57)
Common shares outstanding (thousands of shares)	218,764	228,472	(4)

Non-GAAP financial 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 section entitled "Specified Financial Measures".

(2) Non-GAAP ratio 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 section entitled "Specified Financial Measures".

(3) Capital management measure. Reference should be made to the section entitled "Specified Financial Measures".

(4) Natural gas liquids ("NGLs") include butane, propane and ethane revenue and sales volumes, and sulphur revenue.

(5) Product prices exclude realized gains/losses on financial derivatives.

(6) Supplementary financial measure. Reference should be made to the section entitled "Specified Financial Measures".

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 press 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.

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.

Production split for Boe/d amounts referenced in the press release are as follows:

Reference	Total Boe/d	Natural Gas %	Condensate %	NGLs %
Q1 2023 production guidance	71,000 - 74,000	61 %	30 %	9 %
Q1 2023 actual production	71,209	59 %	32 %	9 %
2023 annual production guidance	79,000 - 83,000	62 %	29 %	9 %

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; our plans to continue to balance debt repayment, increasing adjusted funds flow through disciplined production and growth; NuVista's financial strength entering into 2023; our ability to continue to deliver on our value-adding growth strategy, reduce net debt and return capital to shareholders; our ESG plans and commitment targets and expected results from our ESG initiatives; the quality of NuVista's assets; the expected depth and quality in undeveloped reserves; our ability to create both short and long term value for our shareholders; our expectations regarding free adjusted funds flow in 2023; guidance with respect to 2023 capital expenditures amounts, spending timing and allocation; our expectations that the cost inflation we have encountered over the past year will ease through the coming summer; revised guidance with respect to 2023 production and production mix; the anticipated timing of release of our second quarter production guidance; expectations with respect to future net debt to adjusted funds flow ratio; the expected benefits of our financial commodity hedges and diversified natural gas sales portfolio; plans to direct additional available adjusted funds flow towards a disciplined balance of return of capital to shareholders and debt reduction; future commodity prices; anticipated increases in well costs; anticipated timing of bringing the new pad in the Pipestone area inline and the anticipated benefits thereof; expectations regarding 2023 free adjusted funds flow; plans to maximize free adjusted funds flow and the return of capital to shareholders; the ability to re-evaluate the uses of free adjusted funds flow and anticipating outcomes thereof; the future capacity of our facilities and positive impact to corporate netbacks; that we will generate free adjusted funds flow while reducing net debt; NuVista's future realized gas prices; the timing of release of our corporate presentation; the effect of our financial, commodity, and natural gas risk management strategy and market diversification; the satisfaction of the NCIB and the anticipated effects of common share repurchases thereunder; the anticipated timing of completion of the NCIB; approval of the NCIB renewal and subsequent repurchases thereunder; 2023 drilling and completion plans, timing and expected results; our ability to manage the capital program in an inflationary price environment and the ability to continue adding significant value and improvement. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably

produced in the future.

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 and inflation rates, the impact of ongoing global events including European tensions, with respect to commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and adjusted funds flow, 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, that we will be able to execute our 2023 drilling plans as expected, our ability to carry-out our 2023 production and capital guidance as expected 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.

This press release also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about NuVista's prospective results of operations including, without limitation, its ability to repay debt, expectations with respect to future net debt to adjusted funds flow ratios, projected adjusted funds flows at current strip prices, capital expenditures and corporate netbacks, 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. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the FOFI 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.

These forward-looking statements and FOFI are made as of the date of this press release and NuVista disclaims any intent or obligation to update any forward-looking statements and FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities law.

Non-GAAP and other financial measures

This press release uses various specified financial measures (as such terms are defined in National Instrument 52-112 - Non-GAAP Disclosure and Other Financial Measures Disclosure ("NI 51-112")) including "non-GAAP financial measures", "non-GAAP ratios", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 51-112), which are described in further detail below. 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.

Non-GAAP financial measures

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity; (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity; (iii) is not disclosed in the financial statements of the entity; and (iv) is not a ratio, fraction, percentage or similar representation.

These non-GAAP financial measures are not standardized financial measures under IFRS and might not be comparable to similar measures presented by other companies where similar terminology is used. Investors are cautioned that these measures should not be construed as alternatives to or more meaningful than the most directly comparable IFRS measures as indicators of NuVista's performance. Set forth below are descriptions of the non-GAAP financial measures used in this press release.

NuVista has added the Non-GAAP financial measure of "net capital expenditures" which includes proceeds received on property dispositions which will be reinvested into the Company's development plans. The use of "net capital expenditures" more closely aligns with the most directly comparable GAAP measure of cash used in investing activities and incorporates funds reinvested from property dispositions which more accurately reflects the Company's strategic plan. The definition of "free adjusted funds flow" has been revised to include "net capital expenditures" rather than "capital expenditures" which did not include the reinvestment of disposition proceeds.

Capital expenditures

Capital expenditures are equal to cash used in investing activities, excluding changes in non-cash working capital, other asset expenditures and proceeds on property dispositions. 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 used in investing activities for the period:

	Three months ended March 31	
(\$ thousands)	2023	2022
Cash used in investing activities	(143,773) (126,522
Changes in non-cash working capital	(35,597) 6,558
Other asset expenditures	9,500	-
Proceeds on property disposition	(26,000) -
Capital expenditures	(195,870) (119,964

Net capital expenditures

Net capital expenditures are equal to cash used in investing activities, excluding changes in non-cash working capital, and other asset expenditures. The Company includes funds used for property acquisition or proceeds from property dispositions within net capital expenditures as these transactions are part of its development plans. NuVista considers net 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 net capital expenditures to the most directly comparable GAAP measure of cash used in investing activities for the period:

	Three months ended March 31	
(\$ thousands)	2023	2022
Cash used in investing activities	(143,773) (126,522
Changes in non-cash working capital	(35,597) 6,558
Other asset expenditures	9,500	-
Net capital expenditures	(169,870) (119,964

Free adjusted funds flow

Free adjusted funds flow is adjusted funds flow less net capital expenditures and asset retirement expenditures. Each of the components of free adjusted funds flow are non-GAAP financial measures. Please refer to disclosures under the headings "Capital management measures" and "Capital expenditures" for a description of each component of free adjusted funds flow. Management uses free adjusted funds flow as a measure of the efficiency and liquidity of its business, measuring its funds available for additional capital

allocation to manage debt levels, pay dividends, and return capital to shareholders. By removing the impact of current period net capital and asset retirement expenditures, management believes this measure provides an indication of the funds the Company has available for future capital allocation decisions.

The following table sets out our free adjusted funds flow compared to the most directly comparable GAAP measure of cash provided by operating activities less cash used in investing activities for the period:

(\$ thousands)	Three months ended March 31	
	2023	2022
Cash provided by operating activities	215,221	162,442
Cash used in investing activities	(143,773) (126,522
Excess cash provided by operating activities over cash used in investing activities	71,448	35,920
Adjusted funds flow	207,464	189,869
Net capital expenditures	(169,870) (119,964
Asset retirement expenditures	(9,693) (5,568
Free adjusted funds flow	27,901	64,337

Non-GAAP ratios

NI 52-112 defines a non-GAAP ratio as a financial measure that: (i) is in the form of a ratio, fraction, percentage or similar representation; (ii) has a non-GAAP financial measure as one or more of its components; and (iii) is not disclosed in the financial statements of the entity. Set forth below is a description of the non-GAAP ratios used in this press release.

These non-GAAP ratios are not standardized financial measures under IFRS and might not be comparable to similar measures presented by other companies where similar terminology is used. Investors are cautioned that these ratios should not be construed as alternatives to or more meaningful than the most directly comparable IFRS measures as indicators of NuVista's performance.

Non-GAAP ratios presented on a "per Boe" basis may also be considered to be supplementary financial measures (as such term is defined in NI 51-112).

Operating netback and corporate netback ("netbacks"), per Boe

NuVista calculated netbacks per Boe by dividing the netbacks by total production volumes sold in the period. Each of operating netback and corporate netback are non-GAAP financial measures. Operating netback is calculated as petroleum and natural gas revenues including realized financial derivative gains/losses, less royalties, transportation expense and operating expense. Corporate netback is operating netback less general and administrative expense, cash share-based compensation expense, financing costs excluding accretion expense, and current tax expense.

Management believes 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.

Capital management measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity.

Please refer to Note 15 "Capital Management" in NuVista's condensed consolidated interim financial

statements for additional disclosure net debt and adjusted funds flow, and net debt to annualized first quarter adjusted funds flow ratio, each of which are capital management measures used by the Company in this press release.

NuVista calculated net debt to annualized first quarter adjusted funds flow ratio by dividing net debt by the annualized adjusted funds flow for the first quarter.

Supplementary financial measure

This press release may contain certain supplementary financial measures. NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is intended to be disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio.

NuVista calculates "adjusted funds flow per share" by dividing adjusted funds flow for a period by the number of weighted average common shares of NuVista for the specified period.

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