MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis **("MD&A")** of financial conditions and results of operations should be read in conjunction with NuVista Energy Ltd.'s **("NuVista" or the "Company")** condensed consolidated interim financial statements (the **"financial statements"**) for the three and six months ended June 30, 2023 and audited statements for the year ended December 31, 2022, together with the notes related thereto, for a full understanding of the financial position and results of operations of the Company. The following MD&A was prepared at and is dated August 8, 2023. Our December 31, 2022 audited financial statements, Annual Information Form and other disclosure documents are available on SEDAR at www.sedar.com or can be obtained at www.nuvistaenergy.com.

Throughout this MD&A and in other materials disclosed by the Company, NuVista adheres to generally accepted accounting principles ("GAAP"), however the Company also uses various specified financial measures (as defined in National Instrument 51-112 - *Non-GAAP and Other Financial Measures* ("NI 51-112")) including "non-GAAP financial measures", "non-GAAP ratios", "capital management measures" and "supplementary financial measures" to analyze financial performance including, **"adjusted funds flow", "annualized current quarter adjusted funds flow", "capital expenditures", "net capital expenditures", "free adjusted funds flow", "netbacks", "cash costs", "net debt", "netbacks per Boe" and "cash costs per Boe"**. For further information, refer to the section "Specified Financial Measures".

These specified financial measures do not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other entities. The specified financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net earnings (loss), cash provided by operating activities, and cash used in investing activities, as indicators of NuVista's performance.

This MD&A contains forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information is based upon certain expectations and assumptions and actual results may differ materially from those expressed or implied by such forward-looking information. For further information regarding the forward-looking information contained herein, including the assumptions underlying such forward-looking information, refer to the "Forward-looking Information and Statements" in the advisories section.

All Boe amounts as presented in this MD&A have been calculated using the conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 Bbl). Condensate is a natural gas liquid ("NGL") as defined by National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Throughout this MD&A, NGLs comprise all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately as condensate. For further information refer to the "Oil and Gas Measures" in the advisories section.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended June 30			Six months ended June 30		
($ thousands, except otherwise stated)	**2023**	2022	% Change	**2023**	2022	% Change
FINANCIAL						
Petroleum and natural gas revenues	**282,064**	463,273	(39)	**672,227**	845,100	(20)
Cash provided by operating activities	**134,166**	227,668	(41)	**349,387**	390,110	(10)
Adjusted funds flow [3]	**145,482**	199,833	(27)	**352,946**	389,702	(9)
Per share, basic [6]	**0.67**	0.87	(23)	**1.61**	1.70	(5)
Per share, diluted [6]	**0.65**	0.83	(22)	**1.56**	1.63	(4)
Net earnings	**87,133**	177,954	(51)	**167,842**	248,209	(32)
Per share, basic	**0.40**	0.78	(49)	**0.77**	1.08	(29)
Per share, diluted	**0.39**	0.74	(47)	**0.74**	1.04	(29)
Net capital expenditures [1]	**125,130**	115,023	9	**295,000**	234,987	26
Net debt [3]				**197,894**	349,192	(43)
OPERATING						
Daily Production						
Natural gas (MMcf/d)	**256.6**	225.1	14	**254.9**	227.0	12
Condensate (Bbls/d)	**21,990**	21,058	4	**22,435**	21,367	5
NGLs (Bbls/d)	**6,277**	6,463	(3)	**6,195**	6,609	(6)
Total (Boe/d)	**71,029**	65,032	9	**71,119**	65,811	8
Condensate & NGLs weighting	**40%**	42%		**40%**	43%	
Condensate weighting	**31%**	32%		**32%**	32%	
Average realized selling prices [5]						
Natural gas ($/Mcf)	**3.29**	7.83	(58)	**5.14**	6.80	(24)
Condensate ($/Bbl)	**94.92**	135.67	(30)	**98.16**	127.37	(23)
NGLs ($/Bbl) [4]	**26.51**	73.09	(64)	**32.78**	61.00	(46)
Netbacks ($/Boe)						
Petroleum and natural gas revenues	**43.64**	78.28	(44)	**52.23**	70.94	(26)
Realized gain (loss) on financial derivatives	**1.15**	(12.77)	(109)	**(0.13)**	(10.14)	(99)
Royalties	**(3.29)**	(12.11)	(73)	**(5.65)**	(8.81)	(36)
Transportation expense	**(5.52)**	(5.59)	(1)	**(4.83)**	(5.08)	(5)
Operating expense	**(11.91)**	(11.55)	3	**(11.81)**	(11.22)	5
Operating netback [2]	**24.07**	36.26	(34)	**29.81**	35.69	(16)
Corporate netback [2]	**22.51**	33.76	(33)	**27.42**	32.71	(16)
SHARE TRADING STATISTICS						
High ($/share)	**12.02**	14.29	(16)	**12.67**	14.29	(11)
Low ($/share)	**9.93**	9.26	7	**9.93**	6.94	43
Close ($/share)	**10.62**	10.32	3	**10.62**	10.32	3
Average daily volume (thousands of shares)	**566**	1,219	(54)	**622**	1,396	(55)
Common shares outstanding (thousands of shares)				**216,215**	228,460	(5)

(1) 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"*.

ABOUT NUVISTA ENERGY LTD.

NuVista is an exploration and production company actively engaged in the development, delineation and production of condensate, NGLs, and natural gas reserves in the Western Canadian Sedimentary Basin. NuVista's focus is on the scalable and repeatable condensate rich Montney formation in the Wapiti and Pipestone areas of the Alberta Deep Basin ("Montney"). The common shares of NuVista trade on the Toronto Stock Exchange ("TSX") under the symbol NVA.

SECOND QUARTER HIGHLIGHTS

- **Adjusted funds flow -** During the second quarter of 2023, NuVista generated adjusted funds flow of $145.5 million, a 27% decrease as compared to the same prior year period of $199.8 million. The decrease in adjusted funds flow was primarily due to lower production revenues, net of realized gains and losses on financial derivative contracts offset by higher production volumes and lower royalties. Adjusted funds flow for the second quarter of 2023, decreased 30% over the first quarter of 2023, primarily due to a decrease in natural gas prices. Lower average production volumes were experienced in the second quarter because of production shut-ins caused by wildfires in the Grande Prairie region of Alberta (the "Alberta wildfires"). Despite these challenges, NuVista achieved free adjusted funds flow of $20.8 million in the second quarter of 2023, after net capital expenditures of $125.1 million.

- **Liquidity -** NuVista ended the second quarter of 2023 with $8.0 million drawn on its $450 million covenant-based credit facility. NuVista's net debt was $197.9 million at June 30, 2023, a 15% increase from $169.0 million at March 31, 2023, but still well below its target of $300 million. This net debt target corresponds to a net debt to adjusted funds flow less than 1.0x in a pandemic-type commodity pricing environment ($US 45/Bbl WTI oil and $US 2.00/MMBtu NYMEX natural gas). The Company's net debt to annualized second quarter adjusted funds flow was 0.3x, well below its target of 1.0x. During the second quarter of 2023, NuVista successfully redeemed an additional $22.4 million of its 2026 Notes through open market repurchases. The remaining face value of the senior unsecured notes (the "2026 Notes") at June 30, 2023 was $165.4 million, with a carrying value of $161.9 million.

- **Production -** In the second quarter of 2023, production averaged 71,029 Boe/d, consistent with guidance of 71,000 Boe/d following the Alberta wildfires. Second quarter production was consistent with the first quarter of 2023, which averaged 71,209, and was 9% higher than the same period of 2022, which averaged 65,032 Boe/d. Production benefited from 12 new wells brought online throughout the second quarter, but was impacted by approximately 11,000 Boe/d due to shut-ins caused by the Alberta wildfires in May, which also resulted in the delay of certain capital projects. The production composition for the six months ended June 30, 2023 was 32% condensate, 8% NGLs and 60% natural gas.

- **Pricing -** During the second quarter of 2023, commodity prices declined both in comparison to the same prior year period and the first quarter of 2023. The decline in benchmark crude oil prices was driven by recessionary concerns resulting from a global economic slowdown, coupled with the impact of rising interest rates to mitigate inflation. Additionally, natural gas prices experienced significant weakening due to mild winter weather conditions, leading to reduced demand and decreased inventory draws.

  Realized natural gas pricing in the second quarter of 2023 averaged $3.29/Mcf a 53% decrease as compared to the first quarter of 2023 at $7.02/Mcf and a 58% decrease as compared to the same period of 2022 at $7.83/Mcf. Realized condensate pricing for the second quarter of 2023 averaged $94.92/Bbl, a 6% decrease compared to the first quarter of 2023 at $101.31/Bbl and a 30% decrease compared to the same period of 2022 at $135.67/Bbl. Realized NGL pricing for the second quarter of 2023 averaged $26.51/Bbl, a 33% decrease as compared to the first quarter of 2023 at $39.30/Bbl and 64% lower than the same period of 2022 at $73.09/Bbl.

- **Operating costs -** For the second quarter of 2023, NuVista's operating expenses on a per Boe basis were $11.91/Boe, a 2% increase from the first quarter of 2023 at $11.71/Boe, and a 3% increase over the same period of 2022 at $11.55/Boe. These increases in operating costs were primarily driven by inflationary pressures in the service sector and higher power costs.

- **Corporate netback -** The corporate netback for the second quarter of 2023, including a $1.15/Boe realized gain on financial derivatives, was $22.51/Boe. This was 30% lower than the first quarter netback of $32.36/Boe and 33% lower than the corporate netback of $33.76/Boe for the second quarter of 2022, impacted by the lower commodity price environment.

- **Net capital expenditures -** In the second quarter of 2023, net capital expenditures totaled $125.1 million, a 9% increase from the same prior year period of $115.0 million. During the quarter, 85% of capital expenditures was invested in drilling and completion related activities, resulting in 13 gross (12.8 net) wells drilled and 14 gross (14 net) wells completed. For the first six months of 2023, net capital expenditures totaled $295.0 million, inclusive of capital expenditures of $321.0 million and proceeds from the disposition of a non-operated working interest in an underutilized gas processing facility of $26.0 million. During the six month period, 78% of capital expenditures were allocated to drilling and completion related activities, leading to 25 gross (24.5 net) wells drilled and 31 gross (30.2 net) wells completed.

- **Return of capital to shareholders -** During the second quarter of 2023, NuVista remained committed to its disciplined and value-adding growth strategy, while also focusing on maintaining low net debt and returning capital to shareholders. On June 12, 2023, NuVista successfully completed its normal course issuer bid (the “2022 NCIB”), having repurchased and subsequently cancelled 3,646,761 of its outstanding common shares during the second quarter of 2023. The 2022 NCIB, which began on June 14, 2022, resulted in a total of 18,190,261 outstanding common shares being repurchased and subsequently cancelled over the course of 12 months, leading to a 7.9% reduction in common shares outstanding(1). On June 14, 2023, NuVista announced the renewal of its normal course issuer bid (the “2023 NCIB”), which allows NuVista to purchase up to 16,793,779 of its outstanding common shares over a 12-month period, commencing on June 16, 2023. Subsequent to June 30, 2023, NuVista has repurchased and subsequently cancelled 676,000 outstanding common shares under its 2023 NCIB.
  (1) Based on common shares outstanding at May 31, 2022 of 230,748,703.

ENVIRONMENT, SOCIAL & GOVERNANCE (“ESG”)

We have made significant progress on our ESG targets and continue to advance projects that support and enhance our objectives. For more information regarding our ESG performance and targets, please refer to our 2021 ESG report which is available on our website at www.nuvistaenergy.com. Our 2022 ESG Report is expected to be released before the fall of this year.

Environment

Approximately 60% of our current production is comprised of natural gas, which has the lowest carbon footprint among hydrocarbons. We are making significant progress towards exceeding our target of achieving a 20% reduction in GHG intensity by 2025. Reducing flaring, venting, and fugitive emissions remain key focus areas for us. Moreover, we are advancing the Wembley Gas Plant cogeneration project, scheduled to commence in 2024, and actively exploring other initiatives to further improve emissions performance and enhance energy efficiency. Additional information on our emissions reduction efforts can be found in our annual submissions to the Carbon Disclosure Project.

We are committed to reducing fresh water usage for drilling and completions activities, and we are actively exploring opportunities to shift towards lower-quality water sources. Notably, we have achieved significant progress in sourcing more fresh water from alternative non-saline sources like municipal wastewater and deep aquifers. Additionally, our source water recycling pilot programs are making progress in supporting our long-term objective of utilizing recycled produced water in completion operations.

We had an active abandonment and reclamation program in the first six months of 2023, spending approximately $9 million on the abandonment of inactive wells and pipelines, and progressing environmental reclamation at numerous sites in our Northwest Alberta legacy area. Final abandonment occurred at 10 of the 19 well sites we worked on in the first quarter, along with the completion of a major environment remediation project and abandonment of 25 inactive pipeline segments.

Social

Safety

NuVista is committed to conducting its activities in a manner that protects the health and safety of its workers and public while minimizing the Company's impact on the environment. We always strive towards a goal of zero injuries for our employees and third-party contractors. In the first half of 2023, we experienced safety incidents, largely due to increased industry activity and new and less experienced staff in the contract workforce. We are actively collaborating with our service providers to implement effective prevention measures and exploring industry-wide options and on-site solutions to enhance preventive measures. We remain fully committed to Energy Safety Canada's 10 Life Saving Rules, which we believe are a key tool in preventing the most common causes of serious injury within our industry.

Community

NuVista remains deeply committed to investing in our people and the communities where we operate, making giving back a central focus of our organization. We actively seek opportunities to create a positive impact in the communities where we live and operate. In particular, building strong relationships with Indigenous communities is a key priority for us, and our approach is guided by the four pillars of our Indigenous Inclusion Guiding Principles. In the second quarter of 2023, we held our 2023 United Way Campaign with 100% employee engagement. Together, we proudly raised over $390,000 for organizations in and around the Calgary area.

Cultural awareness is a significant aspect of our approach to Indigenous engagement, with multiple events held annually and formal training offered to most of our employees. Additionally, our team participates in training programs provided by the communities with whom we consult. This cultural training fosters a better understanding of the history, experiences, and diverse cultures of Indigenous Peoples in Canada, supporting our ongoing efforts to collaborate and advance economic opportunities with Indigenous communities in the regions where we operate.

In line with our economic inclusion pillar, we remain dedicated to providing tangible benefits to the Indigenous communities surrounding our operations. This includes offering contracts and job opportunities that directly benefit and empower these communities. Our commitment to Indigenous inclusion is an integral part of our approach to sustainable development, ensuring that our actions positively impact the well-being and prosperity of the communities with whom we work.

Governance

Governance plays a key role in providing leadership within our organization. Our Governance & Compensation and ESG Committees are instrumental in overseeing our policies and programs, ensuring that Management remains committed in upholding these essential principles. These principles create a robust framework for both our field and head office staff, guiding them to operate with a strong focus on safety and environmental consciousness. With the appointment of Mary Ellen Lutey to our Board at our Annual General Meeting on May 9, 2023, we have met our target of 30% female board membership. We take great pride in the diversity of our Board, which is composed of individuals with varied perspectives, backgrounds, and experiences. We will continue to seek diversity of approach, gender, and background, as natural succession and board renewal continues through 2024 and 2025.

2023 GUIDANCE UPDATE

We are extremely well positioned with top-tier assets and highly favorable economics. Our disciplined execution has allowed us to achieve growth in production and adjusted funds flow, while generating positive free adjusted flow, even amid the significant moderation of natural gas pricing in the first half of 2023. Due to our high condensate weighting, our execution economics remain very strong. Although the Alberta wildfires did have an impact on our second-quarter production, all production has since been restored and increased, with no damage to our assets or facilities. We have recently achieved a new weekly production record of approximately 85,000 Boe/d. We have well capability to produce more than this figure, but are currently working through some temporary in-field and midstream facility capacity constraints to allow us to push beyond 85,000 Boe/d. Average production for the third quarter is expected in the range of 80,000 – 82,000 Boe/d, including an impact on the quarter of 1,250 Boe/d due to unplanned third party facility outages which were experienced in July. Our full year production guidance range is tightened to 76,000 – 78,000 Boe/d versus the original range of 76,000 – 79,000 Boe/d.

Cost inflation remained limited but persistent through the first quarter of 2023, partially offset by improving execution and capital efficiency. Inflation appears to have moderated into the summer, but this will remain somewhat dependent on commodity prices. At this time, we are maintaining our outlook for full year spending by optimizing phasing toward the end of the year, and our 2023 net capital expenditure guidance is unchanged at $425 - $450 million.

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 targets production levels reaching approximately 100,000 Boe/d in 2025.

CONSOLIDATED RESULTS

Net earnings

	Three months ended June 30		Six months ended June 30	
($ thousands, except per share amounts)	**2023**	2022	**2023**	2022
Net earnings	**87,133**	177,954	**167,842**	248,209
Per share, basic	**0.40**	0.78	**0.77**	1.08
Per share, diluted	**0.39**	0.74	**0.74**	1.04

For the three months ended June 30, 2023, net earnings decreased $90.8 million to $87.1 million ($0.40/share) from second quarter 2022 earnings of $178.0 million ($0.78/share) driven primarily by the decrease in adjusted funds flow of $54.4 million, a $45.2 million decrease in the unrealized gain, a $0.4 million decrease in other income, and a $11.0 million increase in depletion, depreciation and amortization expense, offset by an increase of $1.2 million in the gain on dispositions and a $19.3 million decrease in the deferred income tax expense.

For the six months ended June 30, 2023, net earnings decreased $80.4 million to $167.8 million ($0.77/share) from $248.2 million ($1.08/share) for the six months ended December 31, 2022, due primarily to a $36.8 million decrease in adjusted funds flow, a $45.1 million decrease in the unrealized gain, a $6.0 million decrease in other income, a $2.3 million increase in the non-cash stock-based compensation expense, and a $24.5 million increase in depletion, depreciation and amortization expense, offset by an increase in the gain on dispositions of $13.5 million and a decrease to the deferred tax expense of $20.8 million.

Net earnings (loss) reported in a period is significantly impacted by unrealized gains (losses) on financial derivatives recognized in each period as a result of the fair values of financial derivative contracts in place at each period end. Before taxes and unrealized gains (losses) on financial derivatives there were net earnings of $80.4 million and $242.0 million for the three and six months ended June 30, 2023, compared to net earnings of $151.8 million and $298.1 million for the prior year comparative periods. The unrealized mark-to-market values are a function of highly volatile commodity prices, resulting in significant variances in the values from quarter to quarter. The financial derivatives contracts are in place to provide greater adjusted funds flow stability and certainty.

Cash provided by operating activities and adjusted funds flow

The following table is NuVista's cash provided by operating activities and adjusted funds flow for the three and six months ended June 30:

	Three months ended June 30		Six months ended June 30	
($ thousands, except per share and per Boe amounts)	**2023**	2022	**2023**	2022
Cash provided by operating activities	**134,166**	227,668	**349,387**	390,110
Per share, basic	**0.62**	0.99	**1.60**	1.70
Per share, diluted	**0.60**	0.95	**1.55**	1.63
Adjusted funds flow (1)	**145,482**	199,833	**352,946**	389,702
Adjusted funds flow $/Boe (2)	**22.51**	33.76	**27.42**	32.71
Per share, basic	**0.67**	0.87	**1.61**	1.70
Per share, diluted	**0.65**	0.83	**1.56**	1.63

(1) Capital management measure. Reference should be made to the section entitled *"Specified Financial Measures"*.
(2) Supplementary financial measure. Reference should be made to the section entitled *"Specified Financial Measures"*.

For the three months ended June 30, 2023, cash provided by operating activities decreased 41% to $134.2 million ($0.62/share, basic) from $227.7 million ($0.99/share, basic) for the comparable period of 2022, primarily due to a decrease in the average realized selling price and changes in non-cash working capital, partially offset by increased production volumes, lower royalties, and an increase in realized gains on commodity derivative contracts.

Adjusted funds flow for the three months ended June 30, 2023 decreased 27% to $145.5 million ($0.67/share, basic) from $199.8 million ($0.87/share, basic) for the comparable period of 2022, for similar reasons as noted above.

For the six months ended June 30, 2023, cash provided by operating activities decreased 10% to $349.4 million ($1.60/share, basic) from $390.1 million ($1.70/share, basic) from the comparative period of 2022, primarily as a result of lower commodity prices, and changes in non-cash working capital, partially offset by an increase in production volumes, lower royalties and a decrease in realized losses on commodity derivative contracts.

Adjusted funds flow for the six months ended June 30, 2023 decreased 9% to $352.9 million ($1.61/share, basic) from $389.7 million ($1.70/share,basic) for the same period of 2022, for similar reasons as noted above.

Free adjusted funds flow

NuVista uses free adjusted funds flow, defined as adjusted funds flow less net capital expenditures and asset retirement expenditures, as an indicator of the funds available for additional capital allocation. For the three and six months ended June 30, 2023, free adjusted funds flow was $20.8 million and $48.7 million, compared to $83.6 million and $148.0 million in the prior year comparative periods.

	Three months ended June 30		Six months ended June 30	
($ thousands)	**2023**	2022	**2023**	2022
Adjusted funds flow [(1)]	**145,482**	199,833	**352,946**	389,702
Net capital expenditures [(2)]	**(125,130)**	(115,023)	**(295,000)**	(234,987)
Asset retirement expenditures	**479**	(1,184)	**(9,214)**	(6,752)
Free adjusted funds flow [(2)]	**20,831**	83,626	**48,732**	147,963

(1) Capital management measure. Reference should be made to the section entitled *"Specified Financial Measures"*.
(2) 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"*.

Operating netback, corporate netback and cash costs

The table below summarizes operating netback and corporate netback on a per Boe basis for the three and six months ended June 30, 2023 and 2022:

	Three months ended June 30		Six months ended June 30	
$/Boe	**2023**	2022	**2023**	2022
Petroleum and natural gas revenues [(1)]	**43.64**	78.28	**52.23**	70.94
Realized gain (loss) on financial derivatives	**1.15**	(12.77)	**(0.13)**	(10.14)
	44.79	65.51	**52.10**	60.80
Royalties	**(3.29)**	(12.11)	**(5.65)**	(8.81)
Transportation expense	**(5.52)**	(5.59)	**(4.83)**	(5.08)
Operating expense	**(11.91)**	(11.55)	**(11.81)**	(11.22)
Operating netback [(2)]	**24.07**	36.26	**29.81**	35.69
General and administrative expense	**(0.96)**	(0.82)	**(0.92)**	(0.83)
Cash share-based compensation expense	**—**	(0.02)	**0.15**	(0.36)
Financing costs [(3)]	**(1.59)**	(1.66)	**(1.62)**	(1.79)
Current income tax recovery	**0.99**	—	**—**	—
Corporate netback [(2)]	**22.51**	33.76	**27.42**	32.71

(1) For the three and six months ended June 30, 2023, includes price risk management gains of $0.77/Boe and $0.03/Boe (2022 – losses of $1.43/Boe and $0.90/Boe, respectively) on physical delivery sales contracts.
(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) Excludes accretion expense.

The table below summarizes cash costs on a per Boe basis for the three and six months ended June 30, 2023 and 2022:

	Three months ended June 30		Six months ended June 30	
$/Boe	**2023**	2022	**2023**	2022
Operating expense	**11.91**	11.55	**11.81**	11.22
Transportation expense	**5.52**	5.59	**4.83**	5.08
General and administrative expense	**0.96**	0.82	**0.92**	0.83
Financing costs (1)	**1.59**	1.66	**1.62**	1.79
Current income tax recovery	**(0.99)**	—	**—**	—
Total cash costs (2)	**18.99**	19.62	**19.18**	18.92

(1) Excludes accretion expense.
(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"*.

OPERATING RESULTS

Operations activity

	Three months ended June 30		Six months ended June 30	
Number of wells	**2023**	2022	**2023**	2022
Wells drilled - gross (net) (1)	**13 (12.8)**	12 (11.5)	**25 (24.5)**	26 (25.5)
Wells completed - gross (net) (2)	**14 (14.0)**	16 (16.0)	**31 (30.2)**	29 (29.0)
Wells brought on production - gross (net) (3)	**12 (12.0)**	11 (11.0)	**26 (25.2)**	30 (30.0)

(1) Based on rig release date.
(2) Based on frac end date.
(3) Based on first production date of in-line test or on production and tied-in to permanent facilities.

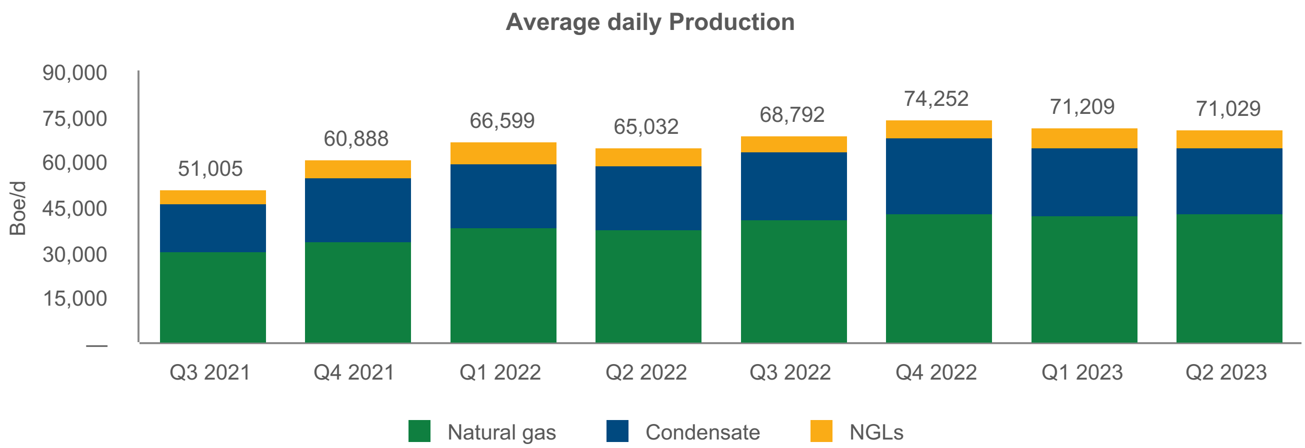
For the three months ended June 30, 2023, NuVista drilled 13 gross (12.8 net) wells compared to 12 (11.5 net) wells in the comparable period of 2022. In addition, 14 (14.0 net) wells were completed with 12 (12.0 net) wells brought online throughout the second quarter.

For the six months ended June 30, 2023, NuVista drilled 25 (24.5 net) wells compared to 26 (25.5 net) wells in 2022. In addition, 31 (30.2 net) wells were completed with 26 (25.2 net) wells brought online in 2023.

Production

	Three months ended June 30			Six months ended June 30		
	2023	2022	% Change	**2023**	2022	% Change
Natural gas (Mcf/d)	**256,572**	225,070	14	**254,929**	227,013	12
Condensate (Bbls/d)	**21,990**	21,058	4	**22,435**	21,367	5
NGLs (Bbls/d) [1]	**6,277**	6,463	(3)	**6,195**	6,609	(6)
Total (Boe/d)	**71,029**	65,032	9	**71,119**	65,811	8
Condensate & NGLs weighting [2]	**40%**	42%		**40%**	43%	
Condensate weighting [2]	**31%**	32%		**32%**	32%	

(1) NGLs include butane, propane and ethane.
(2) Product weighting is based on total production.



Production for the three and six months ended June 30, 2023 was 9% and 8% higher than the comparative periods of 2022, due to new well production and optimization of existing production offset by natural production declines and shut-ins in May caused by the Alberta wildfires, which impacted second quarter production by approximately 11,000 Boe/d. Second quarter production of 71,029 Boe/d was in-line with second quarter guidance of 71,000 Boe/d and consistent with first quarter 2023 production of 71,209 Boe/d.

Condensate volume weighting for the three and six months ended June 30, 2023 was 31% and 32% compared to 32% and 32% in the prior year comparative periods.

Pricing

	Three months ended June 30			Six months ended June 30		
	2023	2022	% change	**2023**	2022	% change
Realized selling prices [1],[2]						
Natural gas ($/Mcf)	**3.29**	7.83	(58)	**5.14**	6.80	(24)
Condensate ($/Bbl)	**94.92**	135.67	(30)	**98.16**	127.37	(23)
NGLs ($/Bbl) [3], [4]	**26.51**	73.09	(64)	**32.78**	61.00	(46)
Barrel of oil equivalent ($/Boe)	**43.64**	78.28	(44)	**52.23**	70.94	(26)
Benchmark pricing						
Natural gas - AECO 5A daily index (Cdn$/Mcf)	**2.45**	7.24	(66)	**2.83**	5.99	(53)
Natural gas - AECO 7A monthly index (Cdn$/Mcf)	**2.35**	6.27	(63)	**3.34**	5.43	(38)
Natural gas - NYMEX (monthly) (US$/MMbtu)	**2.10**	7.17	(71)	**2.76**	6.06	(54)
Natural gas - Chicago Citygate (monthly) (US$/MMBtu)	**1.99**	6.97	(71)	**3.12**	6.36	(51)
Natural gas - Dawn (daily) (US$/MMBtu)	**2.05**	7.21	(72)	**2.39**	5.81	(59)
Natural gas - Malin (monthly) (US$/MMBtu)	**2.97**	6.74	(56)	**10.97**	6.20	77
Oil - WTI (US$/Bbl)	**73.78**	108.41	(32)	**74.96**	101.35	(26)
Oil - Edmonton Par - (Cdn$/Bbl)	**95.66**	137.88	(31)	**97.50**	126.79	(23)
Condensate - @ Edmonton (Cdn$/Bbl)	**97.32**	138.32	(30)	**102.65**	130.02	(21)
Condensate - Average C5-WTI differential (US$/Bbl)	**(1.39)**	(0.09)	1,444	**1.17**	0.86	36
Exchange rate - (Cdn$/US$)	**1.34**	1.28	5	**1.35**	1.27	6

(1) Prices exclude price risk management realized and unrealized gains and losses on financial derivative commodity contracts but includes gains and losses on physical sale contracts and natural gas price diversification.
(2) Condensate and NGLs selling price is net of fractionation fees and excludes pipeline tariffs which is within transportation expense.
(3) Natural gas liquids ("NGLs") include butane, propane and ethane revenue and sales volumes, and sulphur revenue.
(4) Sulphur revenue for the three and six months ended June 30, 2023 was $1.4 million and $3.5 million (2022 - $12.8 million and $17.6 million, respectively).

WTI benchmark averaged US$73.78/Bbl in the second quarter of 2023, a decrease of 32% from the second quarter of the prior year and 3% lower than the first quarter of 2023 which averaged US$76.13/Bbl. Global oil and product inventories continue to be below normal levels for this time of year in most regions. The significant strategic petroleum reserves ("SPR") releases by the US and other OECD countries have come to an end with some discussion about refilling the reserves if prices are low enough. Sanctions and price caps continue to put Russian production at risk but exports have been surprisingly resilient so far. Total US production has been growing but at a moderate pace as shale producers continue to show discipline in their capital programs. Consumption in China accelerated rapidly early in 2023 with the end of COVID-19 lockdowns but growth has since slowed. The continued interest rate hikes by central banks have weighed on oil markets as economic growth slows and there are concerns about a potential recession. OPEC cut oil production by 1.66 million Bbl/d starting in May and Saudi Arabia announced in early June a unilateral cut of 1 million bbl/d starting in July. Oil prices have recently been on the rise with these announcements along with the typical strong summer demand.

With the growth in heavy oil production in Canada, demand for condensate has been strong. Condensate differentials from WTI averaged US$(1.39)/Bbl in the second quarter. With much lower condensate production growth in Western Canada coupled with robust demand from the oil sands, especially with Enbridge Line 3 now in service and TransMountain Pipeline expansion to enter into service next year, the condensate market is expected to remain strong in the long-term. Condensate prices have been a bit weaker heading into the summer months as there have been maintenance activities on the heavy oil side temporarily impacting demand. Condensate continued to outperform other liquid prices with the Edmonton marker averaging $97.32/Bbl in the quarter.

NGL prices improved significantly throughout 2022, but have softened in the first half of 2023. Butane prices are weaker primarily due to the decline in WTI prices throughout the second quarter. Propane prices were much higher in 2022 due to significantly higher US exports into the Asian petrochemical market. Canadian propane prices have kept pace with US prices as exports off of the West Coast of Canada continue to ramp up and storage inventories continue to operate in normal ranges. The warm winter most of North America has experienced has led to weaker propane prices in the second quarter and there has been a softening of demand in the petrochemical markets.

NYMEX gas prices averaged US$2.10/MMBtu in the second quarter, down 39% from the first quarter of 2022 which averaged $3.42/MMBtu and 71% lower than the second quarter of last year which averaged $7.17/MMBtu. With a very warm winter in most key consuming regions, storage withdrawals were muted last winter and the price of gas declined significantly into 2023. A fire at the Freeport LNG terminal in June of 2022 reduced flows by approximately 2 Bcf/d. The return of this facility was delayed multiple times but it did restart at the end of March and into April this year. This outage which lasted over nine months also played a role in creating elevated storage levels heading into the spring. With elevated storage levels gas prices were weak throughout the second quarter, especially in the Midwest and Eastern markets. With low gas prices and hot temperatures at the start of this summer, power demand for gas has been strong and prices have begun to improve.

AECO gas prices averaged $2.35/Mcf in the second quarter of 2023 representing a decrease of 46% from the first quarter average of $4.34/Mcf and a 63% decrease from the second quarter of 2022 which averaged $6.27/Mcf. AECO differentials were very wide at the end of 2022 due to the elevated NYMEX prices, but have recently narrowed as US gas prices have weakened and production disruptions due to forest fires impacted local supply.

Revenue

Petroleum and natural gas revenues

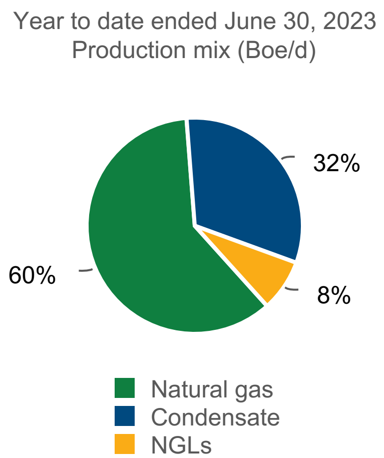
	Three months ended June 30				Six months ended June 30			
	2023		2022		**2023**		2022	
($ thousands, except % amounts)	**$**	**% of total**	$	% of total	**$**	**% of total**	$	% of total
Natural gas [1]	**76,984**	**27**	160,302	35	**236,861**	**35**	279,550	33
Condensate	**189,936**	**67**	259,990	56	**398,604**	**59**	492,590	58
NGLs [2]	**15,144**	**6**	42,981	9	**36,762**	**6**	72,960	9
Total petroleum and natural gas revenues	**282,064**		463,273		**672,227**		845,100	

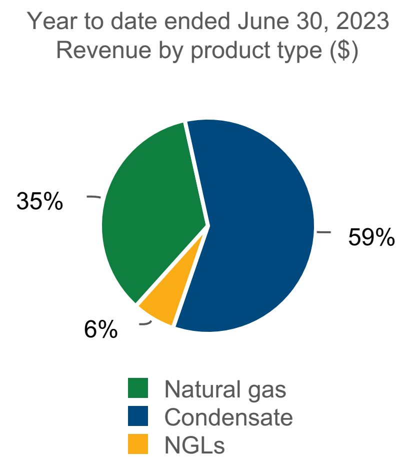
[1] Natural gas revenue includes price risk management gains and losses on physical delivery sale contracts. For the three and six months ended June 30, 2023, our physical delivery sales contracts resulted in gains of $5.0 million and $0.3 million (2022 – losses of $8.4 million and $10.7 million, respectively).
[3] Includes butane, propane, ethane and sulphur.

For the three months ended June 30, 2023, petroleum and natural gas revenues decreased 39% from the comparable period of 2022, due primarily to a 44% decrease in the average per Boe realized price, partially offset by a 9% increase in production for the quarter.

For the six months ended June 30, 2023, petroleum and natural gas revenue decreased 20% from the comparable period of 2022, due primarily to a 24% decrease in realized selling prices, partially offset by a 12% increase in production.

Condensate volumes averaged 31% of total production in the second quarter of 2023, contributing 67% of total petroleum and natural gas revenues. For the six months ended June 30, 2023, condensate volumes averaged 32% of total production, contributing 59% of total petroleum and natural gas revenues.





Natural gas revenue

A breakdown of natural gas revenue is as follows:

	Three months ended June 30				Six months ended June 30			
	2023		2022		**2023**		2022	
($ thousands, except per unit amounts)	**$**	**$/Mcf**	$	$/Mcf	**$**	**$/Mcf**	$	$/Mcf
Natural gas revenue - AECO reference price (1)	**61,335**	**2.35**	128,627	6.27	**150,192**	**3.34**	222,518	5.43
Heat/value adjustment (2)	**7,003**	**0.57**	12,841	0.65	**16,283**	**0.37**	23,601	0.60
Transportation revenue (3)	**8,805**	**0.39**	8,679	0.44	**19,360**	**0.44**	17,304	0.44
Natural gas market diversification gain (loss)	**(5,140)**	**(0.23)**	18,603	0.88	**50,678**	**0.98**	26,817	0.59
AECO physical delivery sales contract gains (losses) (4)	**4,981**	**0.21**	(8,448)	(0.41)	**348**	**0.01**	(10,690)	(0.26)
Total natural gas revenue	**76,984**	**3.29**	160,302	7.83	**236,861**	**5.14**	279,550	6.80

(1) Average AECO 7A monthly index.
(2) Based on NuVista's historical adjustment of 10-13%.
(3) Cost of gas transportation from the transfer of custody sales point to the final sales point.
(4) Excludes price risk management realized and unrealized gains and losses on financial derivative commodity contracts but includes gains and losses on physical sale contracts.

For the three months ended June 30, 2023, natural gas revenue decreased 52% from the comparable period of 2022, due to a 58% decrease in realized selling prices partially offset by a 14% increase in production. For the six months ended June 30, 2023, natural gas revenue decreased 15% from the comparable period of 2022, due primarily to a 24% decrease in realized selling prices offset by a 12% increase in production. Excluding the impact of realized gains (losses) on physical sales contracts, the average selling price for natural gas for the three and six months ended June 30, 2023 was $3.08/Mcf and $5.13/Mcf respectively, compared to $8.24/Mcf and $7.06/Mcf for the comparative periods of 2022, and $7.22/Mcf in the first quarter of 2023.

The Company's physical natural gas sales portfolio was based on the following physical fixed price contracts or physical market deliveries:

	Three months ended June 30		Six months ended June 30	
	2023	2022	**2023**	2022
AECO physical deliveries	**43 %**	35 %	**41 %**	36 %
Dawn physical deliveries	**17 %**	19 %	**17 %**	19 %
Malin physical deliveries	**14 %**	17 %	**15 %**	16 %
Chicago physical deliveries	**26 %**	29 %	**27 %**	29 %

NuVista receives a premium to the AECO spot gas price due to the higher heat content of its natural gas production. Price risk is also mitigated by the various gas marketing and transportation arrangements that the Company has in place to diversify and gain exposure to alternative natural gas markets in North America. For the three months ended June 30, 2023, the Company delivered 43% of its natural gas production to AECO, 17% to Dawn, 14% to Malin, and 26% to Chicago. NuVista's existing contracts for firm transportation on export pipelines coupled with the financial NYMEX basis natural gas sales price derivative contracts and financial physical AECO fixed price natural gas swaps serve to provide for long-term price diversification.

Condensate revenue

For the three months ended June 30, 2023, condensate revenue decreased 27% over the comparable period of 2022 due to a 30% decrease in the average realized selling price, partially offset by a 4% increase in production.

For the six months ended June 30, 2023, condensate revenue decreased 19% over the comparable period of 2022, due primarily to a 23% decrease in realized selling prices, partially offset by a 5% increase in production.

Strong demand for condensate in Alberta results in benchmark condensate prices at Edmonton trading at a premium to Canadian light oil prices. NuVista's realized condensate price includes adjustments for fractionation fees and quality differentials. The condensate realized selling price was $94.92/Bbl and $98.16/Bbl in the three and six months ended June 30, 2023, compared to $135.67/Bbl and $127.37/Bbl for the comparable periods of 2022, and $101.31/Bbl for the first quarter of 2023.

NGL revenue

For the three months ended June 30, 2023, NGL revenue decreased 65% over the comparable period of 2022, due to a 64% decrease in the average realized selling price and a 3% decrease in production. For the six months ended June 30, 2023, NGL revenue decreased 50% over the comparable period of 2022, due primarily to a 46% decrease in the average realized selling price and a 6% decrease in production. The NGL realized selling price was $26.51/Bbl and $32.78/Bbl in the three and six months ended June 30, 2023, compared to $73.09/Bbl and $61.00/Bbl for the comparable periods of 2022, and $39.30/Bbl for the first quarter of 2023.

Commodity price risk management

NuVista has a disciplined commodity price risk management program as part of its financial risk management strategy. The purpose of this program is to reduce volatility in financial results and help stabilize adjusted funds flow against the unpredictable commodity price environment. NuVista's Board of Directors has authorized the use of fixed price, put option and costless collar contracts ("Fixed Price Contracts"), and approved the terms of NuVista's commodity price risk management program to allow the securing of minimum prices of the following:

(% of net forecast after royalty production)	First 18 month forward period	Following 18 month forward period	Following 24 month forward period
Natural Gas Fixed Price Contracts	up to 70%	up to 60%	up to 50%
Crude Oil Fixed Price Contracts	up to 70%	up to 60%	up to 30%

The Board of Directors has set limits for entering into natural gas basis differential contracts that are the lesser of 70% of forecast natural gas production, net of royalties, or the volumes that would bring the combined natural gas basis differential contracts and natural gas fixed price contracts to 100% of forecast natural gas production, net of royalties, with a term of not more than 7 years from the date any such swap is entered into.

Hedges on crude oil, natural gas liquids, natural gas, differentials and basis may be made in Canadian or US dollars at the time the position is established and the US dollar positions may be hedged to Canadian dollars during the term of the applicable hedge. Foreign currency exposure on interest payments and long-term debt, if there is exposure, may also be hedged back to Canadian dollars.

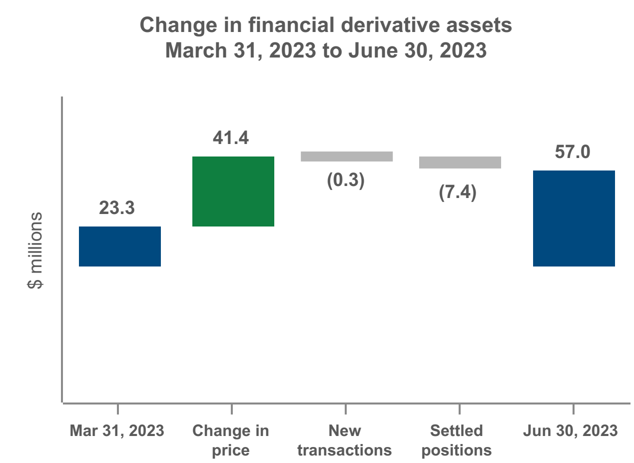
Three months ended June 30						
	2023			2022		
($ thousands)	**Realized gain**	**Unrealized gain (loss)**	**Total gain**	Realized loss	Unrealized gain	Total gain (loss)
Natural gas	**6,397**	**34,337**	**40,734**	(25,121)	48,177	23,056
Condensate & oil	**1,019**	**(628)**	**391**	(50,432)	30,745	(19,687)
Gain (loss) on financial derivatives	**7,416**	**33,709**	**41,125**	(75,553)	78,922	3,369

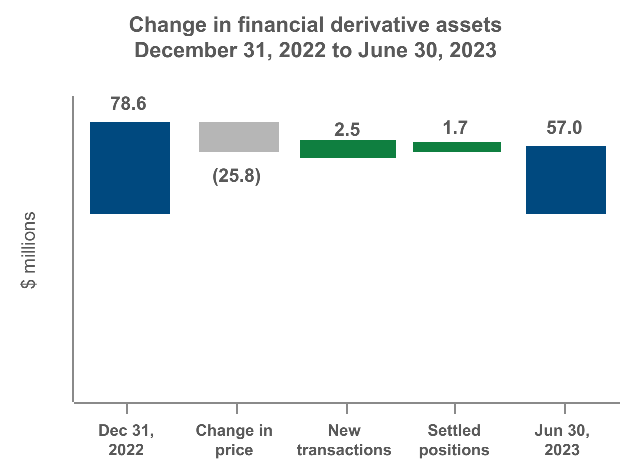
During the second quarter of 2023, the commodity price risk management program resulted in a gain of $41.1 million, compared to a gain of $3.4 million for the prior year comparative period and a loss of $64.4 million in the first quarter of 2023. The fair value of financial derivative contracts is recorded in the financial statements. Unrealized gains and losses are the change in mark to market values of financial derivative contracts in place at the end of the quarter compared to the start of the quarter.

The unrealized gain in the second quarter is primarily a result of gains from the widening AECO-NYMEX basis strip at the end of the quarter compared to the beginning of the quarter, partially offset by the impact of contracts settled in the quarter. Due to increased volatility in oil and gas prices and the related forward strip pricing, the impact of unrealized gains and/or losses on overall net earnings in a particular reporting period can be substantial.

Six months ended June 30						
	2023			2022		
($ thousands)	**Realized loss**	**Unrealized loss**	**Total loss**	Realized loss	Unrealized gain (loss)	Total loss
Natural gas	**(753)**	**(20,482)**	**(21,235)**	(38,888)	24,425	(14,463)
Condensate	**(921)**	**(1,072)**	**(1,993)**	(81,880)	(839)	(82,719)
Gain (loss) on financial derivatives	**(1,674)**	**(21,554)**	**(23,228)**	(120,768)	23,586	(97,182)

For the six months ended June 30, 2023, the commodity price risk management program resulted in a loss of $23.2 million compared to a loss of $97.2 million for the comparable period of 2022.





Price risk management on our physical delivery sale contracts resulted in gains of $5.0 million and $0.3 million for the three and six months ended June 30, 2023 compared to losses of $8.4 million and $10.7 million for the comparable periods of 2022, and a loss of $4.6 million for the three months ended March 31, 2023.

We currently possess hedges which cover 26% of projected 2023 Q3-Q4 gas production at an average floor price of C$4.12/Mcf (hedged and exported volumes converted to an AECO equivalent price) using a combination of swaps and collars. These percentage figures relate to production net of royalty volumes.

Financial instruments

The following is a summary of financial derivatives contracts in place as at June 30, 2023:

	AECO-NYMEX basis swap	
Term [1]	MMBtu/d	US$/MMBtu
Q3 2023	110,000	(1.01)
Q4 2023	103,370	(1.01)
2024	100,000	(1.00)
2025	105,000	(0.96)
2026	187,500	(0.92)
2027	140,000	(0.91)
2028	65,000	(0.98)

[1] Table presented as weighted average volumes and prices.

	AECO fixed price swap	
Term [1]	GJ/d	Cdn$/GJ
Q3 2023	20,000	3.87
Q4 2023	6,739	3.87
2024	15,000	4.00
2025	15,000	4.00

[1] Table presented as weighted average volumes and prices.

	NYMEX collars			AECO collars		
Term [1]	MMBtu/d	US$/MMBtu	US$/MMBtu	GJ/d	Cdn$/GJ	Cdn$/GJ
Q3 2023	40,000	4.00	10.07	20,000	3.88	5.39
Q4 2023	13,478	4.00	10.07	13,370	3.69	5.32

[1] Table presented as weighted average volumes and prices.

Physical delivery sales contracts

The Company enters into physical delivery sales contracts to manage commodity price risk. These contracts are not considered to be derivatives and therefore not recorded at fair value. They are considered sales contracts and are recorded at cost at the time of transaction.

The following is a summary of the physical delivery sales contracts in place as at June 30, 2023:

	AECO fixed price swap		AECO-NYMEX basis		Dawn-NYMEX basis	
Term [1]	GJ/d	Cdn$/GJ	MMBtu/d	US$/MMBtu	MMBtu/d	US$/MMBtu
Q3 2023	41,630	3.82	—	—	30,000	(0.19)
Q4 2023	15,163	3.77	—	—	10,109	(0.19)
2024	35,000	4.01	—	—	—	—
2025	35,000	4.01	5,000	(1.15)	—	—

[1] Table presented as weighted average volumes and prices.

Royalties

	Three months ended June 30		Six months ended June 30	
($ thousands, except % and per Boe amounts)	**2023**	2022	**2023**	2022
Gross royalties	**47,552**	89,086	**109,136**	129,956
Gas cost allowance ("GCA")	**(26,281)**	(17,436)	**(36,369)**	(24,998)
Net royalties	**21,271**	71,650	**72,767**	104,958
Gross royalty % excluding physical delivery sales contracts(1)	**17.2**	18.9	**16.2**	15.2
Gross royalty % including physical delivery sales contracts	**16.9**	19.2	**16.2**	15.4
Net royalty %	**7.5**	15.5	**10.8**	12.4
Net royalties $/Boe	**3.29**	12.11	**5.65**	8.81

(1) Calculated as gross royalties as a % of petroleum and natural gas revenues excluding gains (losses) on physical delivery sales contracts.

For the three and six months ended June 30, 2023, gross royalties decreased on a total dollar basis compared to the prior year comparative periods primarily as a result the decrease in the average $/Boe realized sales price. Gross royalties as a percentage of petroleum and natural gas revenues decreased from the second quarter of 2022, due to the increase in production, and increased on a year to-date basis due to a greater number of wells which have fully utilized the lower initial royalty rates under the Alberta royalty incentive programs, after which an increased royalty rate is applied.

The Company receives GCA from the Crown, which reduces royalties to account for expenses incurred by NuVista to process and transport the Crown's portion of natural gas production. For the three and six months ended June 30, 2023, the 51% increase in GCA credits received compared to the comparative period of 2022 was primarily due to an annual adjustment for GCA received related to NuVista's investment in gas processing and transportation infrastructure and higher production volumes.

The gross natural gas and liquids (condensate and NGL) royalty rates for the three months ended June 30, 2023 were 5% and 21% compared to 12% and 23% respectively, in the comparative period of 2022. Compared to the first quarter, gross natural gas rate decreased from 7% and the liquids royalty rate decreased from 22%.

NuVista's physical price risk management and gas market diversification activities impact reported average royalty rates as royalties are based on government market reference prices for delivery of product in Alberta and not the Company's average realized prices that include price risk management and gas market diversification activities.

Transportation expense

	Three months ended June 30		Six months ended June 30	
($ thousands, except per unit and per Boe amounts)	**2023**	2022	**2023**	2022
Natural gas transportation expense	**19,407**	18,209	**38,973**	37,528
Condensate & NGL transportation expense	**16,251**	14,853	**23,139**	23,003
Total transportation expense	**35,658**	33,062	**62,112**	60,531
Natural gas transportation $/Mcf (1)	**0.83**	0.89	**0.84**	0.91
Condensate & NGL transportation $/Bbl	**6.32**	5.93	**4.47**	4.54
Total transportation $/Boe	**5.52**	5.59	**4.83**	5.08

(1) Includes total gas transportation from the plant gate to the final sales point.

For the three and six months ended June 30, 2023, natural gas transportation expenses on a total dollar basis increased from the prior year comparative periods. However, over the same periods, the cost on a $/Mcf basis decreased due to a 14% increase in natural gas production. Compared to the first quarter of 2023, natural gas transportation expense decreased slightly from $19.6 million ($0.86/Mcf).

Condensate & NGL transportation for the three and six months ended June 30, 2023, increased on a total dollar basis from the prior year comparative periods due to the increase in production. Compared to the first quarter of

2023, condensate & NGL transportation expense increased from $6.9 million ($2.64/Bbl) due to a one-time third party credit adjustment recorded in the first quarter of 2023 of $7.0 million relating to the 2022 contract year.

Operating expense

	Three months ended June 30		Six months ended June 30	
($ thousands, except per Boe amounts)	**2023**	2022	**2023**	2022
Operating expense	**76,979**	68,347	**152,020**	133,606
Per Boe	**11.91**	11.55	**11.81**	11.22

For the three and six months ended June 30, 2023, operating expense on a total dollar and $/Boe basis were higher than the prior year comparative periods due to increased production in the Pipestone area as well as the impact of inflationary pressures and higher power costs realized at both NuVista and third-party midstream facilities. Second quarter operating expense of $77.0 million ($11.91/Boe) increased from first quarter operating expense of $75.0 million ($11.71/Boe) due to increased third-party midstream flow-through costs.

The capital fees associated with the Pipestone South gas processing lease and gas transportation lease is excluded from operating expense and classified as a lease under *IFRS 16 - Leases.* For the three and six months ended June 30, 2023, total payments under these two leases of $4.9 million and $9.2 million were excluded from operating expenses and accounted for under the lease standard, compared to $4.3 million and $8.6 million in the prior year comparative periods.

General and administrative expense (“G&A”)

	Three months ended June 30		Six months ended June 30	
($ thousands, except per Boe amounts)	**2023**	2022	**2023**	2022
Gross G&A expense	**8,375**	6,578	**16,460**	13,280
Overhead recoveries	**(861)**	(567)	**(1,833)**	(1,064)
Capitalized G&A	**(1,324)**	(1,133)	**(2,728)**	(2,305)
Net G&A expense	**6,190**	4,878	**11,899**	9,911
Gross G&A per Boe	**1.30**	1.11	**1.28**	1.11
Net G&A per Boe	**0.96**	0.82	**0.92**	0.83

For the three and six months ended June 30, 2023, G&A expense on a total dollar and $/Boe basis increased from the prior year comparative periods, due to increases in employee compensation and general economic inflation, partially offset by higher overhead recoveries.

The Company’s base rent for the head office is excluded from G&A expense and classified as a lease under *IFRS 16 - Leases.* For the three and six months ended June 30, 2023 and June 30, 2022, total payments of $0.2 million and $0.4 million were excluded from gross G&A expenses and accounted for under the lease standard.

Share-based compensation expense

	Three months ended June 30		Six months ended June 30	
($ thousands)	**2023**	2022	**2023**	2022
Stock options	**387**	401	**861**	787
Restricted share awards	**558**	446	**1,094**	843
Performance share awards	**1,062**	670	**3,581**	1,603
Non-cash share-based compensation expense	**2,007**	1,517	**5,536**	3,233
Director deferred share units	**33**	115	**(1,844)**	4,259
Performance share units	**(18)**	—	**(147)**	(2)
Cash share-based compensation expense	**15**	115	**(1,991)**	4,257
Total share-based compensation expense	**2,022**	1,632	**3,545**	7,490

Share-based compensation expense relates to the amortization of the fair value of stock option awards, performance share awards ("PSA"), restricted share awards ("RSA") and accruals for future cash settled liabilities under the director deferred share unit ("DSU") and the performance share unit ("PSU") plans. The change in share-based compensation expense over the prior year comparative period is primarily due to the number and fair value of units granted or exercised for non-cash share-based awards, changes in performance multipliers associated with the PSAs, and the change in the valuation of the liability of the cash share-based DSU and awards as result of the change in share price from the beginning of the period to the end of the period.

For the three months ended June 30, 2023, the increase in total share-based compensation over the prior year comparative period was primarily a result of an increase in the PSA expense due to an increase to the performance multiplier for 2023 PSAs, which was determined by the Board to be 1.48x (3 year average), based on above-target Company performance.

For the six months ended June 30, 2023, the decrease in total share-based compensation was primarily due to a decrease in the DSU expense and a corresponding decrease in the recorded liability due to the decrease in the Company's share price. At June 30, 2023, the Company's closing share price was $10.62/share compared to $12.48/share at December 31, 2022 and $10.32/share at June 30, 2022. Partially offsetting this decrease was an increase in the PSA expense for the same reason as noted above.

Financing costs

	Three months ended June 30		Six months ended June 30	
($ thousands, except per Boe amounts)	**2023**	2022	**2023**	2022
Interest on long-term debt (credit facility)	**1,254**	1,811	**2,262**	5,060
Interest on senior unsecured notes	**4,289**	4,816	**9,190**	9,860
Early redemption expense on 2026 Notes	**1,095**	—	**2,604**	—
Interest expense	**6,638**	6,627	**14,056**	14,920
Lease interest expense	**3,638**	3,208	**6,744**	6,447
Accretion expense	**728**	840	**1,483**	1,560
Total financing costs	**11,004**	10,675	**22,283**	22,927
Interest expense per Boe	**1.03**	1.12	**1.09**	1.25
Total financing costs per Boe	**1.70**	1.80	**1.73**	1.92

For the three and six months ended June 30, 2023, the decrease in interest expense on long-term debt (credit facility) from the prior year comparable periods was primarily due to lower average borrowings on the credit facility, partially offset by an increase in interest rates. The average interest rate on long-term debt for the three and six months ended June 30, 2023 was 7.4% and 7.5% compared to the average interest rate of 4.4% and 4.1% for the comparative periods of 2022. Interest expense on long-term debt includes interest standby charges on the Company's credit facility.

On July 23, 2021, the Company issued $230.0 million aggregate principal amount of 7.875% senior unsecured notes due July 23, 2026 ("2026 Notes"). See also the *Liquidity and Capital Resources* section in this MD&A. During the six months ended June 30, 2023, NuVista repurchased and cancelled $55.2 million aggregate principal of its 2026 Notes plus accrued and unpaid interest, for a total purchase price of $56.7 million, resulting in an early redemption expense of $2.6 million compared to the carrying value of $54.1 million.

Depletion, depreciation and amortization ("DD&A")

	Three months ended June 30		Six months ended June 30	
($ thousands, except per Boe amounts)	**2023**	2022	**2023**	2022
Depletion and depreciation of property, plant and equipment	**55,051**	44,305	**114,366**	90,093
Depreciation of right-of-use assets	**2,479**	2,242	**4,720**	4,484
DD&A expense	**57,530**	46,547	**119,086**	94,577
DD&A rate per Boe	**8.90**	7.87	**9.25**	7.94

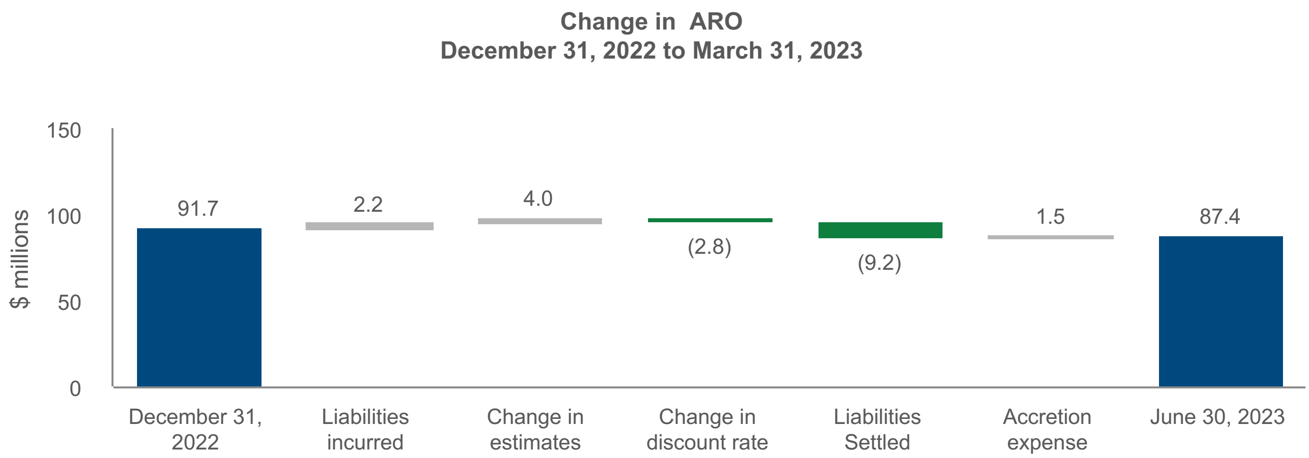
DD&A expense for three and six months ended June 30, 2023 was $57.5 million ($8.90/Boe) and $119.1 million ($9.25/Boe), compared to $46.5 million ($7.87/Boe) and $94.6 million ($7.94/Boe) for the comparable periods of 2022, and $61.6 million ($9.60/Boe) in the first quarter of 2023.

Included in DD&A expense is the accelerated depletion expense or accelerated depletion recovery relating to a change in asset retirement obligation as a result of the change in estimate and change in discount rate, for wells with no remaining reserves that were previously fully depleted. For the three and six months ended June 30, 2023, the DD&A rate excluding the impact of accelerated depletion was $8.91/Boe and $8.93/Boe compared to the prior year comparative periods of $8.64/Boe and $8.67/Boe, and $8.94/Boe in the first quarter of 2023.

The Montney cash generating unit ("CGU") DD&A rate per Boe for the three and six months ended June 30, 2023 increased to $8.53/Boe and $8.61/Boe compared to $8.25/Boe and $8.29/Boe for the comparable periods of 2022. The higher DD&A rate is primarily a result of the increase in the depletable base and the increase in production volumes on which depletion expense is based. The current quarter rate of $8.53/Boe decreased from the first quarter rate of $8.69/Boe due to lower depletion rates.

At June 30, 2023, there were no indicators of impairment identified on any of the Company's CGUs within property, plant and equipment and an impairment test was not performed.

Asset retirement obligations



Asset retirement obligations ("ARO") are based on estimated costs to reclaim and abandon ownership interests in condensate and natural gas assets including well sites, gathering systems and processing facilities. At June 30, 2023, NuVista had an ARO balance of $87.4 million as compared to $91.7 million as at December 31, 2022. At June 30, 2023, the estimated total undiscounted and uninflated amount of cash required to settle NuVista's ARO was $115.6 million (December 31, 2022 – $110.7 million) with an estimated 29% to be incurred within the next 10 years. The Government of Canada long-term risk-free bond rate of 3.1% (December 31, 2022 – 3.3%) and an inflation rate of 1.7% (December 31, 2022 – 2.1%) were used to calculate the net present value of the asset retirement obligations. The inflation rate was determined as the difference between the Government of Canada long-term risk free rate bond rate and the real rate of interest of 1.4% (December 31, 2022 - 1.2%). Actual ARO expenditures for the six months ended June 30, 2023 were $9.2 million compared to $16.4 million including funding by payments made under the Accelerated Site Rehabilitation Program ("ASRP") of $7.1 million for the year ended December 31, 2022.

NuVista's ARO liability decreased by $4.3 million in 2023 due primarily to a $2.8 million decrease as a result of a change in the discount rate used to value the liability from December 31, 2022, in addition to $9.2 million of liabilities settled, partially offset by a $4.0 million increase in ARO cost estimates and $2.2 million of liabilities incurred as a result of new wells drilled.

There are uncertainties related to asset retirement obligations and the impact on the financial statements could be material, as the eventual timing and expected costs to settle these obligations could differ from our estimates. The main factors that could cause expected costs to differ are changes to laws, regulations, reserve estimates, costs and technology. Any reclamation or abandonment expenditures will generally be funded from cash provided by operating activities.

Cash used in investing activities and net capital expenditures

For the three and six months ended June 30, 2023, cash used in investing activities was $134.5 million and $278.2 million, compared to $107.5 million and $234.1 million in the comparative periods of 2022. Capital expenditures for the three and six months ended June 30, 2023 were $125.1 million and $321.0 million, compared to $115.0 million and $235.0 million in the comparative periods of 2022. The increase in capital expenditures for the three and six months ended June 30, 2023 is reflective of the increased development activity in response to the improved economic environment. The Company expects to continue to spend between 80-85% of planned capital expenditures on drilling and completion related activities.

During the six months ended June 30, 2023, the Company disposed of a non-operated working interest in an underutilized gas processing facility for cash consideration of $26.0 million, resulting in a gain on disposition of $15.2 million. Approximately half of the proceeds are being reinvested to replace the sold processing capacity with higher efficiency operated capacity as part of our larger Elmworth compressor station expansion. During the first quarter of 2022, a non-cash land swap valued at $1.3 million resulted in an accounting gain of $1.3 million.

The following table provides a breakdown of net capital expenditures by category for the three and six months ended June 30, 2023 and 2022:

	Three months ended June 30				Six months ended June 30			
($ thousands, except % amounts)	**2023**	**% of total**	2022	% of total	**2023**	**% of total**	2022	% of total
Land and retention costs	**105**	**—**	2,233	2	**7,477**	**2**	3,347	2
Geological and geophysical	**65**	**—**	117	—	**106**	**—**	145	—
Drilling and completion	**106,975**	**85**	97,215	85	**247,455**	**77**	183,236	78
Facilities and equipment	**16,551**	**14**	14,120	12	**62,731**	**20**	45,541	19
Corporate and other	**1,434**	**1**	1,338	1	**3,231**	**1**	2,718	1
Capital expenditures [1]	**125,130**		115,023		**321,000**		234,987	
Proceeds on property disposition	**—**		—		**(26,000)**		—	
Net capital expenditures [1]	**125,130**		115,023		**295,000**		234,987	

[1] 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"*.

Right-of-use assets and lease liabilities

The Company has right-of-use assets and lease liabilities for its head and field office leases, a gas processing lease associated with the Pipestone South compressor, and a gas gathering lease associated with the pipeline that connects the Pipestone South compressor to the Pembina Gas Infrastructure Wapiti plant. In the second quarter of 2023, the Company increased the lease liability for the Pipestone South compressor by $10.9MM to recognize capital expansion costs, resulting in a corresponding increase in the ROU asset. At June 30, 2023, the total right-of-use asset is $105.1 million. The total lease liability is $124.8 million, of which $6.5 million is classified as a current liability.

Current income taxes

For the balance of 2023, NuVista no longer expects to be cash taxable due to the decline in forward benchmark commodity prices and has reversed the current income tax expense of $6.4 million recorded in the first quarter of 2023. For the three and six months ended June 30, 2023, the Company recorded deferred tax expense of $33.4 million and $52.7 million, compared to deferred tax expense of $52.7 million and $73.4 million for the prior year comparative periods. The deferred tax liability of $307.9 million at June 30, 2023 increased from the December 31, 2022 balance of $260.3 million. The combined federal and provincial corporate tax rate in 2022 and 2023 is 23%. Within the context of forward benchmark prices and our current capital spending plans, we expect to be cash taxable starting in 2024.

Liquidity and capital resources

NuVista has balance sheet strength with low net debt and significant financial flexibility and is in a highly favorable position to maintain its disciplined and value-adding growth strategy. Additionally, the company remains committed to further reducing net debt and return of capital to shareholders. This financial strength will enable NuVista to navigate volatile commodity prices while creating long-term value for its stakeholders. The options for returning capital to its shareholders include share repurchases and dividend strategies. The remaining free adjusted funds flow can also be allocated towards sustained growth and selective mergers and acquisitions that add value for shareholders. Presently, our Board has set a target of returning 75% of free adjusted funds flow to shareholders through the repurchase of the Company's common shares pursuant to the 2023 NCIB.

Our Board has set a long-term sustainable target net debt to adjusted funds flow of less than 1.0 times in a stress test price environment of US$45/Bbl WTI and US$2.00/MMBtu NYMEX natural gas. In the context of NuVista's current production, that target is approximately $300 million. While our initial focus for return capital to shareholders is through share repurchases, we continuously re-evaluate the use of free adjusted funds flow. The re-evaluation takes into account the supply and demand and pricing environment, and considers all options including continued disciplined growth beyond existing facility capacity, share repurchases, dividend payments and prudent targeted mergers and acquisitions.

Covenant based credit facility

Effective May 9, 2023, NuVista successfully renegotiated its extendible revolving term credit facility with its existing banking syndicate and has transitioned to a covenant based credit facility. Under the new credit agreement NuVista has in place a $450 million, covenant based credit facility, (December 31, 2022 - $440 million extendable revolving term credit facility) which incorporates its existing sustainability linked performance features. There is an accordion feature providing that at any time during the term, on participation of any existing or additional lenders, NuVista can increase the credit facility by $300 million. The credit facility has a tenor of three years with a current maturity of May 9, 2026, and is secured by a demand debenture. Borrowing under the credit facility may be made by prime loans and bankers' acceptances. These advances bear interest at the bank's prime rate and/or at money market rates plus a borrowing margin. For the six months ended June 30, 2023, borrowing costs averaged 7.5% (June 30, 2022 - 4.1%).

Under the terms of the credit facility, NuVista is subject to the following financial covenants (collectively, the "financial covenants") at the end of each financial quarter:

- Senior Debt to EBITDA ratio will not exceed 3.0:1;
- Total Debt to EBITDA ratio will not exceed 3.5:1; and
- Interest Coverage Ratio will be greater than 3.5:1,

EBITDA is defined as net income (loss) before unrealized gains and losses on financial derivatives, plus interest, taxes and depreciation, depletion, amortization and impairment, and where EBITDA and interest are calculated on a rolling 12-month basis. Total Debt is inclusive of outstanding financial letters of credit whereas Senior Debt excludes the amount of the demand letter of credit facility. Interest Coverage Ratio is defined as EBITDA to Interest expense for the 12-months ending at the end of each reporting period.

As at June 30, 2023, NuVista was in compliance with all covenants.

NuVista's credit facility is a sustainability-linked loan ("SLL") which allows the Company to link performance on key sustainability themes to its borrowing costs, whereby borrowing rates and standby fees increase or decrease depending on established annual sustainability performance targets ("SPTs") related to:

- A reduction of Scope 1 & 2 Greenhouse Gas ("GHG") Intensity;
- Increased spending on asset retirement obligations, over and above the minimum Alberta Energy Regulator established regulations as well as the number of well sites moved through the assessment and remediation process; and
- Gender diversity at the Board of Directors level.

As at June 30, 2023, the Company had drawn $8.0 million on its credit facility (December 31, 2022 – nil) and had outstanding letters of credit of $10.9 million which reduce the credit available on this credit facility.

Export development Canada ("EDC") facility

The Company has a $30 million unsecured letter of credit facility under Export Development Canada's ("EDC") Account Performance Security Guarantee ("APSG") program. At June 30, 2023, the Company had outstanding letters of credit associated with the APSG of $23.4 million, leaving $6.6 million of credit available on this facility.

Senior unsecured notes

On July 23, 2021, the Company issued $230.0 million aggregate principal amount of 7.875% senior unsecured notes due July 23, 2026. The 2026 Notes were issued at $989.89 expressed as a price per $1,000.00 principal amount. Interest is payable semi-annually in arrears. The 2026 Notes are fully and unconditionally guaranteed as to the payment of principal and interest, on a senior unsecured basis by the Company. There are no financial covenants for the Company to maintain.

The 2026 Notes are non-callable by the Company prior to July 23, 2023. At any time on or after July 2, 2023, the Company may redeem all or part of the 2026 Notes at the redemption prices set forth in the table below plus any accrued and unpaid interest:

12 month period beginning on:	Percentage
July 23, 2023	103.938%
July 23, 2024	101.969%
July 23, 2025 and thereafter	100.000%

If a change of control occurs, each holder of the 2026 Notes will have the right to require the Company to purchase all or any part of that holder's 2026 Notes for an amount in cash equal to 101% of the aggregate principal repurchased plus accrued and unpaid interest.

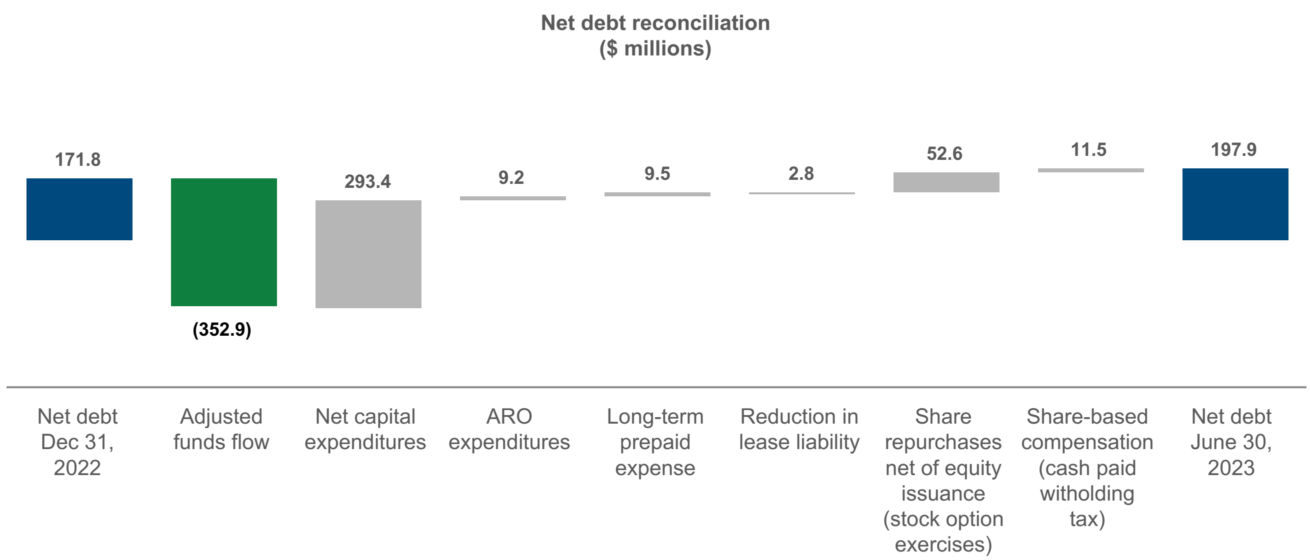
During the three and six months ended June 30, 2023, NuVista redeemed a total of $22.4 million and $55.2 million in aggregate principal of its 2026 Notes through open market repurchases at weighted average prices of $103.12 and $102.85, respectively, plus accrued and unpaid interest. The difference between the repurchase price and the carrying value was recognized as an early redemption expense within financing costs in net earnings. As at June 30, 2023, NuVista has redeemed $64.6 million of the 2026 Notes. The remaining face value at June 30, 2023 was $165.4 million, with a carrying value of $161.9 million.

Market capitalization and net debt

The following is a summary of total market capitalization, net debt and net debt to annualized current quarter funds flow:

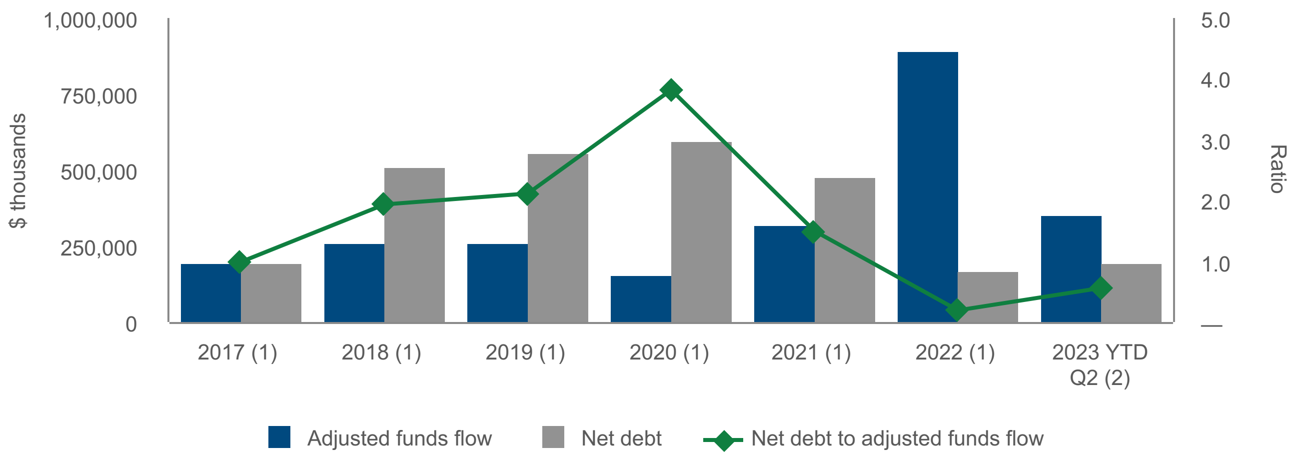
($ thousands)	June 30, 2023	December 31, 2022
Basic common shares outstanding	216,214,973	219,346,357
Share price [1]	10.62	12.48
Total market capitalization	2,296,203	2,737,443
Cash and cash equivalents	—	(41,890)
Accounts receivable and prepaid expenses	(141,470)	(203,741)
Accounts payable and accrued liabilities	154,571	185,129
Current portion of other liabilities	14,923	15,375
Long-term debt (credit facility)	8,019	—
Senior unsecured notes	161,851	215,392
Other liabilities	—	1,540
Net debt [2,3]	197,894	171,805
Annualized current quarter adjusted funds flow [2,3]	581,928	1,027,932
Net debt to annualized current quarter adjusted funds flow	0.3	0.2

[1] Represents the closing share price on the TSX on the last trading day of the period.
[2] Capital management measure. Reference should be made to the section entitled *"Specified Financial Measures".*
[3] Refer to Note 14, "Capital Management" in NuVista's financial statements.



Despite a modest increase in net debt to $197.9 million at June 30, 2023 from $169.0 million at December 31, 2022, NuVista is forecasting a net debt reduction from adjusted funds flow in excess of capital expenditures by the end of 2023. In addition, the Company will continue to finance its 2023 NCIB and look to achieve prudent production growth. The Company's net debt to annualized second quarter adjusted funds flow was 0.3x, well below its target of 1.0x. This ratio represents the time period in years it would take to pay off NuVista's net debt if no further capital expenditures were incurred and if adjusted funds flow remained constant. NuVista plans to monitor its business plan and has flexibility to adjust its capital program, NCIB expenditures, and net debt reduction in the context of commodity prices and net debt levels.

Net debt to adjusted funds flow



(1) Based on full year adjusted funds flow.
(2) Based on annualized current quarter adjusted funds flow.

Share Capital

On June 9, 2022, NuVista announced the approval of its 2022 NCIB, allowing NuVista to purchase up to 18,190,261 of its outstanding common shares over a 12-month period, commencing June 14, 2022. During the six months ended June 30, 2023, NuVista repurchased and subsequently cancelled 4,707,661 common shares at a weighted average price of $11.43/share for a total cost of $53.8 million. The 2022 NCIB was completed on June 12, 2023. Since the inception of the 2022 NCIB 18,190,261 shares were repurchased and subsequently cancelled at a weighted average price of $11.61/share for a total cost of $211.2 million.

On June 14, 2023, NuVista announced the renewal of its 2023 NCIB, which allows NuVista to purchase up to 16,793,779 of its outstanding common shares over a 12-month period, commencing on June 16, 2023. Subsequent to June 30, 2023, the Company repurchased and subsequently cancelled 676,000 common shares at a weighted average price of $11.06/share for a total cost of $7.5 million under the 2023 NCIB.

As at June 30, 2023, there were 216.2 million common shares outstanding. In addition, there were 3.8 million stock options with an average exercise price of $4.36 per option and 0.5 million RSAs and 4.0 million PSAs outstanding.

Commitments

NuVista enters into contract obligations as part of conducting business. Such commitments include processing costs associated with natural gas at third party facilities, and transportation costs for delivery of our natural gas, condensate, and NGLs to sales points. NuVista manages our commitments in conjunction with future development plans and to ensure we are diversified into multiple markets.

The following is a summary of NuVista's contractual obligations and commitments as at June 30, 2023:

($ thousands)	Total	2023	2024	2025	2026	2027	Thereafter
Transportation (1)	**1,060,646**	70,791	135,491	128,293	128,780	124,331	472,960
Processing (1)	**1,476,608**	43,698	101,928	114,458	111,706	112,176	992,642
Servicing (2)	**11,252**	—	5,626	5,626	—	—	—
Total commitments (3)	**2,548,506**	114,489	243,045	248,377	240,486	236,507	1,465,602

(1) Certain of the transportation and processing commitments are secured by outstanding letters of credit of $33.3 million at June 30, 2023 (December 31, 2022 - $24.7 million).
(2) Effective November 2022, NuVista entered into a 3-year fracturing services and proppant supply agreement with a third-party. Part of the agreement includes USD and the conversion rate used at March 31, 2023 was 1.36 Cdn$/US$.
(3) Excludes commitments recognized within lease liabilities.

Off "balance sheet" arrangements

NuVista has certain commitments which are reflected in the contractual obligations and commitments table, which were entered into in the normal course of operations. Most transportation and processing commitments are treated as executory contracts whereby the payments are included in operating or transportation expenses.

QUARTERLY FINANCIAL INFORMATION

($ thousands, except otherwise stated)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
FINANCIAL								
Petroleum and natural gas revenues	**282,064**	390,163	455,868	445,007	463,273	381,827	323,355	222,601
Net earnings (loss)	**87,133**	80,709	159,372	223,463	177,954	70,255	113,159	147,065
Per share, basic	**0.40**	0.37	0.72	0.99	0.78	0.31	0.50	0.65
Per share, diluted	**0.39**	0.36	0.69	0.95	0.74	0.30	0.48	0.63
Cash provided by operating activities	**134,166**	215,221	226,688	228,018	227,668	162,442	110,063	124,007
Per share, basic	**0.62**	0.98	1.02	1.01	0.99	0.71	0.48	0.55
Per share, diluted	**0.60**	0.95	0.98	0.97	0.95	0.68	0.47	0.53
Adjusted funds flow (1)	**145,482**	207,464	256,983	246,115	199,833	189,869	151,665	80,602
Per share, basic (6)	**0.67**	0.95	1.16	1.09	0.87	0.83	0.67	0.36
Per share, diluted (6)	**0.65**	0.91	1.12	1.04	0.83	0.80	0.64	0.35
Net capital expenditures (2)	**125,130**	195,870	72,743	111,746	115,023	119,964	87,436	77,152
Total assets ($ millions)	**2,910**	2,882	2,822	2,750	2,613	2,505	2,392	2,353
Weighted average basic shares outstanding (thousands of shares)	**217,952**	219,192	222,483	226,770	229,595	228,146	226,951	226,301
Weighted average diluted shares outstanding (thousands of shares)	**224,776**	226,921	230,366	235,540	239,405	238,084	235,691	233,400
OPERATING								
Daily Production								
Natural gas (Mcf/d)	**256,572**	253,269	259,335	244,709	225,070	228,978	202,730	184,149
Condensate (Bbls/d)	**21,990**	22,885	25,112	22,478	21,058	21,680	21,072	15,779
NGLs (Bbls/d) (4)	**6,277**	6,113	5,918	5,529	6,463	6,756	6,028	4,534
Total (Boe/d)	**71,029**	71,209	74,252	68,792	65,032	66,599	60,888	51,005
Condensate & NGLs weighting	**40%**	41%	42%	41%	42%	43%	45%	40%
Average realized selling prices (5)								
Natural gas ($/Mcf)	**3.29**	7.02	7.55	8.32	7.83	5.79	6.09	4.88
Condensate ($/Bbl)	**94.92**	101.31	109.69	111.14	135.67	119.21	96.15	84.59
NGLs ($/Bbl)	**26.51**	39.30	41.28	55.14	73.09	49.30	42.38	41.36
Netbacks ($/Boe)								
Petroleum and natural gas revenues	**43.64**	60.88	66.73	70.32	78.28	63.71	57.73	47.44
Realized gain (loss) on financial derivatives	**1.15**	(1.42)	(1.17)	(5.63)	(12.77)	(7.54)	(6.69)	(6.04)
Royalties	**(3.29)**	(8.04)	(7.94)	(6.23)	(12.11)	(5.56)	(4.89)	(3.51)
Transportation expense	**(5.52)**	(4.13)	(5.33)	(5.12)	(5.59)	(4.58)	(5.20)	(5.38)
Operating expense	**(11.91)**	(11.71)	(11.94)	(12.23)	(11.55)	(10.89)	(10.53)	(10.49)
Operating netback (3)	**24.07**	35.58	40.36	41.11	36.26	35.14	30.42	22.02
Corporate netback (3)	**22.51**	32.36	37.62	38.89	33.76	31.69	27.08	17.18

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

(2) 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"*.

(3) 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"*.

(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"*.

Petroleum and natural gas revenues over the prior eight quarters, have ranged from $222.6 million to $463.3 million, largely due to the volatility of commodity prices and changes in production. Net earnings (loss) has been in a range of a net earnings of $70.3 million to net earnings of $223.5 million, primarily influenced by commodity prices and production volumes, realized and unrealized gains and losses on financial derivatives, impairment charges and reversals and deferred income taxes.

SPECIFIED FINANCIAL MEASURES

The Company's MD&A uses various specified financial measures 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 may 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.

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.

The following list identifies the non-GAAP financial measures included in NuVista’s MD&A:

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 June 30		Six months ended June 30	
($ thousands)	**2023**	2022	**2023**	2022
Cash used in investing activities	**(134,454)**	(107,532)	**(278,227)**	(234,054)
Changes in non-cash working capital	**9,324**	(7,491)	**(26,273)**	(933)
Other asset expenditures	**—**	—	**9,500**	—
Proceeds on property disposition	**—**	—	**(26,000)**	—
Capital expenditures	**(125,130)**	(115,023)	**(321,000)**	(234,987)

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 June 30		Six months ended June 30	
($ thousands)	**2023**	2022	**2023**	2022
Cash used in investing activities	**(134,454)**	(107,532)	**(278,227)**	(234,054)
Changes in non-cash working capital	**9,324**	(7,491)	**(26,273)**	(933)
Other asset expenditures	**—**	—	**9,500**	—
Net capital expenditures	**(125,130)**	(115,023)	**(295,000)**	(234,987)

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:

	Three months ended June 30		Six months ended June 30	
($ thousands)	**2023**	2022	**2023**	2022
Cash provided by operating activities	**134,166**	227,668	**349,387**	390,110
Cash used in investing activities	**(134,454)**	(107,532)	**(278,227)**	(234,054)
Excess cash provided by operating activities over cash used in investing activities	**(288)**	120,136	**71,160**	156,056
Adjusted funds flow	**145,482**	199,833	**352,946**	389,702
Net capital expenditures	**(125,130)**	(115,023)	**(295,000)**	(234,987)
Asset retirement expenditures	**479**	(1,184)	**(9,214)**	(6,752)
Free adjusted funds flow	**20,831**	83,626	**48,732**	147,963

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 MD&A.

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.

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 income tax expense (recovery).

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.

Cash costs (“cash costs”), per Boe

NuVista calculated cash costs per Boe by dividing the cash costs by total production volumes sold in the period. Cash costs are a non-GAAP financial measure, calculated as the sum of operating expense, transportation expense, general and administrative expense, financing costs excluding accretion expense, and current income tax expense (recovery).

Management believes that cash costs are a key industry benchmark 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 14 "Capital Management" in NuVista's financial statements for additional disclosure on net debt, adjusted funds flow, net debt to adjusted funds flow, and net debt to annualized current quarter adjusted funds flow, each of which are capital management measures used by the Company in this MD&A.

Supplementary financial measures

This MD&A 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. NuVista calculates “adjusted funds flow per Boe” by dividing adjusted funds flow for a period by total production volumes sold in the specified period.

Critical accounting estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements and the reported amounts of revenue and expenses during the period. Estimates are subject to measurement uncertainty and changes in such estimates in future years could require material change in the financial statements. These underlying assumptions are based on historical experience and other factors that management believes to be reasonable under the circumstances, and are subject to change as new events occur, as more industry experience is acquired, and as additional information is obtained as NuVista’s operating environment changes. Estimates and underlying assumptions are reviewed on an ongoing basis by management. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in the future periods affected.

Further information on our critical accounting policies and estimates can be found in the notes to the audited annual financial statements and MD&A for the year ended December 31, 2022.

CONTROLS AND PROCEDURES

Disclosure controls and procedures

Disclosure controls and procedures ("DC&P") have been designed to ensure that information to be disclosed by NuVista is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosures. All control systems by their nature have inherent limitations and, therefore, the Company's disclosure controls and procedures are believed to provide reasonable, but not absolute, assurance that the objectives of the control systems are met.

Internal control over financial reporting

NuVista complies with National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". The certification requires that NuVista disclose in the MD&A any material weaknesses in NuVista's internal controls over financial reporting and/or any changes in NuVista's internal controls over financial report that occurred during the period that may have materially affected, or are reasonably likely to materially affect, NuVista's internal controls over financial reporting.

The CEO and CFO have designed internal controls over financial reporting ("ICFR"), or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of NuVista's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of NuVista;

- are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with GAAP, and that receipts and expenditures of NuVista are being made only in accordance with authorizations of management and directors of NuVista; and

- are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of NuVista's assets that could have a material effect on the annual financial statements.

NuVista has designed its ICFR based on the Committee of Sponsoring Organizations of the Treadway Commission (2013). No changes were made to NuVista's ICFR during the six months ended June 30, 2023 that have materially or are reasonably likely to materially affect the internal controls over financial reporting.

Because of their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, error or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance, that the objectives of the control system are met.

ASSESSMENT OF BUSINESS RISKS

Operational risk

The following are the primary risks associated with the business of NuVista. Most of these risks are similar to those affecting others in the conventional oil and natural gas sector. NuVista's financial position and results of operations are directly impacted by these factors:

- Commodity risk as crude oil, condensate and natural gas prices and differentials fluctuate due to market forces;
- Risk associated with a potential recession and its corresponding impact on commodity prices;
- Inflationary pressures on the procurement of materials and labour to safely deliver on our forecasted capital and operational plans;
- Changing government regulations relating to royalty legislation, income tax laws, incentive programs, operating practices, fracturing regulations and environmental protection relating to the oil and natural gas industry;
- Transition risks as countries adopt policies and legislation to reduce GHG emissions;
- Climate change risk could increase extreme variability in weather patterns putting at risk our people and assets;
- Supply chain risk could impact the ability to execute our development plan;
- Labour risk related to availability, productivity and retention of qualified personnel;
- Risk associated with the re-negotiation of NuVista's credit facility and the continued participation of NuVista's lenders;
- Financial risk such as volatility of the Cdn/US dollar exchange rate, interest rates and debt service obligations;
- Operational risk associated with the production of oil and natural gas;
- Operational risk associated with third party facility outages and downtime;
- Reserves risk with respect to the quantity and quality of recoverable reserves;
- Market risk relating to the availability of transportation systems to move the product to market;
- Our ability to satisfy obligations under our firm commitment transportation and processing arrangements; and
- Environmental and safety risk associated with well operations and production facilities.

NuVista seeks to mitigate these risks by:

- Maintaining product mix to balance exposure to commodity prices;
- Monitoring pricing trends and developing a mix of contractual arrangements for the marketing of products with creditworthy counterparties;
- Maintaining a price risk management program to manage commodity prices and foreign exchange currency rates risk and transacting with creditworthy counterparties;
- Keeping informed of proposed changes in regulations and laws to properly respond to and plan for the effects that these changes may have on our operations;
- Establishing ESG related processes and targets and investments in projects that reduce GHG emissions;
- Constructing our facilities for extreme weather conditions, as well as developing mitigation measures in processes;
- Acquiring properties with established production trends to reduce technical uncertainty as well as undeveloped land with development potential;
- Maintaining a low-cost structure to maximize product netbacks and reduce impact of commodity price cycles;
- Diversifying properties to mitigate individual property and well risk;
- Ensuring strong third-party operators for non-operated properties;
- Adhering to NuVista's safety program and keeping up to date on current operating best practices;
- Carrying industry standard insurance to cover losses;
- Establishing and maintaining adequate cash resources to fund future abandonment and site restoration costs;
- Closely monitoring commodity prices and capital programs to manage financial leverage; and
- Monitoring the debt and equity markets to understand how changes in the capital market may impact NuVista's business plan.

Climate change risk

Widening concerns over climate change, fossil fuel consumption, greenhouse gas emissions, and water and land use could lead governments to enact additional laws, regulations and costs or taxes that may be applicable to NuVista. Changes to environmental regulations related to climate change could impact the demand for, development of, or quality of NuVista's petroleum products, or could require increased capital expenditures, operating expenses, asset retirement obligations and costs, which could result in increased costs which would reduce the profitability and competitiveness of NuVista if commodity prices do not rise commensurate with the increased costs. In addition, such regulatory changes could necessitate NuVista to develop or adapt new technologies, possibly requiring significant investments of capital. Where possible, NuVista has considered these factors in the preparation of the condensed consolidated interim financial statements.

Changing regulation

On June 26, 2023, the International Sustainability Standards Board ("ISSB") issued IFRS S1 - *General Requirements for Disclosure of Sustainability-Related Financial Information* ("IFRS S1"), and IFRS S2 - *Climate-Related Disclosures* ("IFRS S2"). IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after January 1, 2024. The sustainability standards as issued by the ISSB provide for transition relief in IFRS S1 that allow a reporting entity to report only on climate-related risks and opportunities, as set out in IFRS S2, in the first year of reporting under the sustainability standards.

The Canadian Securities Administrators ("CSA") are responsible for determining the reporting requirements for public companies in Canada and are responsible for decisions related to the adoption of the sustainability disclosure standards, including the effective annual reporting dates. The CSA issued proposed National Instrument NI 51-107 – *Disclosure of Climate-Related Matters* in October 2021. The CSA has indicated it will consider the ISSB sustainability standards and developments in the United States in its decisions related to developing climate-related disclosure requirements for reporting issuers in Canada. The CSA will involve the Canadian Sustainability Standards Board ("CSSB") for their combined review of the ISSB issued sustainability standards for their suitability for adoption in Canada. Until such time as the CSA and CSSB make decisions on sustainability standard adoption here in Canada, there is no requirement for public companies in Canada to adopt the sustainability standards. NuVista is committed to transparent and comprehensive reporting of its sustainability performance and is actively evaluating the potential effects of the ISSB issued sustainability standards; however, at this time, NuVista is not able to determine the impact on future financial statements, nor the potential costs to comply with these sustainability standards.

Information regarding risk factors associated with the business of NuVista and how NuVista seeks to mitigate these risks are contained in our Annual Information Form under the Risk Factors section for the year ended December 31, 2022.

GLOSSARY

The following tables summarize the measurements and abbreviations used in this document:

MEASUREMENTS			
Bbl	barrel	Mcf	thousand cubic feet
Bbls	barrels	Mcf/d	thousand cubic feet per day
Bbls/d	barrels per day	MMcf	million cubic feet
Boe	barrels of oil equivalent	MMcf/d	million cubic feet per day
Boe/d	barrels of oil equivalent per day	Bcf	billion cubic feet
NGLs	natural gas liquids	Bcf/d	billion cubic feet per day
GJ	gigajoule	MMBtu	million British Thermal Units

OTHER ABBREVIATIONS	
AECO	benchmark price for natural gas determined at the AECO ‘C’ hub in southeast Alberta
ARO	asset retirement obligation
ASRP	Alberta site rehabilitation program
AER	Alberta Energy Regulator
CDP	Climate Disclosure Project
Chicago	Chicago city-gate benchmark price for natural gas
CGU	cash-generating unit
DAWN	natural gas traded at Union Gas Dawn hub in Dawn Township, Ontario
DD&A	depreciation, depletion and amortization
DSU	director deferred share units
ESG	environment, social and governance
GAAP	generally accepted accounting principles
GCA	gas cost allowance
GHG	greenhouse gas
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
MALIN	natural gas traded at Malin, Oregon
NCIB	normal course issuer bid
NYMEX	New York Mercantile Exchange natural gas futures benchmark prices
PSA	performance share awards
PSU	performance share units
RSA	restricted share awards
SLL	sustainability-linked loan
SPR	Strategic Petroleum Reserve
SPT	sustainability performance targets
TSX	Toronto Stock Exchange
WCSB	Western Canadian Sedimentary Basin
WTI	West Texas Intermediate

ADVISORIES

Oil and Gas Measures

Unless otherwise noted, the financial data presented herein 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. Natural gas is converted to a barrel of oil equivalent ("Boe") using six thousand cubic feet of gas to one barrel of oil. In certain circumstances natural gas liquid volumes have been converted to a thousand cubic feet equivalent ("Mcfe") on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes and Mcfes may be misleading, particularly if used in isolation. A conversion ratio of one barrel to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing 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 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.

Forward-looking information and statements

This MD&A 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 MD&A contains forward looking statements, including management's assessment of: NuVista's future focus, strategy, plans, opportunities and operations; plans to maximize economic value and divide free adjusted funds flow between prudent reduction of debt and growth capital to fill existing facilities at an optimal rate; the quality of NuVista's asset base and economics therein; the ability to continue to execute NuVista's 2023 capital plan while returning free adjusted funds flow to shareholders and reducing net debt; the anticipated re-evaluation of the uses of free adjusted funds flow and anticipated outcomes therefrom; expectations with respect to achieving our sustainable net debt target of less than 1.0 times adjusted funds flow in the stress test price environment of US$45/Bbl WTI and US$2.00/MMBtu and anticipated timing thereof; 2023 capital expenditure guidance, plans and expected allocations; 2023 guidance with respect to production and production mix; that NuVista's credit facility and APSG program will continue to provide it with more than sufficient liquidity to continue to execute its capital plans to maximize value; NuVista's ability to meet the SPTs under the SLL; NuVista's ability to adjust its capital program, NCIB expenditures and net debt reduction in the context of commodity prices and net debt levels; expectations related to gas storage levels; production guidance with respect to Q3 2023 and the anticipated downtime from third party facilities; ESG plans, targets and results from ESG initiatives; the timing of release of our 2022 ESG report; future commodity prices; expectations with respect to future liquidity; the Company's ability to achieve our goal of realizing a 20% GHG reduction by 2025; the expected commencement schedule of the Wembley Gas Plant cogeneration project; asset retirement obligations and the amount and timing of such expenditures and the source of funding thereof; plans to reduce net debt while achieving prudent production growth; the anticipated reductions in net debt and net debt to adjusted funds flow ratio alongside significant production and adjusted funds flow growth in 2023; that NuVista will become cash taxable in 2024; the effect of NuVista's financial, commodity, and natural gas risk management strategy and market diversification; 2023 drilling and completion plans, timing and expected results; anticipated drilling and completions costs; expectations with respect to the structure set-up of global oil and gas supply and demand; and expectations with respect to the condensate price environment for 2023.

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, the impact of ongoing global events including European tensions, impacts of higher inflation and interest rates, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, expected natural decline 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.*

This MD&A also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations including, without limitation, NuVista's ability to repay debt, expectations with respect to future net debt to adjusted funds flow ratios, projected adjusted funds flows at current strip prices and capital expenditures, 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 MD&A 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 MD&A 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.