



MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended June 30, 2024

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, 2024 and audited statements for the years ended December 31, 2023 and 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 as at and is dated August 7, 2024. Our December 31, 2023 audited financial statements, Annual Information Form and other disclosure documents are available on SEDAR+ at www.sedarplus.ca 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 52-112 - *Non-GAAP and Other Financial Measures* ("NI 52-112")) 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**", "**net debt to adjusted funds flow**", "**netbacks per Boe**", "**cash costs per Boe**", "**net operating expense**", "**net operating expense per Boe**" and "**adjusted funds flow per boe**". For further information, refer to the section "Specified Financial Measures".

These specified financial measures do not have any standardized meaning prescribed under IFRS Accounting Standards, as developed by the International Accounting Standards Board ("IASB") 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 Accounting Standards, such as net earnings, 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 "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). Natural gas liquids ("NGLs") are defined by National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") to include ethane, butane, propane, pentanes plus and condensate. Unless explicitly stated in this MD&A, references to NGLs refers only to ethane, butane and propane and references to condensate refers only to condensate and pentanes plus. NuVista has disclosed condensate and pentanes plus separately from ethane, butane and propane, as NuVista believes it provides a more accurate description of NuVista's operations and results therefrom.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended June 30			Six months ended June 30		
(\$ thousands, except otherwise stated)	2024	2023	% Change	2024	2023	% Change
FINANCIAL						
Petroleum and natural gas revenues	323,350	282,064	15	632,374	672,227	(6)
Cash provided by operating activities	166,280	134,166	24	314,173	349,387	(10)
Adjusted funds flow ⁽³⁾	140,246	145,482	(4)	275,659	352,946	(22)
Per share, basic ⁽⁶⁾	0.68	0.67	1	1.33	1.61	(17)
Per share, diluted ⁽⁶⁾	0.67	0.65	3	1.31	1.56	(16)
Net earnings	110,974	87,133	27	146,743	167,842	(13)
Per share, basic	0.54	0.40	35	0.71	0.77	(8)
Per share, diluted	0.53	0.39	36	0.70	0.74	(5)
Total assets				3,302,604	2,910,388	13
Net capital expenditures ⁽¹⁾	121,497	125,130	(3)	309,353	295,000	5
Net debt ⁽³⁾				267,949	197,894	35
OPERATING						
<u>Daily Production</u>						
Natural gas (MMcf/d)	299.8	256.6	17	296.3	254.9	16
Condensate (Bbls/d)	25,761	21,990	17	24,991	22,435	11
NGLs (Bbls/d)	7,424	6,277	18	7,223	6,195	17
Total (Boe/d)	83,152	71,029	17	81,597	71,119	15
Condensate & NGLs weighting	40%	40%		39%	40%	
Condensate weighting	31%	31%		31%	32%	
<u>Average realized selling prices ⁽⁵⁾</u>						
Natural gas (\$/Mcf)	2.25	3.29	(32)	2.66	5.14	(48)
Condensate (\$/Bbl)	103.89	94.92	9	99.63	98.16	1
NGLs (\$/Bbl) ⁽⁴⁾	27.44	26.51	4	27.34	32.78	(17)
<u>Netbacks (\$/Boe)</u>						
Petroleum and natural gas revenues	42.73	43.64	(2)	42.58	52.23	(18)
Realized gain (loss) on financial derivatives	0.26	1.15	(77)	0.05	(0.13)	(138)
Other income	0.02	—	—	0.04	—	—
Royalties	(5.01)	(3.29)	52	(4.75)	(5.65)	(16)
Transportation expense	(4.94)	(5.52)	(11)	(4.71)	(4.83)	(2)
Net operating expense ⁽²⁾	(11.47)	(11.91)	(4)	(11.49)	(11.81)	(3)
Operating netback ⁽²⁾	21.59	24.07	(10)	21.72	29.81	(27)
Corporate netback ⁽²⁾	18.52	22.51	(18)	18.56	27.42	(32)
SHARE TRADING STATISTICS						
High (\$/share)	14.38	12.02	20	14.38	12.67	13
Low (\$/share)	11.73	9.93	18	9.59	9.93	(3)
Close (\$/share)	14.22	10.62	34	14.22	10.62	34
Common shares outstanding (thousands of shares)				206,073	216,215	(5)

⁽¹⁾ Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards 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 Accounting Standards 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 Pipestone and Wapiti 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 2024 HIGHLIGHTS

- **Adjusted funds flow** - During the second quarter of 2024, NuVista generated adjusted funds flow of \$140.2 million, a 4% decrease as compared to the same prior year period of \$145.5 million. The decrease in adjusted funds flow was primarily due to lower natural gas prices, net of realized gains on financial derivative contracts, partially offset by the impact of higher production volumes. Adjusted funds flow for the second quarter of 2024 increased 4% from \$135.4 million in the first quarter of 2024, primarily due to an increase in production volumes and stronger condensate pricing partially offset by weaker natural gas pricing. Despite the volatility in commodity prices experienced in the second quarter, NuVista achieved free adjusted funds flow of \$18.4 million, after capital expenditures of \$121.5 million.
- **Liquidity** - On May 7, 2024, NuVista amended and renewed its existing covenant based credit facility of \$450.0 million provided by its syndicate of Canadian financial institutions to a maturity date of May 7, 2027. NuVista exited the second quarter of 2024 with \$49.7 million drawn on its \$450 million covenant-based credit facility. NuVista's net debt to second quarter adjusted fund flow ratio on June 30, 2024 was 0.5:1. NuVista's net debt at June 30, 2024 was \$267.9 million, a 46% increase from \$183.6 million as at December 31, 2023, due primarily to the phasing of NuVista's capital development program. NuVista's net debt level at the end of the second quarter remains well below the limits set by management, to ensure that net debt to adjusted funds flow ratio remains comfortably below 1.0x in a stress test commodity price environment of \$US45/Bbl WTI oil and \$US2.00/MMBtu NYMEX natural gas.
- **Production** - For the second quarter of 2024, production volumes averaged 83,152 Boe/d, which was above the second quarter guidance range of 80,000 - 83,000 Boe/d. This also represented a 17% increase compared to 71,029 Boe/d for the same period in 2023, and a 4% increase compared to 80,042 Boe/d for the first quarter of 2024. Production volumes in the second quarter were positively impacted by 17 wells brought online, somewhat offset by natural declines and the temporary shut-in of existing production for planned maintenance at owned and third-party facilities. The production composition for the second quarter of 2024 was 31% condensate, 9% NGLs and 60% natural gas.
- **Pricing** - Average realized commodity prices experienced some decline in the first half of 2024, primarily due to weaker natural gas prices. NuVista's average realized selling price for the second quarter of 2024 was \$42.73/Boe, a 2% decrease from \$43.64/Boe for the same period in 2023, and a 1% increase from \$42.43/Boe for the first quarter of 2024. The decrease in natural gas prices was primarily due to lower demand because of unseasonably warm winter weather conditions in key consuming regions, resulting in higher than normal storage levels. Despite the decrease in natural gas prices, crude oil and condensate prices remained constructive due to steady supply and demand fundamentals. Representing 31% of NuVista's production composition, condensate revenues accounted for 75% of NuVista's total petroleum and natural gas revenues in the second quarter of 2024.
 - Realized condensate pricing for the second quarter of 2024 averaged \$103.89/Bbl, a 9% increase compared to the first quarter of 2024 at \$95.10/Bbl and a 9% increase compared to the same period in 2023 at \$94.92/Bbl.
 - Realized natural gas pricing in the second quarter of 2024 averaged \$2.25/Mcf, a 27% decrease as compared to the first quarter of 2024 at \$3.08/Mcf and a 32% decrease as compared to the same period of 2023 at \$3.29/Mcf.
 - Realized NGL pricing for the second quarter of 2024 averaged \$27.44/Bbl, a 1% increase as compared to the first quarter of 2024 at \$27.23/Bbl and 4% higher than the same period of 2023 at \$26.51/Bbl.

- **Net operating expense** - For the second quarter of 2024, NuVista's net operating expense decreased 4% to \$11.47/Boe compared to \$11.91/Boe for the same period in 2023, due to economies of scale achieved by increasing facility capacity utilization through production growth. Similarly, net operating expense was slightly lower than the first quarter of 2024 at \$11.51/Boe.
- **Corporate netback** - NuVista's corporate netback for the second quarter of 2024 was \$18.52/Boe, inclusive of a \$0.26/Boe realized gain on financial derivative contracts. The corporate netback for the second quarter of 2024 was 18% lower compared to \$22.51/Boe for the second quarter of 2023. This was due to lower production revenues, inclusive of gains on financial derivative contracts, an increase in net royalties in addition to the impact of a change in current income taxes from a recovery position to an current period expense. NuVista's corporate netback for the first and second quarter of 2024 were consistent at \$18.58/Boe and \$18.52/Boe, respectively.
- **Capital expenditures, net capital expenditures and power generation expenditures** - Capital expenditures and net capital expenditures were \$121.5 million in the second quarter of 2024, of which 70% was allocated to drilling and completion related activities, resulting in 11 (11 net) wells drilled and 8 (8 net) wells completed. Additionally, during the first half of 2024 power generation expenditures were \$1.7 million. These funds were invested in the cogeneration unit at NuVista's Wembley Gas Plant in the Pipestone North area, which was commissioned in December 2023.
- **Return of capital to shareholders** - In the second quarter of 2024, NuVista repurchased and subsequently cancelled 1,131,000 common shares under its 2023 normal course issuer bid ("2023 NCIB") at a weighted average price of \$13.52/share for a total cost of \$15.3 million. On June 15, 2024 the 2023 NCIB expired with NuVista having repurchased and subsequently cancelling 13,067,900 of its outstanding common shares.

On June 17, 2024, NuVista announced the renewal of its NCIB (the "2024 NCIB"), allowing NuVista to purchase up to 14,234,451 of its outstanding common shares. The 2024 NCIB commenced on June 19, 2024, and will expire on the earlier of June 18, 2025 or the repurchase of the 14,234,451 common shares under the 2024 NCIB. Subsequent to June 30, 2024, NuVista has repurchased and subsequently cancelled 784,000 common shares at a weighted average price of \$13.58/share for a total cost of \$10.6 million under the 2024 NCIB program. Since the inception of its NCIB programs in 2022, NuVista has repurchased and subsequently cancelled 32,042,161 of its outstanding common shares at a weighted average price of \$11.91/share for a total cost of \$381.6 million.

2024 GUIDANCE UPDATE

NuVista is extremely well-positioned with top-tier assets and highly favorable economics. Our disciplined execution has enabled us to achieve growth in production and adjusted funds flow, while also generating positive free adjusted funds flow, which has allowed us to continue to return capital to our shareholders through the repurchase of shares. Our high condensate weighting, for which pricing has remained strong, continues to drive superior economics despite the weakness in natural gas prices through the first half of 2024. We continue to execute according to our plans, with well and facility outperformance in several areas. As such, we are making no changes to our 2024 capital expenditure guidance target of approximately \$500 million, allowing us to maintain the efficiencies of a steady 2-drill-rig execution.

Weekly production has recently reached a new record of 88,000 Boe/d with strong new well performance and we continue to expect monthly volumes to reach over 90,000 Boe/d at some point in the second half of 2024. Due to the unusually long stretch of hot weather in Alberta, we have incurred cooling restrictions in July at Company and third-party facilities. These have had an impact of approximately 2,400 Boe/d on third quarter average production volumes thus far. With low natural gas prices, we have limited any costly efforts to maximize production through this hot period. We therefore provide production guidance for the third quarter of 83,000 – 86,000 Boe/d, with the lower end of that range allowing contingency in case of hot weather through August. Longer term, ongoing third-party facility expansions will provide the cushion needed for most hot weather events. Commensurate with the above, full year 2024 average production guidance is tightened to 83,500 – 86,000 Boe/d from 83,000 – 87,000 Boe/d.

We intend to continue our track record of carefully directing free adjusted funds flow towards a prudent balance of capital return to shareholders and debt reduction, while investing in high return growth projects. NuVista's top quality asset base, deep inventory, and management's relentless focus on value maximization supports our medium-term plans for value-adding growth to the plateau level of 125,000 Boe/d. We will continue to closely monitor and adjust to the environment in order to maximize the value of our asset base and ensure the long-term sustainability of our business.

CONSOLIDATED RESULTS

Net earnings

(\$ thousands, except per share amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Net earnings	110,974	87,133	146,743	167,842
Per share, basic	0.54	0.40	0.71	0.77
Per share, diluted	0.53	0.39	0.70	0.74

Q2 2024 compared to Q2 2023

NuVista reported net earnings of \$111.0 million (\$0.54/share, basic) for the three months ended June 30, 2024, compared to net earnings of \$87.1 million (\$0.40/share, basic) reported during the same period of 2023. The \$23.8 million increase in net earnings was primarily due to an increase in unrealized gains on financial derivative contracts, partially offset by a \$5.2 million decrease in adjusted funds flow and an increase in depletion, depreciation, and amortization expense.

Q2 YTD 2024 compared to Q2 YTD 2023

NuVista reported net earnings of \$146.7 million (\$0.71/share, basic) for the six months ended June 30, 2024, compared to net earnings of \$167.8 million (\$0.77/share, basic) reported during the same period of 2023. The \$21.1 million decrease in net earnings was primarily due to a \$77.3 million decrease in adjusted funds flow, lower gains on property dispositions and an increase in depletion, depreciation, and amortization expense, partially offset by an increase in unrealized gains on financial derivative contracts and a decrease in deferred income tax expense.

Before deferred tax expense and unrealized gains (losses) on financial derivatives, net earnings were \$52.4 million and \$115.1 million for the three and six months ended June 30, 2024, respectively, compared to net earnings of \$86.8 million and \$242.0 million for the prior year comparative periods. The unrealized mark-to-market values are a function of commodity prices, resulting in significant variances in the values from period to period. The financial derivatives contracts are in place to provide greater adjusted funds flow stability and certainty in a volatile commodity price environment.

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:

(\$ thousands, except per share and per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash provided by operating activities	166,280	134,166	314,173	349,387
Per share, basic	0.81	0.62	1.52	1.60
Per share, diluted	0.79	0.60	1.49	1.55
Adjusted funds flow ⁽¹⁾	140,246	145,482	275,659	352,946
Per share, basic	0.68	0.67	1.33	1.61
Per share, diluted	0.67	0.65	1.31	1.56
Adjusted funds flow \$/Boe ⁽²⁾	18.52	22.51	18.56	27.42

⁽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".

Q2 2024 compared to Q2 2023

For the three months ended June 30, 2024, cash provided by operating activities increased 24% to \$166.3 million (\$0.81/share, basic) from \$134.2 million (\$0.62/share, basic) for the comparable period of 2023. The increase in cash provided by operating activities was primarily due to higher petroleum and natural gas sales, supported by stronger condensate pricing, increased production volumes and changes in non-cash working capital, partially offset by higher royalties and operating expenses, and lower natural gas prices.

Adjusted funds flow for the three months ended June 30, 2024, decreased 4% to \$140.2 million (\$0.68/share, basic) from \$145.5 million (\$0.67/share, basic) for the comparable period of 2023. The decrease in adjusted funds flow was primarily due to those reasons noted above, including the impact of the change from a current income tax recovery to a current income tax expense.

Q2 YTD 2024 compared to Q2 YTD 2023

For the six months ended June 30, 2024, cash provided by operating activities decreased 10% to \$314.2 million (\$1.52/share, basic) from \$349.4 million (\$1.60/share, basic) from the comparable period of 2023. The decrease in cash provided by operating activities was primarily due to lower average commodity prices and an increase in operating expenses, partially offset by an increase in production volumes and the impact of changes in non-cash working capital.

Adjusted funds flow for the six months ended June 30, 2024, decreased 22% to \$275.7 million (\$1.33/share, basic) from \$352.9 million (\$1.61/share, basic) for the same period in 2023, 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, power generation expenditures and asset retirement expenditures, as an indicator of the funds available for additional capital allocation such as the repurchase of common shares or the retirement of debt. For the three and six months ended June 30, 2024, free adjusted funds flow was \$18.4 million and negative \$42.2 million compared to \$20.8 million and \$48.7 million in the prior year comparative periods. The decrease in free adjusted funds flow in the first half of 2024 was due to the weaker commodity price environment, the phasing of NuVista's capital development program and the timing of new well production.

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Adjusted funds flow ⁽¹⁾	140,246	145,482	275,659	352,946
Net capital expenditures ⁽²⁾	(121,497)	(125,130)	(309,353)	(295,000)
Power generation expenditures	—	—	(1,680)	—
Asset retirement expenditures	(392)	479	(6,842)	(9,214)
Free adjusted funds flow ⁽²⁾	18,357	20,831	(42,216)	48,732

⁽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 Accounting Standards 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

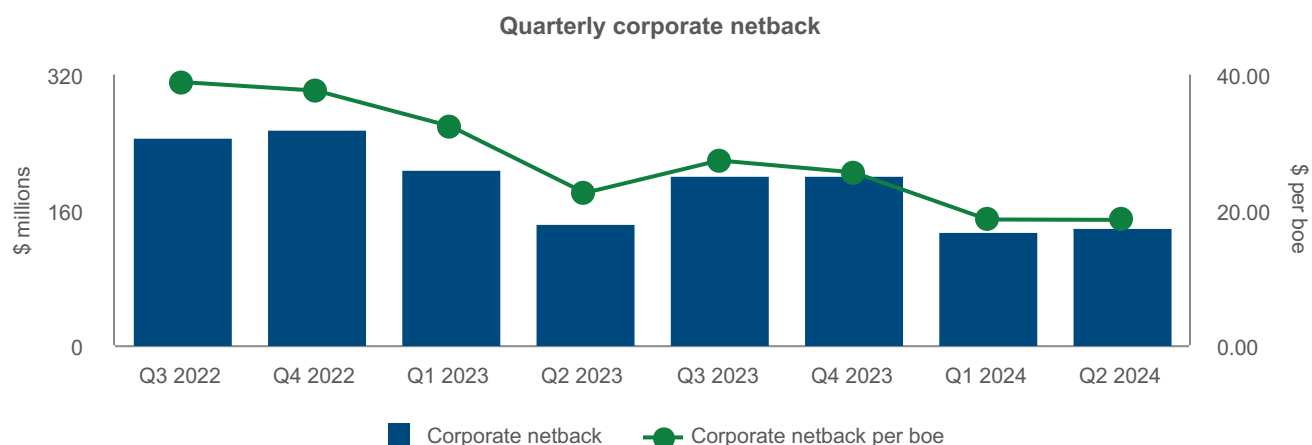
The table below summarizes operating netback and corporate netback on a per Boe basis for the three and six months ended June 30, 2024 and 2023:

\$/Boe	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Petroleum and natural gas revenues ⁽¹⁾	42.73	43.64	42.58	52.23
Realized gain (loss) on financial derivatives	0.26	1.15	0.05	(0.13)
Other Income	0.02	—	0.04	—
	43.01	44.79	42.67	52.10
Royalties	(5.01)	(3.29)	(4.75)	(5.65)
Transportation expense	(4.94)	(5.52)	(4.71)	(4.83)
Net operating expense ⁽²⁾	(11.47)	(11.91)	(11.49)	(11.81)
Operating netback ⁽²⁾	21.59	24.07	21.72	29.81
General and administrative expense	(0.84)	(0.96)	(0.85)	(0.92)
Cash share-based compensation expense	(0.42)	—	(0.27)	0.15
Financing costs ⁽³⁾	(1.30)	(1.59)	(1.27)	(1.62)
Current income tax recovery (expense)	(0.51)	0.99	(0.77)	—
Corporate netback ⁽²⁾	18.52	22.51	18.56	27.42

⁽¹⁾ For the three and six months ended June 30, 2024, includes price risk management gains of \$1.11/Boe and \$1.01/Boe (2023 – gains of \$0.77/Boe and \$0.03/Boe, respectively) on physical delivery sales contracts.

⁽²⁾ Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards 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, 2024 and 2023:

\$/Boe	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Net operating expense ⁽¹⁾	11.47	11.91	11.49	11.81
Transportation expense	4.94	5.52	4.71	4.83
General and administrative expense	0.84	0.96	0.85	0.92
Financing costs ⁽²⁾	1.30	1.59	1.27	1.62
Current income tax expense (recovery)	0.51	(0.99)	0.77	—
Total cash costs ⁽¹⁾	19.06	18.99	19.09	19.18

⁽¹⁾ Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards 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⁾ Excludes accretion expense.

OPERATING RESULTS

Operations activity

The following table sets forth NuVista's drilling activity:

Number of wells	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Wells drilled - gross (net) ⁽¹⁾	11 (11)	13 (12.8)	20 (20)	25 (24.5)
Wells completed - gross (net) ⁽²⁾	8 (8)	14 (14.0)	26 (26)	31 (30.2)
Wells brought on production - gross (net) ⁽³⁾	17 (17)	12 (12.0)	26 (26)	26 (25.2)

⁽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.

Q2 2024

NuVista invested \$115.5 million in development projects during the second quarter of 2024. These development projects included facility and pipeline projects, in addition to drilling 11 (11 net) wells with a total of 17 (17 net) wells brought on production throughout the second quarter.

Q2 YTD 2024

Year-to-date NuVista invested \$304.7 million in development projects, including 20 (20 net) wells drilled and 26 (26 net) wells brought on production.

Production

	Three months ended June 30			Six months ended June 30		
	2024	2023	% Change	2024	2023	% Change
Natural gas (Mcf/d)	299,807	256,572	17	296,302	254,929	16
Condensate (Bbls/d)	25,761	21,990	17	24,991	22,435	11
NGLs (Bbls/d)	7,424	6,277	18	7,223	6,195	17
Total (Boe/d) ⁽¹⁾	83,152	71,029	17	81,597	71,119	15
Condensate & NGLs weighting ⁽²⁾	40%	40%		39%	40%	
Condensate weighting ⁽²⁾	31%	31%		31%	32%	

⁽¹⁾ Production represents the average daily production for the applicable period.

⁽²⁾ Product weighting is based on total production.

Production volumes for the second quarter of 2024 averaged 83,152 Boe/d, a 4% increase compared to an average of 80,042 Boe/d for the first quarter of 2024. Production volumes in the second quarter were positively impacted by the addition of 17 wells brought online, with both periods impacted by planned and unplanned downtime at owned and third-party facilities which led to the temporary shut-in of production. The second quarter production of 83,152 Boe/d was above NuVista's second quarter guidance range of 80,000 - 83,000 Boe/d.

Q2 2024 compared to Q2 2023

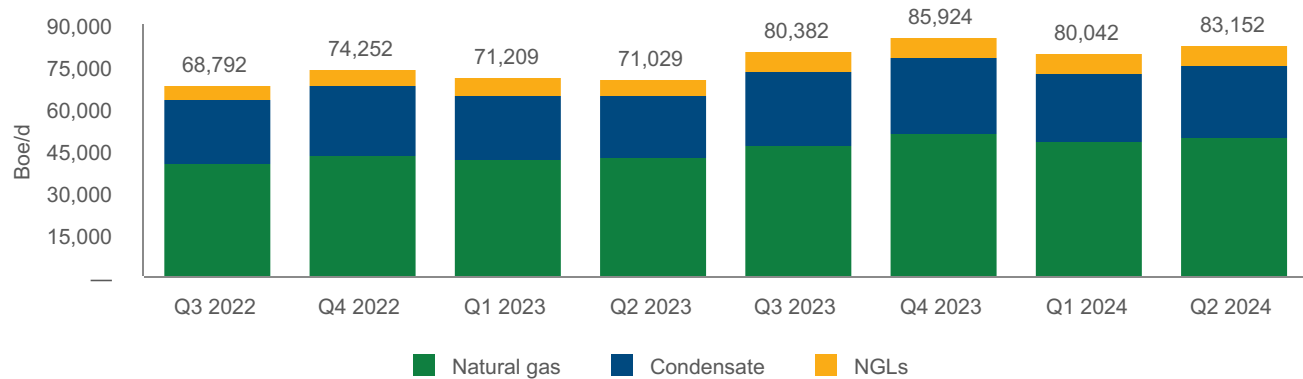
Production volumes for three months ended June 30, 2024 increased 17% compared to an average of 71,029 Boe/d for the same period in 2023. The increase was largely due to new well production growth and the optimization of existing production, partially offset by natural production declines and scheduled downtime.

Q2 YTD 2024 compared to Q2 YTD 2023

Production volumes for the six months ended June 30, 2024, averaged 81,597 Boe/d, an increase of 15% compared to an average of 71,119 Boe/d for the same period in 2023, for similar reasons as noted above.

Condensate volume weighting for the three and six months ended June 30, 2024, was 31% and 31% compared to 31% and 32% in the prior year comparative periods.

Average Daily Production



Commodity Pricing

	Three months ended June 30			Six months ended June 30		
	2024	2023	% change	2024	2023	% change
Realized selling prices^{(1),(2)}						
Natural gas (\$/Mcf)	2.25	3.29	(32)	2.66	5.14	(48)
Condensate (\$/Bbl)	103.89	94.92	9	99.63	98.16	1
NGLs (\$/Bbl) ^{(3), (4)}	27.44	26.51	4	27.34	32.78	(17)
Barrel of oil equivalent (\$/Boe)	42.73	43.64	(2)	42.58	52.23	(18)
Benchmark pricing						
Natural gas - AECO 5A daily index (Cdn\$/Mcf)	1.18	2.45	(52)	1.84	2.83	(35)
Natural gas - AECO 7A monthly index (Cdn\$/Mcf)	1.44	2.35	(39)	1.74	3.34	(48)
Natural gas - NYMEX (monthly) (US\$/MMBtu)	1.89	2.10	(10)	2.07	2.76	(25)
Natural gas - Chicago Citygate (monthly) (US\$/MMBtu)	1.60	1.99	(20)	2.05	3.12	(34)
Natural gas - Dawn (daily) (US\$/MMBtu)	1.66	2.05	(19)	1.96	2.39	(18)
Natural gas - Malin (monthly) (US\$/MMBtu)	1.39	2.97	(53)	2.40	10.97	(78)
Crude Oil - WTI (US\$/Bbl)	80.62	73.78	9	78.79	74.96	5
Crude Oil - Edmonton Par - (Cdn\$/Bbl)	105.38	95.66	10	98.81	97.50	1
Condensate - @ Edmonton (Cdn\$/Bbl)	105.67	97.32	9	101.92	102.65	(1)
Condensate - Average C5-WTI differential (US\$/Bbl)	(3.38)	(1.39)	143	(3.78)	1.17	(423)
Exchange rate - (Cdn\$/US\$)	1.37	1.34	2	1.36	1.35	1

⁽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⁾ NGLs include butane, propane and ethane revenue and sales volumes, and sulphur revenue.

⁽⁴⁾ Sulphur revenue (expense) for the three and six months ended June 30, 2024 was \$(0.9) million and \$(1.9) million (2023 - \$1.4 million and \$3.5 million, respectively)

Crude Oil and Condensate

Worldwide supply and demand factors are the primary determinant in the benchmark prices for crude oil, however, regional market and transportation issues also influence prices. NuVista compares its condensate price to the West Texas Intermediate (WTI) benchmark price, which is priced at Cushing, Oklahoma and the Edmonton condensate (Edmonton Par) benchmark price, which is priced at Edmonton, Alberta. The differential between the WTI crude oil price and Edmonton condensate price can widen due to a number of factors, including, but not limited to maintenance at North American refineries, domestic production, particularly oil sands production, inventory levels and a lack of pipeline infrastructure connecting the key consuming oil markets.

In the second quarter of 2024, the WTI benchmark averaged US\$80.62/Bbl, a 9% increase from the second quarter of 2023 and a 5% increase from first quarter of 2024, which averaged US\$76.96/Bbl. Crude oil prices have remained relatively steady in the first half of the year, with steady supply and demand fundamentals. The OPEC oil cuts made in 2023 have been extended on a monthly basis and are expected to continue until the end of 2025. Total U.S. production has continued to grow at a moderate pace as shale producers show discipline in their capital programs. Consumption in China has largely recovered to 2019 levels, but growth has been moderate, with some economic uncertainty. The U.S. has begun to refill the strategic petroleum reserves but at a very slow pace. Ongoing geopolitical tensions, including the Russia-Ukraine war and conflicts in the Middle East, continue to create uncertainty in the oil markets and pose potential supply disruption risk.

With growth in heavy oil production in Canada, demand for condensate has been strong. Additionally, Canadian condensate pricing has been strengthened by a weakening Canadian dollar and narrowing differentials to WTI. In the second quarter of 2024, condensate differentials from WTI averaged a negative US\$3.38/Bbl, with average condensate prices continuing to outperform other natural gas liquid prices. The Edmonton marker averaged \$105.67/Bbl in the second quarter of 2024. With the Trans Mountain expansion (“TMX”) starting in May of 2024, it is expected that these narrower differentials will persist.

Natural Gas Liquids

Average realized NGL pricing was slightly higher in the second quarter of 2024 compared to the second quarter of 2023. Butane prices were stronger due to their correlation with WTI prices, which were higher than the previous year. Propane prices have remained relatively stable year-over-year but are lower compared to the first quarter of 2024, which is typical due to increased heating demand during winter months. Conversely, ethane prices have weakened due to lower natural gas pricing at AECO.

Natural Gas

Canadian natural gas prices are mainly influenced by North American supply and demand fundamentals which can be affected by various factors, including: weather conditions in key consuming markets, competition from alternative energy sources, changing demographics, economic growth or contraction, gas storage levels, net import and export markets, pipeline takeaway capacity, and drilling and completion efficiencies in extracting natural gas from North American natural gas basins. While NuVista is well positioned to take advantage of improved AECO pricing, it has also engaged in an active market diversification strategy. Through this market diversification strategy, NuVista has entered into various gas marketing and transportation arrangements to diversify and gain exposure to alternative natural gas markets in North America

In the second quarter of 2024, NYMEX natural gas prices averaged US\$1.89/MMBtu, a 10% decrease from the second quarter of 2023 and a 16% decrease from the first quarter of 2024, which averaged \$2.24/MMBtu. Similarly, AECO natural gas prices averaged \$1.44/Mcf in the second quarter of 2024 reflecting a 39% decrease from the second quarter of 2023 and 30% from the first quarter of 2024, which averaged \$2.05/Mcf. The winter months of 2024 were unseasonably warm in most key consuming regions, leading to storage withdrawals well below average and resulting in larger than expected remaining inventory volumes. Although AECO differentials were very wide at the end of 2022 due to the elevated NYMEX prices, they have since narrowed as U.S. gas prices have weakened amid an oversupplied market. Continued Nova debottlenecking, growth in local demand, and the eventual commissioning of LNG facilities on the West Coast are expected to support narrower AECO differentials.

Revenue

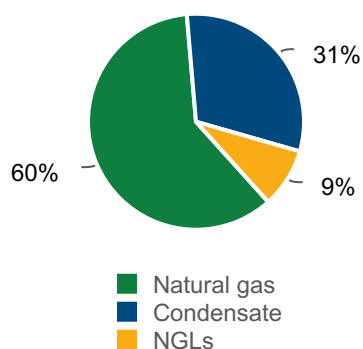
Petroleum and natural gas revenues

(\$ thousands, except % amounts)	Three months ended June 30				Six months ended June 30			
	2024		2023		2024		2023	
	\$	% of total	\$	% of total	\$	% of total	\$	% of total
Natural gas ⁽¹⁾	61,258	19	76,984	27	143,277	22	236,861	35
Condensate	243,551	75	189,936	67	453,157	72	398,604	59
NGLs ⁽²⁾	18,541	6	15,144	6	35,940	6	36,762	6
Total petroleum and natural gas revenues	323,350		282,064		632,374		672,227	

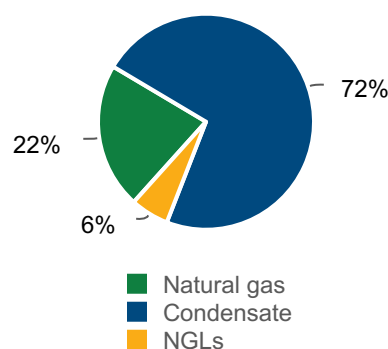
⁽¹⁾ Natural gas revenue includes price risk management gains and losses on physical delivery sale contracts. For the three and six months ended June 30, 2024, our physical delivery sales contracts resulted in gains of \$8.4 million and \$15.0 million, respectively (2023 – gains of \$5.0 million and \$0.3 million, respectively).

⁽²⁾ Includes butane, propane, ethane and sulphur.

Year to date ended June 30, 2024
Production mix (Boe/d)



Year to date ended June 30, 2024
Revenue by product type (\$)



Petroleum and natural gas revenues increased 5% to \$323.4 million for the second quarter of 2024 compared to \$309.0 million for the first quarter of 2024. The increase was due to a 4% increase in production volumes partially offset by a 1% decrease in the average realized selling price. While the realized selling price for natural gas decreased 27% from \$3.08/Mcf in the first quarter, this was offset by a 9% increase in the realized selling price for condensate, which increased from \$95.10/Bbl over the same period.

Q2 2024 compared to Q2 2023

Petroleum and natural gas revenues increased 15% for the three months ended June 30, 2024, compared to \$282.1 million for the same period in 2023. The increase was primarily due to a 17% increase in production volumes, partially offset by a 2% decrease in the average per Boe realized selling price.

Condensate volumes averaged 31% of total production in the second quarter of 2024, contributing 75% of total petroleum and natural gas revenues.

Q2 YTD 2024 compared to Q2 YTD 2023

Petroleum and natural gas revenues decreased 6% to \$632.4 million for the six months ended June 30, 2024, compared to \$672.2 million for the same period in 2023. The decrease was primarily due to an 18% decrease in the average per Boe realized selling price, partially offset by a 15% increase in production.

Condensate volumes averaged 31% of total production in the first half of 2024, contributing 72% of total petroleum and natural gas revenues.

Condensate revenue

For the three months ended June 30, 2024, condensate revenue increased 28% to \$243.6 million from \$189.9 million for the same period in 2023. The increase was due to a 9% increase in the average realized selling price in addition to a 17% increase in production volumes. Similarly, for the six months ended June 30, 2024, condensate revenue increased 14% to \$453.2 million from \$398.6 million for the same period in 2023. The increase was supported by a 1% increase in the average realized selling price in addition to an 11% increase in production volumes.

Strong demand for condensate in Alberta results in Edmonton condensate benchmark price trading at a premium to Canadian light oil prices. NuVista's realized condensate price includes adjustments for fractionation fees and quality differentials. The average realized condensate price was \$103.89/Bbl and \$99.63/Bbl for the three and six months ended June 30, 2024, compared to \$94.92/Bbl and \$98.16/Bbl for the comparable periods of 2023, and \$95.10/Bbl for the first quarter of 2024.

Natural gas liquids revenue

For the three months ended June 30, 2024, NGL revenue increased 22% to \$18.5 million from \$15.1 million for the same period in 2023. The increase was due to a 4% increase in the average realized selling price and an 18% increase in NGL production volumes. For the six months ended June 30, 2024, NGL revenue decreased 2% to \$35.9 million from \$36.8 million for the same period in 2023. The decrease was due to a 17% decrease in the average realized selling price partially offset by a 17% increase in NGL production volumes.

The average realized selling price for NGLs was \$27.44/Bbl and \$27.34/Bbl for the three and six months ended June 30, 2024, compared to \$26.51/Bbl and \$32.78/Bbl for the comparable periods of 2023, and \$27.23/Bbl for the first quarter of 2024. NGL revenue includes sulphur revenue, which decreased 155% compared to 2023. Sulphur revenues are inherently very volatile and not typically a material portion of NuVista's NGL revenue composition.

Natural gas revenue

For the three months ended June 30, 2024, natural gas revenue decreased 20% to \$61.3 million from \$77.0 million for the same period in 2023. The decrease was due to a 32% decrease in the average realized selling price partially offset by a 17% increase in natural gas production volumes. Similarly, for the six months ended June 30, 2024, natural gas revenue decreased 40% to \$143.3 million from \$236.9 million for the same period in 2023. The decrease was due to a 48% decrease in the average realized selling price partially offset by a 16% increase in natural gas production volumes.

Excluding the impact of realized gains (losses) on physical sales contracts, the average realized selling price for natural gas was \$1.94/Mcf and \$2.38/Mcf for the three and six months ended June 30, 2024, compared to \$3.08/Mcf and \$5.13/Mcf for the comparable periods of 2023, and \$2.83/Mcf in the first quarter of 2024.

NuVista'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	
	2024	2023	2024	2023
AECO physical deliveries	52 %	43 %	50 %	41 %
Dawn physical deliveries	14 %	17 %	14 %	17 %
Malin physical deliveries	12 %	14 %	13 %	15 %
Chicago physical deliveries	22 %	26 %	23 %	27 %

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 NuVista has in place to diversify and gain exposure to alternative natural gas markets in North America. For the three months ended June 30, 2024, NuVista delivered 52% of its natural gas production to AECO, 14% to Dawn, 12% to Malin, and 22% to Chicago. NuVista's existing contracts for firm transportation on export pipelines coupled with the financial AECO-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.

Commodity price risk management

NuVista is exposed to commodity price risk as prices for its natural gas, natural gas liquids and condensate fluctuate due to various local and global factors, including supply and demand, inventory levels, weather patterns, pipeline transportation constraints, political stability, and economic factors. To manage this risk, NuVista has a disciplined commodity price risk management program as part of its overall financial risk management strategy. The program aims to reduce volatility in financial results and stabilize adjusted funds flow against unpredictable commodity prices. 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 and natural gas, differentials and basis may be made in Canadian or U.S. dollars at the time the position is established, and the U.S. 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.

Q2 2024 compared to Q2 2023

Three months ended June 30

(\$ thousands)	2024			2023		
	Realized gain	Unrealized gain	Total gain	Realized gain	Unrealized gain (loss)	Total gain
Natural Gas	1,989	87,133	89,122	6,397	34,337	40,734
Crude Oil	—	—	—	1,019	(628)	391
Gain on financial derivatives	1,989	87,133	89,122	7,416	33,709	41,125

For the three months ended June 30, 2024, the commodity price contracts in place under NuVista's risk management program resulted in a total gain of \$89.1 million, consisting of a realized gain of \$2.0 million and an unrealized gain of \$87.1 million. The realized gain of \$2.0 million pertained to natural gas financial derivative contracts.

For the same period in 2023, the commodity price contracts in place resulted in a total gain of \$41.1 million, consisting of a realized gain of \$7.4 million and an unrealized gain of \$33.7 million. The realized gain of \$7.4 million consisted of a \$6.4 million gain on natural gas financial derivative contracts and a \$1.0 million gain on crude oil financial derivative contracts.

Q2 YTD 2024 compared to Q2 YTD 2023

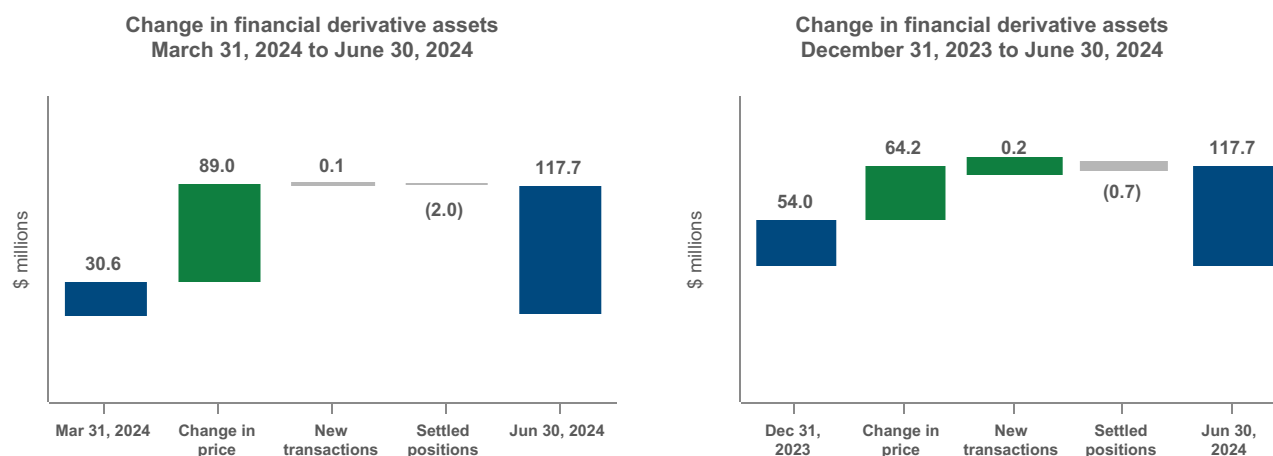
Six months ended June 30

(\$ thousands)	2024			2023		
	Realized gain	Unrealized gain	Total gain	Realized loss	Unrealized loss	Total loss
Natural Gas	698	63,671	64,369	(753)	(20,482)	(21,235)
Crude Oil	—	—	—	(921)	(1,072)	(1,993)
Gain (loss) on financial derivatives	698	63,671	64,369	(1,674)	(21,554)	(23,228)

For the six months ended June 30, 2024, the commodity price contracts in place under NuVista's risk management program resulted in a total gain of \$64.4 million, consisting of a realized gain of \$0.7 million and an unrealized gain of \$63.7 million. The realized gain of \$0.7 million pertained to natural gas financial derivative contracts.

For the same period in 2023, the commodity price contracts in place resulted in a total loss of \$23.2 million, consisting of a realized loss of \$1.7 million and an unrealized loss of \$21.6 million. The realized loss of \$1.7 million consisted of a \$0.8 million loss on natural gas financial derivative contracts and a \$0.9 million loss on crude oil financial derivative contracts.

The fair value of financial derivative contracts is recorded on the statements of financial position. Unrealized gains and losses represent 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. Due to the volatility in crude oil and natural 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.



Financial instruments

The following is a summary of the financial derivatives contracts NuVista has in place as at June 30, 2024:

Term ⁽¹⁾	AECO-NYMEX basis swap	
	MMBtu/d	US\$/MMBtu
2024	100,000	(1.00)
2025	105,000	(0.96)
2026	187,500	(0.92)
2027	140,000	(0.91)
2028	97,500	(0.99)
2029	25,000	(0.98)
2030	20,000	(1.00)

⁽¹⁾ Table presented as weighted average volumes and prices.

Term ⁽¹⁾	AECO fixed price swap	
	GJ/d	Cdn\$/GJ
2024	15,000	4.00
2025	20,863	3.70

⁽¹⁾ Table presented as weighted average volumes and prices.

Physical delivery sales contracts

NuVista also enters into physical delivery sales contracts to manage commodity price risk. These contracts are not considered to be financial derivative contracts and therefore not recorded at fair value. Instead, they are considered sales contracts and are recorded in the statement of earnings at cost at the time of transaction.

The following is a summary of the physical delivery sales contracts in place as at June 30, 2024:

Term ⁽¹⁾	AECO fixed price swap		AECO-NYMEX basis	
	GJ/d	Cdn\$/GJ	MMBtu/d	US\$/MMBtu
2024	35,000	4.01	—	—
2025	40,863	3.85	5,000	(1.15)

⁽¹⁾ Table presented as weighted average volumes and prices.

The physical delivery sales contracts in place under NuVista's risk management program resulted in gains of \$8.4 million and \$15.0 million for the three and six months ended June 30, 2024, compared to gains of \$5.0 million and \$0.3 million for the comparable periods of 2023, and a gain of \$6.6 million for the three months ended March 31, 2024.

NuVista currently possesses swaps which cover 16% of projected 2024 natural gas production at an average floor price of C\$4.18/Mcf (hedged and exported volumes converted to an AECO equivalent price). These percentage figures relate to production net of royalty volumes.

Royalties

(\$ thousands, except % and per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Gross royalties	47,664	47,552	94,167	109,136
Gas cost allowance	(9,741)	(26,281)	(23,665)	(36,369)
Net royalties	37,923	21,271	70,502	72,767
Gross royalty % excluding physical delivery sales contracts ⁽¹⁾	15.1	17.2	15.3	16.2
Gross royalty % including physical delivery sales contracts	14.7	16.9	14.9	16.2
Net royalty %	11.7	7.5	11.1	10.8
Net royalties \$/Boe	5.01	3.29	4.75	5.65

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

Gross royalties for the second quarter of 2024, increased 2% to \$47.7 million compared to \$46.5 million for the first quarter of 2024. However, gross royalties as a percentage of total petroleum and natural gas revenues decreased to 15.1% from 15.4%, due primarily to new wells being brought online attracting a lower initial royalty rate.

Q2 2024 compared to Q2 2023

For the three months ended June 30, 2024, and June 30, 2023, gross royalties remained relatively consistent at \$47.7 million and \$47.6 million, respectively. However, gross royalties as a percentage of petroleum and natural gas revenues decreased to 15.1% from 17.2% for the same comparative period, due to a higher number of new wells attracting a lower initial royalty rate under Alberta's royalty incentive program after which an increased royalty rate is applied.

Q2 YTD 2024 compared to Q2 YTD 2023

For the six months ended June 30, 2024, gross royalties decreased 14% to \$94.2 million from \$109.1 million for the same period in 2023. Similarly, gross royalties as a percentage of petroleum and natural gas revenues were lower at 15.3% for the six months ended June 30, 2024 compared to 16.2% for the six months ended June 30, 2023. The decrease in gross royalties on both an absolute basis and as a percentage of petroleum and natural

gas revenues, was primarily due to weaker commodity prices resulting in a decrease in the average reference price on which NuVista's royalty obligations are calculated.

NuVista receives gas cost allowance ("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. The annual GCA adjustment recognized in June of 2024 was an expense adjustment compared to a credit adjustment recognized in June of 2023. Net royalties and net royalties as a percentage of petroleum and natural gas revenues were higher for the three months and six months ended June 30, 2024, compared to the same periods in 2023, due to the annual GCA adjustments.

The gross natural gas and liquids (condensate and NGL) royalty rates for the three months ended June 30, 2024, were 5% and 17% compared to 5% and 21% respectively, in the comparative period of 2023. Compared to the first quarter, the gross natural gas rate increased from 3% and the liquids royalty rate decreased slightly from 19%. The gross natural gas and liquids (condensate and NGL) royalty rates for the six months ended June 30, 2024 were 4% and 18% compared to 6% and 22% respectively, in the comparative periods of 2023.

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

Net operating expense

(\$ thousands, except per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Operating expense	89,009	76,979	175,808	152,020
Other income	(2,234)	—	(5,203)	—
Net operating expense ⁽¹⁾	86,775	76,979	170,605	152,020
Net operating expense \$/Boe ⁽²⁾	11.47	11.91	11.49	11.81

⁽¹⁾ Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards 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 Accounting Standards 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".

Net operating expense for the second quarter of 2024 increased 4% to \$86.8 million compared to \$83.8 million for the first quarter of 2024, due to 4% increase in production volumes. On a \$/Boe basis, net operating expense decreased to \$11.47/Boe from \$11.51/Boe, over this same period.

Q2 2024 compared to Q2 2023

For the three months ended June 30, 2024, net operating expense increased 13% compared to \$77.0 million for the same period in 2023. This increase was due to higher variable costs associated with the 17% increase in production volumes, partially offset by lower power and utility costs. On a \$/Boe basis, net operating expense decreased 4% to \$11.47/Boe for the three months ended June 30, 2024, compared to \$11.91/Boe for the same period in 2023. The decrease in net operating expense on a \$/Boe basis was largely due to the increase in production volumes, which allowed fixed costs to be spread across more producing barrels of oil equivalent.

Q2 YTD 2024 compared to Q2 YTD 2023

For the six months ended June 30, 2024, net operating expense increased 12% to \$170.6 million compared to \$152.0 million for the same period in 2023. On a \$/Boe basis, net operating expense decreased 3% to \$11.49/Boe for the six months ended June 30, 2024, compared to \$11.81/Boe for the same period in 2023. This change in both absolute and \$/Boe operating expenses was due to similar reasons as noted above.

The capital fees associated with the Pipestone South gas processing lease and gas transportation lease is excluded from net operating expenses and classified as a lease under *IFRS 16 - Leases*. For both the three and six months ended June 30, 2024, total payments of \$4.9 million under these two leases were excluded from net operating expenses and accounted for under the lease standard, compared to total payments of \$4.9 million in both comparable periods of 2023.

Transportation expense

(\$ thousands, except per unit and per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Natural gas transportation expense	20,854	19,407	41,357	38,973
Condensate & NGL transportation expense	16,506	16,251	28,529	23,139
Transportation expense	37,360	35,658	69,886	62,112
Natural gas transportation \$/Mcf ⁽¹⁾	0.76	0.83	0.77	0.84
Condensate & NGL transportation \$/Bbl	5.47	6.32	4.87	4.47
Transportation expense \$/Boe	4.94	5.52	4.71	4.83

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

Transportation expense on an absolute and \$/Boe basis increased in the second quarter of 2024 to \$37.4 million and \$4.94/Boe compared to \$32.5 million and \$4.47/Boe in the first quarter of 2024. This increase was due to the impact of a third-party credit adjustment recorded in the first quarter of 2024.

Q2 2024 compared to Q2 2023

Transportation expense for the three months ended June 30, 2024, increased 5% compared to \$35.7 million for the same period in 2023. On a \$/Boe basis, transportation expense for the three months ended June 30, 2024, decreased 11% to \$4.94/Boe compared to \$5.52/Boe for the comparable period of 2023. The increase in transportation expense on an absolute basis can be largely attributed to natural gas transportation as a result of rate increases on the NOVA Gas Transmission Ltd. ("NGTL") system effective at the January 1, 2024. On a \$/Boe basis, transportation expense decreased due to the 17% increase in production volumes.

Natural gas transportation expense decreased 8% to \$0.76/Mcf for the three months ended June 30, 2024, compared to \$0.83/Mcf for the comparable period of 2023. Similarly, condensate & NGL transportation expense decreased 13% to \$5.47/Bbl for the three months ended June 30, 2024, compared to \$6.32/Bbl for the comparable period of 2023.

Q2 YTD 2024 compared to Q2 YTD 2023

Transportation expense for the six months ended June 30, 2024, increased 13% to \$69.9 million compared to \$62.1 million for the same period in 2023. On a \$/Boe basis, transportation expense for the six months ended June 30, 2024, decreased 2% to \$4.71/Boe compared to \$4.83/Boe for the comparable period of 2023. The increase in transportation expense on an absolute basis can be largely attributed to the reasons noted above, in addition to incremental trucking costs incurred due to downtime at owned and third-party facilities for planned turnaround activity. Additionally, the impact of changes in third-party credit adjustments recognized in both the first half of 2024 and 2023 contributed to the increase. On a \$/Boe basis, transportation expense decreased due to the 15% increase in production volumes.

Natural gas transportation expense decreased 8% to \$0.77/Mcf for the six months ended June 30, 2024, compared to \$0.84/Mcf for the comparable period of 2023. Conversely, condensate & NGL transportation expense increased 9% to \$4.87/Bbl for the six months ended June 30, 2024, compared to \$4.47/Bbl for the comparable period of 2023.

General and administrative expense (“G&A”)

(\$ thousands, except per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Gross G&A expense	8,366	8,375	16,692	16,460
Overhead recoveries	(603)	(861)	(1,210)	(1,833)
Capitalized G&A	(1,405)	(1,324)	(2,895)	(2,728)
G&A expense	6,358	6,190	12,587	11,899
Gross G&A expense \$/Boe	1.11	1.30	1.12	1.28
G&A expense \$/Boe	0.84	0.96	0.85	0.92

G&A expense on an absolute basis for the first and second quarter of 2024 were relatively comparable at \$6.2 million and \$6.4 million, respectively. On a \$/Boe basis, G&A expense for the second quarter of 2024 decreased 2% to \$0.84/Boe compared to \$0.86/Boe for the first quarter of 2024.

Q2 2024 compared to Q2 2023

G&A expense on an absolute basis, increased 3% for the three months ended June 30, 2024 compared to \$6.2 million for the same period in 2023, due to lower overhead recoveries. On a \$/Boe basis, G&A expense decreased 15% to \$0.84/Boe for the three months ended June 30, 2024, compared to \$0.96/Boe for the comparable period of 2023, due to the 17% increase in production volumes.

Q2 YTD 2024 compared to Q2 YTD 2023

G&A expense on an absolute basis, increased 6% to \$12.6 million for the six months ended June 30, 2024 compared to \$11.9 million for the same period in 2023, due to general economic inflation, compensation related matters and lower overhead recoveries. On a \$/Boe basis, G&A expense decreased 13% to \$0.85/Boe for the six months ended June 30, 2024 compared to \$0.92/Boe for the comparable period of 2023, due to the 15% increase in production volumes.

NuVista’s base rent for its head office is excluded from G&A expense and classified as a lease under *IFRS 16 - Leases*. For both the three and six months ended June 30, 2024, total payments of \$0.2 million were excluded from gross G&A expense and accounted for under the lease standard.

Share-based compensation expense

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Stock options	584	387	1,131	861
Restricted share awards	642	558	1,273	1,094
Performance share awards	1,086	1,062	2,283	3,581
Non-cash share-based compensation expense	2,312	2,007	4,687	5,536
Director deferred share units	3,121	33	3,990	(1,844)
Restricted share units	25	(18)	39	(147)
Cash share-based compensation expense	3,146	15	4,029	(1,991)
Total share-based compensation expense	5,458	2,022	8,716	3,545

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 for the director deferred share units (“DSU”), the restricted share units (“RSU”) and the performance share units (“PSU”). 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, exercised or settled 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 awards as result of the change in share price from the beginning of the period to the end of the period.

Q2 2024 compared to Q2 2023

For the three months ended June 30, 2024, the increase in total share-based compensation over the prior year comparative period was primarily a result of the increase in DSU expense and a corresponding increase in the recorded liability due to the increase in NuVista's share price from \$11.88 per share at March 31, 2024 to \$14.22 per share at June 30, 2024.

Q2 YTD 2024 compared to Q2 YTD 2023

For the six months ended June 30, 2024, the increase in total share-based compensation was primarily due to the increase in DSU expense recorded throughout 2024 due to changes in NuVista's share price as compared to the prior year comparative period. NuVista's closing share price on June 30, 2024 was \$14.22 per share compared to \$11.04 per share at December 31, 2023.

Financing costs

(\$ thousands, except per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Interest on long-term debt (credit facility)	2,826	1,254	4,636	2,262
Interest on senior unsecured notes (2026 Notes)	3,459	4,289	7,131	9,190
Early redemption expense on 2026 Notes	—	1,095	—	2,604
Interest expense	6,285	6,638	11,767	14,056
Lease interest expense	3,560	3,638	7,163	6,744
Accretion expense	790	728	1,595	1,483
Total financing costs	10,635	11,004	20,525	22,283
Interest expense \$/Boe	0.83	1.03	0.79	1.09
Total financing costs \$/Boe	1.41	1.70	1.38	1.73

For the second quarter of 2024, total financing costs increased 8% to \$10.6 million compared to \$9.9 million for the first quarter of 2024. Similarly, on a \$/Boe basis total financing costs were higher at \$1.41/Boe for the second quarter of 2024 compared to \$1.36/Boe for the first quarter of 2024. This increase was largely due to higher average borrowing on NuVista's credit facility throughout the period.

Q2 2024 compared to Q2 2023

For the three months ended June 30, 2024, total financing costs were \$10.6 million compared to \$11.0 million for the same period in 2023. Similarly, for the three months ended June 30, 2024, total financing costs on a \$/Boe basis were \$1.41/Boe compared to \$1.70/Boe for the same period in 2023. The decrease in total financing costs, both on an absolute and \$/Boe basis, was primarily due to lower interest and early redemption expense related to NuVista's 2026 Notes. This was partially offset by higher average borrowing on NuVista's credit facility, increasing interest on long-term debt. The average interest rate on long-term debt for the three months ended June 30, 2024, and June 30, 2023 was 7.3% and 7.4%, respectively. Interest expense on long-term debt includes interest standby charges on NuVista's credit facility.

Q2 YTD 2024 compared to Q2 YTD 2023

For the six months ended June 30, 2024, total financing costs were \$20.5 million compared to \$22.3 million for the same period in 2023. Similarly, for the three months ended June 30, 2024, total financing costs on a \$/Boe basis were \$1.38/Boe compared to \$1.73/Boe for the same period in 2023. The decrease in total financing costs, both on an absolute and \$/Boe basis, was due to the reasons noted above. Specifically, in 2023 NuVista's repurchased and cancelled \$55.2 million in aggregate principal of its 2026 Notes, causing lower interest expense in 2024. This was partially offset by higher interest on long-term debt, due to higher average borrowings on NuVista's credit facility. The average interest rate on long-term debt for the six months ended June 30, 2024, and June 30, 2023 was 7.4% and 7.5%, respectively.

Depletion, depreciation and amortization (“DD&A”)

(\$ thousands, except per Boe amounts)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Depletion and depreciation of property, plant and equipment	82,218	55,051	149,279	114,366
Depreciation of right-of-use assets	2,509	2,479	5,019	4,720
DD&A expense	84,727	57,530	154,298	119,086
DD&A expense \$/Boe	11.20	8.90	10.39	9.25

Q2 2024 compared to Q2 2023

For the three months ended June 30, 2024, DD&A expense increased 47% to \$84.7 million from \$57.5 million for the same period in 2023, largely due to a 17% increase in production volumes on which depletion expense is based. Similarly, on a \$/Boe basis DD&A expense was higher at \$11.20/Boe for the three months ended June 30, 2024 compared to \$8.90/Boe for the same period in 2023.

In addition, 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 months ended June 30, 2024, there was a one-time adjustment to certain well abandonment liability costs estimates, resulting in a corresponding accelerated depletion charge of \$2.07/Boe, compared to a recovery of \$0.01/Boe for the same period in 2023. For the three months ended June 30, 2024, DD&A expense on a \$/Boe basis, excluding the impact of accelerated depletion, was \$9.13/Boe, compared to the prior year comparative period of \$8.91/Boe.

Q2 YTD 2024 compared to Q2 YTD 2023

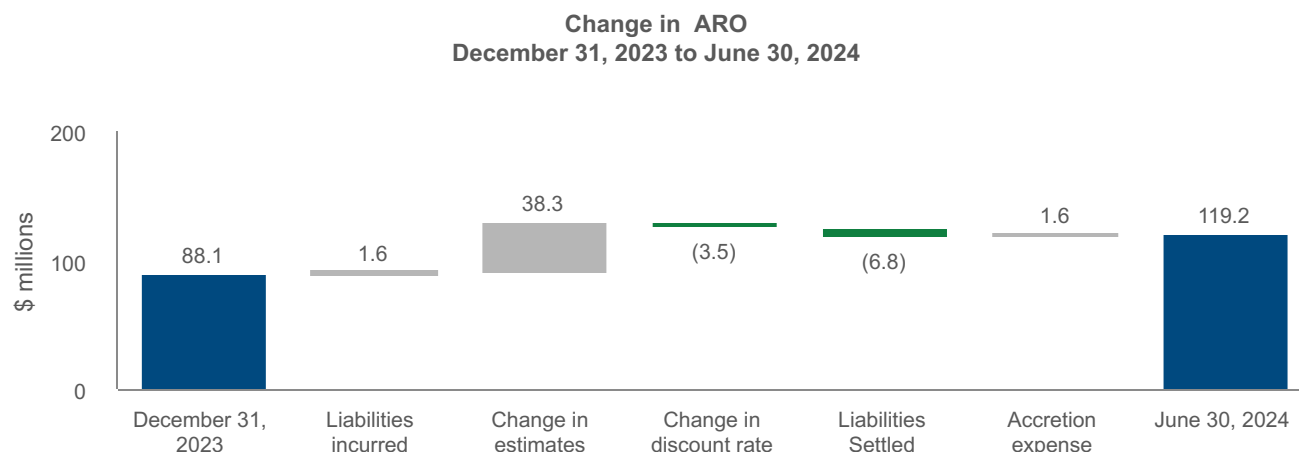
For the six months ended June 30, 2024, DD&A expense increased 30% to \$154.3 million from \$119.1 million for the same period in 2023, largely due to a 15% increase in production volumes on which depletion expense is based. Similarly, on a \$/Boe basis DD&A expense was higher at \$10.39/Boe for the six months ended June 30, 2024, compared to \$9.25/Boe for the same period in 2023.

For the six months ended June 30, 2024, DD&A expense as on a \$/Boe basis, excluding the impact of accelerated depletion, was \$9.14/Boe, compared to the prior year comparative period of \$8.93/Boe.

DD&A expense on a \$/Boe basis for NuVista’s Montney cash generating unit (“CGU”) for the three and six months ended June 30, 2024, increased to \$8.76/Boe and \$8.78/Boe compared to \$8.53/Boe and \$8.61/Boe for the comparable periods of 2023. The increases were primarily a result of the increase in the depletable base and the increase in production volumes on which depletion expense is based.

On June 30, 2024, there were no indicators of impairment identified on any of NuVista’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, 2024, NuVista had an ARO balance of \$119.2 million as compared to \$88.1 million as at December 31, 2023. At June 30, 2024, the estimated total undiscounted and uninflated amount of cash required to settle NuVista’s ARO was \$155.4 million (December 31, 2023 – \$118.0 million), with an estimated 32% to be incurred within the next 10 years. The Government of Canada long-term risk-free bond rate of 3.4% (December 31, 2023 – 3.0%) and an inflation rate of 1.8% (December 31, 2023 – 1.6%) were used to calculate the net present value of the asset retirement obligations as of June 30, 2024. Similarly, 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 1.6% as of June 30, 2024 (December 31, 2023 - 1.4%). ARO expenditures for the six months ended June 30, 2024 were \$6.8 million compared to \$11.2 million for the year ended December 31, 2023.

NuVista’s ARO liability increased by \$31.1 million in 2024 due primarily to a \$38.3 million increase in ARO cost estimates and \$1.6 million of liabilities incurred as a result of new wells drilled, partially offset by a \$3.5 million decrease as a result of a change in the discount rate used to value the liability, in addition to \$6.8 million of liabilities settled. The increase in NuVista’s cost estimates was largely attributed to well abandonment cost estimates, which management bases on internal data, industry benchmarks and government data. Specifically, on June 26, 2024, the Alberta Energy Regulator (“AER”) released an updated Directive 011 (“D11”) “*Licensee Liability Rating (LLR) Program Updated Industry Parameters and Liability Costs,*” providing updated well abandonment cost estimates based on a comprehensive study of industry costs. As a result of the updates to D11, NuVista has factored these results into its revised liability cost estimates.

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 be funded from cash provided by operating activities.

Cash used in investing activities, capital expenditures and power generation expenditures

For the three months ended June 30, 2024, cash used in investing activities was \$138.1 million compared to \$134.5 million for the same period in 2023. Capital expenditures totaled \$121.5 million and \$125.1 million of these investing activities for the three months ended June 30, 2024, and 2023, respectively. Of the \$121.5 million invested in the second quarter of 2024, 70% was allocated to drilling and completion activities, resulting in 11 (11 net) wells drilled and 8 (8 net) wells completed.

Net capital expenditures for the three and six months ended June 30, 2024, were equivalent to capital expenditures as NuVista did not record any proceeds from property dispositions.

For the six months ended June 30, 2024, cash used in investing activities was \$304.1 million compared to \$278.2 million for the same period in 2023. Capital expenditures totaled \$309.4 million and \$321.0 million for the six months ended June 30, 2024, and 2023, respectively. Of the \$309.4 million invested in the first half of 2024, 70% was allocated to drilling and completion activities, resulting in 20 (20 net) wells drilled and 26 (26 net) wells completed.

During the six months ended June 30, 2024, power generation expenditures were \$1.7 million. These funds were invested in the cogeneration unit at NuVista's Wembley Gas Plant in the Pipestone North area, which was commissioned in December 2023.

The following table provides a breakdown of capital expenditures, net capital expenditures and power generation expenditures by category for the three and six months ended June 30, 2024, and 2023:

(\$ thousands, except % amounts)	Three months ended June 30				Six months ended June 30			
	2024	% of total	2023	% of total	2024	% of total	2023	% of total
Land and retention costs	6,004	6	105	—	6,968	2	7,477	2
Geological and geophysical	429	—	65	—	614	—	106	—
Drilling and completion	85,473	70	106,975	85	214,438	70	247,455	77
Facilities and equipment	27,976	23	16,551	14	84,078	27	62,731	20
Corporate and other	1,615	1	1,434	1	3,255	1	3,231	1
Capital expenditures ⁽¹⁾	121,497		125,130		309,353		321,000	
Proceeds on property disposition	—		—		—		(26,000)	
Net capital expenditures ⁽¹⁾	121,497		125,130		309,353		295,000	
Power generation expenditures	—		—		1,680		—	

⁽¹⁾ Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards 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

NuVista 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, NuVista increased the lease liability for the Pipestone South compressor by \$10.9MM to recognize certain capital expansion costs, resulting in a corresponding increase in the ROU asset. In the fourth quarter of 2023, NuVista renewed its head office lease, resulting in a \$4.2 million increase to its lease liability and ROU asset.

On June 30, 2024, the total right-of-use asset was \$99.3 million with a corresponding total lease liability of \$122.9 million, of which \$7.0 million is classified as a current liability.

Current income taxes

In 2024, NuVista expects to be cash taxable and has recognized a current income tax expense of \$3.9 million in the second quarter of 2024. For the three and six months ended June 30, 2024, NuVista recorded deferred tax expense of \$28.6 million compared to deferred tax expense of \$33.4 million for the prior year comparative period. The deferred tax liability of \$389.2 million on June 30, 2024 increased from the December 31, 2023 balance of \$360.7 million. The combined federal and provincial corporate tax rate in 2023 and 2024 is 23%. NuVista was not cash taxable in 2023.

Liquidity and capital resources

NuVista has balance sheet strength with low net debt and significant financial flexibility and is in a favorable position to maintain its disciplined and value-adding growth strategy. Additionally, NuVista remains committed to the 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. Presently, the Board of Directors has set a target of returning approximately 75% of free adjusted funds flow to shareholders through the repurchase of NuVista's common shares pursuant to its NCIB program.

The Board of Directors 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. While NuVista's initial focus for returning capital to shareholders is through share repurchases, it continuously re-evaluates the uses of free adjusted funds flow. The re-evaluation considers the supply and demand and pricing environment and considers all options including continued disciplined growth beyond existing facility capacity, share repurchases, dividend payments, land acquisitions, infrastructure repurchases and selective mergers and acquisitions that add value for shareholders.

Covenant based credit facility

On May 7, 2024, NuVista amended and renewed its existing covenant based credit facility of \$450.0 million (December 31, 2023 - \$450 million) from a syndicate of Canadian financial institutions to a maturity date of May 7, 2027. The amendments to the credit facility involve changes to the applicable benchmark rates for borrowing and certain other administrative amendments. While NuVista's covenants remain unchanged, the Company did elect to remove the sustainability-linked performance features.

NuVista's covenant based credit agreement includes an accordion feature, allowing NuVista to increase the credit facility by \$300 million at any time during the term, with the approval of existing or additional lenders. The credit facility has a tenor of three years and is secured by a demand debenture. Borrowings under the credit facility may be made through prime loans and CORRA loans. 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, 2024 and 2023, borrowing costs averaged 7.4% and 7.5%, respectively.

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:

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

EBITDA is defined as net income before unrealized gains and losses on financial derivatives, plus interest, taxes and depreciation, depletion and amortization, and where EBITDA and interest expense 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.

At June 30, 2024, NuVista was in compliance with its financial covenants, the details of which are as follows:

Financial Covenant	Reported	Threshold	Compliance
Senior debt to EBITDA ratio	0.07:1	Not exceed 3.0:1	Met
Total debt to EBITDA ratio	0.30:1	Not exceed 3.5:1	Met
EBITDA to interest expense ratio	19.04:1	Not be less than 3.5:1	Met

As of June 30, 2024, NuVista had \$49.7 million drawn on its credit facility and no outstanding letters of credit. In comparison, as at December 31, 2023, NuVista had \$16.9 million drawn on its credit facility and outstanding letters of credit in aggregate amount of \$11.5 million, which reduces the credit available on this credit facility.

NuVista also has in place a \$30 million unsecured letter of credit facility under Export Development Canada's ("EDC") Account Performance Security Guarantee ("APSG") program. On June 30, 2024, NuVista had outstanding letters of credit associated with the APSG of \$15.4 million, leaving \$14.6 million of credit available on

this facility. In comparison, as of December 31, 2023, NuVista had outstanding letters of credit associated with the APSG of \$8.0 million.

Senior unsecured notes

On July 23, 2021, NuVista issued \$230.0 million aggregate principal amount of 7.875% senior unsecured notes due July 23, 2026 ("2026 Notes"). 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. NuVista is not subject to any financial covenants under the terms of the 2026 Notes.

The 2026 Notes were non-callable by NuVista prior to July 23, 2023. On or after July 23, 2023, NuVista 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.

As of June 30, 2024, NuVista had redeemed in aggregate \$64.6 million of the 2026 Notes. The remaining face value on June 30, 2024 was \$165.4 million, with a carrying value of \$162.8 million.

Market capitalization and net debt

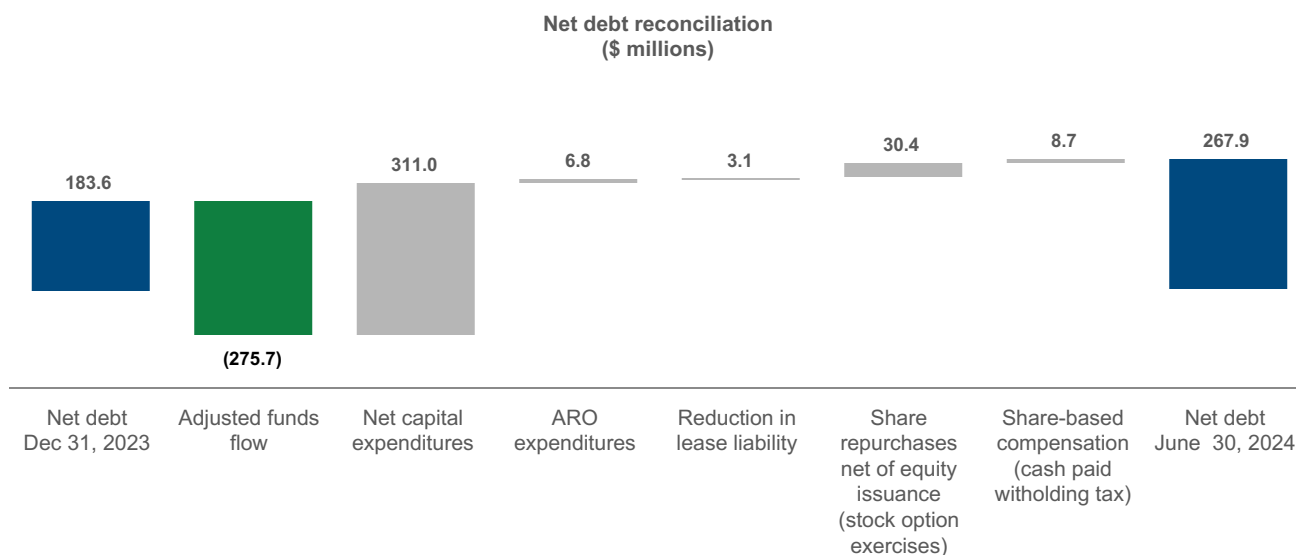
The following is a summary of total market capitalization, net debt, net debt to annualized current quarter funds flow, and net debt to adjusted funds flow:

(\$ thousands)	June 30, 2024	December 31, 2023
Basic common shares outstanding	206,073,351	207,584,197
Share price ⁽¹⁾	14.22	11.04
Total market capitalization	2,930,363	2,291,730
Accounts receivable and prepaid expenses	(162,836)	(163,987)
Inventory	(8,683)	(20,705)
Accounts payable and accrued liabilities	192,204	157,711
Current portion of other liabilities	18,107	14,082
Long-term debt (credit facility)	49,726	16,897
Senior unsecured notes	162,752	162,195
Other liabilities	16,679	17,358
Net debt ^(2,3)	267,949	183,551
Annualized current quarter adjusted funds flow ^(2,3)	560,984	807,948
Net debt to annualized current quarter adjusted funds flow ⁽³⁾	0.5	0.2

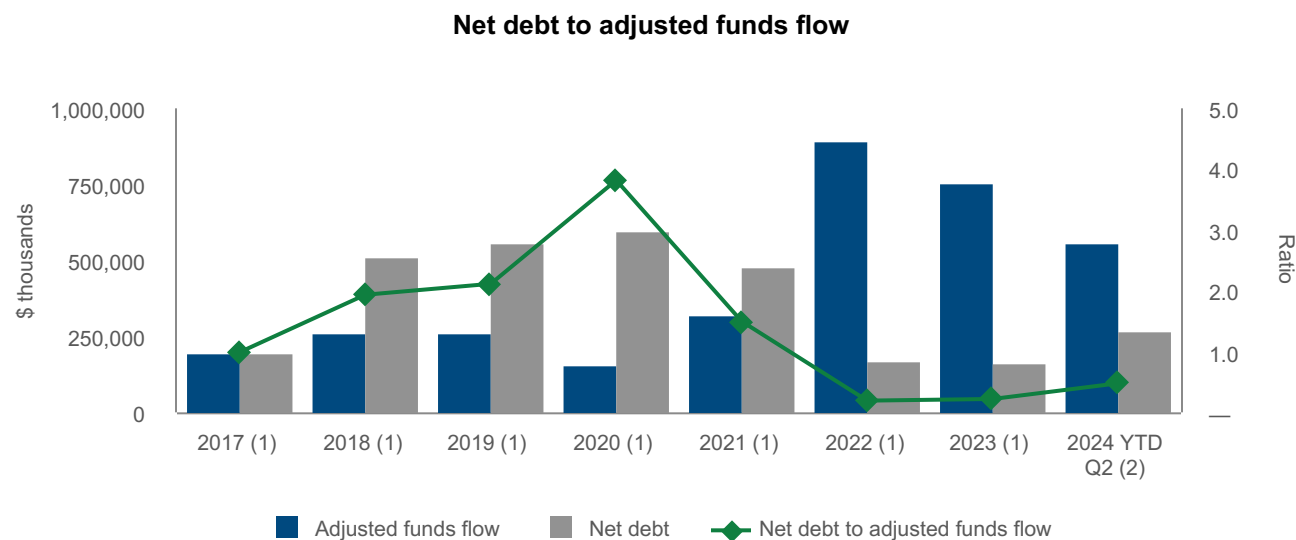
⁽¹⁾ Represents the closing share price on the TSX on the last trading day of the period.

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

⁽³⁾ Refer to Note 13, "Capital Management" in NuVista's financial statements.



NuVista's net debt of \$267.9 million at June 30, 2024 represents a 46% increase from \$183.6 million at December 31, 2023, as a result of temporary phasing of capital spending and share repurchases in excess of adjusted funds flow. Free adjusted funds flow was negative in the first half of 2024, largely due the decrease in the natural gas commodity price environment, the phasing of NuVista's capital development program and timing of new well production. NuVista's net debt to annualized second quarter adjusted funds flow ratio was 0.5x. 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 and NCIB expenditures in the context of commodity prices and net debt levels.



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

Share Capital

NCIB Program

On June 9, 2022, NuVista announced the approval of its normal course issuer bid, which allowed NuVista to purchase up to 18,190,261 of its outstanding common shares over a 12-month period, commencing June 14, 2022. This NCIB program was completed on June 12, 2023, with NuVista having repurchased and subsequently cancelling 18,190,261 of its outstanding common shares.

On June 14, 2023, NuVista announced its 2023 NCIB, which allowed NuVista to purchase up to 16,793,779 of its outstanding common shares over a 12-month period, commencing on June 16, 2023. The 2023 NCIB expired on June 15, 2024, with NuVista having repurchased and subsequently cancelling 13,067,900 of its outstanding common shares.

On June 17, 2024, NuVista announced its 2024 NCIB, allowing NuVista to purchase up to 14,234,451 of its outstanding common shares. The 2024 NCIB commenced on June 19, 2024, and will expire on the earlier of June 18, 2025 or the repurchase of all the common shares allotted thereunder. Subsequent to June 30, 2024, NuVista has repurchased and subsequently cancelled 784,000 common shares at a weighted average price of \$13.58/share for a total cost of \$10.6 million under its 2024 NCIB.

Since the inception of its NCIB programs in 2022, NuVista has repurchased and subsequently cancelled 32,042,161 of its outstanding common shares at a weighted average price of \$11.91/share for a total cost of \$381.6 million.

Long-term Incentive and Option Plans

As at June 30, 2024, there were 206.1 million common shares outstanding. Additionally, as part of NuVista's long-term incentive plans, there were 3.1 million stock options outstanding with an average exercise price of \$6.41 per option, along with 0.5 million RSAs and 1.4 million PSAs outstanding.

Commitments

NuVista enters into contractual 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 its commitments in conjunction with future development plans and to ensure that it is diversified into multiple markets.

The following is a summary of NuVista's contractual obligations and commitments as at June 30, 2024:

(\$ thousands)	Total	2024	2025	2026	2027	2028	Thereafter
Transportation ⁽¹⁾	\$ 945,220	\$ 73,142	\$ 149,475	\$ 147,719	\$ 143,197	\$ 116,765	\$ 314,922
Processing ⁽¹⁾⁽²⁾	1,765,036	57,284	124,853	142,412	143,429	144,635	1,152,423
Servicing ⁽³⁾	5,988	—	5,988	—	—	—	—
Total commitments ⁽⁴⁾	\$ 2,716,244	\$ 130,426	\$ 280,316	\$ 290,131	\$ 286,626	\$ 261,400	\$ 1,467,345

⁽¹⁾ Certain of the transportation and processing commitments are secured by outstanding letters of credit of \$14.7 million at June 30, 2024 (December 31, 2023 - \$18.5 million).

⁽²⁾ Includes processing commitments to guarantee firm capacity in various facilities.

⁽³⁾ 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 June 30, 2024 was 1.37 Cdn\$/US\$.

⁽⁴⁾ 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. Except as disclosed herein, NuVista has no other material off-balance sheet arrangements.

QUARTERLY FINANCIAL INFORMATION

(\$ thousands, except otherwise stated)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
FINANCIAL								
Petroleum and natural gas revenues	323,350	309,024	365,497	360,373	282,064	390,163	455,868	445,007
Net earnings	110,974	35,769	89,513	110,323	87,133	80,709	159,372	223,463
Per share, basic	0.54	0.17	0.42	0.51	0.40	0.37	0.72	0.99
Per share, diluted	0.53	0.17	0.41	0.50	0.39	0.36	0.69	0.95
Cash provided by operating activities	166,280	147,893	211,761	160,194	134,166	215,221	226,688	228,018
Per share, basic	0.81	0.71	1.00	0.74	0.62	0.98	1.02	1.01
Per share, diluted	0.79	0.70	0.98	0.72	0.60	0.95	0.98	0.97
Adjusted funds flow ⁽¹⁾	140,246	135,413	201,987	202,010	145,482	207,464	256,983	246,115
Per share, basic ⁽⁴⁾	0.68	0.65	0.95	0.94	0.67	0.95	1.16	1.09
Per share, diluted ⁽⁴⁾	0.67	0.64	0.93	0.91	0.65	0.91	1.12	1.04
Net capital expenditures ⁽²⁾	121,497	187,856	113,258	110,036	125,130	169,870	72,743	111,746
Total assets (\$ millions)	3,303	3,135	3,058	3,009	2,910	2,882	2,822	2,750
Weighted average basic shares outstanding (thousands of shares)	206,191	207,174	211,807	215,710	217,952	219,192	222,483	226,770
Weighted average diluted shares outstanding (thousands of shares)	209,893	210,668	216,446	221,657	224,776	226,921	230,366	235,540
OPERATING								
Daily Production								
Natural gas (Mcf/d)	299,807	292,798	310,485	283,125	256,572	253,269	259,335	244,709
Condensate (Bbls/d)	25,761	24,220	26,889	26,704	21,990	22,885	25,112	22,478
NGLs (Bbls/d)	7,424	7,022	7,287	6,491	6,277	6,113	5,918	5,529
Total (Boe/d)	83,152	80,042	85,924	80,382	71,029	71,209	74,252	68,792
Condensate & NGLs weighting	40%	39%	40%	41%	40%	41%	42%	41%
Netbacks (\$/Boe)								
Operating netback ⁽³⁾	21.59	21.85	27.01	29.99	24.07	35.58	40.36	41.11
Corporate netback ⁽³⁾	18.52	18.58	25.55	27.30	22.51	32.36	37.62	38.89

⁽¹⁾ Capital management measure. Reference should be made to the section entitled "Specified Financial Measures". The following table sets out our adjusted funds flow compared to the most directly comparable GAAP measure of cash provided by operating activities for the applicable periods:

(\$ thousands, except otherwise stated)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Cash provided by operating activities	166,280	147,893	211,761	160,194	134,166	215,221	226,688	228,018
Asset retirement expenditures	392	6,450	1,208	773	(479)	9,693	1,223	1,327
Change in non-cash working capital	(26,426)	(18,930)	(10,982)	41,043	11,795	(17,450)	29,072	16,770
Adjusted funds flow	140,246	135,413	201,987	202,010	145,482	207,464	256,983	246,115

⁽²⁾ Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards 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". The following table sets out our net capital expenditures compared to the most directly comparable GAAP measure of cash used in investing activities for the applicable periods:

(\$ thousands, except otherwise stated)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Cash used in investing activities	(138,110)	(166,027)	(132,646)	(120,713)	(134,454)	(143,773)	(79,310)	(128,727)
Changes in non-cash working capital	16,613	(23,509)	2,484	10,677	9,324	(35,597)	6,567	16,981
Other asset expenditures	—	—	—	—	—	9,500	—	—
Power generation expenditures	—	1,680	16,904	—	—	—	—	—
Net capital expenditures	(121,497)	(187,856)	(113,258)	(110,036)	(125,130)	(169,870)	(72,743)	(111,746)

⁽³⁾ Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards 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⁾ 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 \$282.1 million to \$455.9 million, largely due to the volatility of commodity prices and changes in production. Net earnings have been in a range of \$35.8 million to \$223.5 million, primarily influenced by commodity prices and production volumes, realized and unrealized gains and losses on financial derivatives, and deferred income taxes.

SPECIFIED FINANCIAL MEASURES

NuVista'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 52-112), which are described in further detail below. Management believes that the presentation of these non-GAAP measures provides 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 Accounting Standards 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 Accounting Standards measures as indicators of NuVista's performance.

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, power generation expenditures, proceeds on property dispositions and costs of acquisitions. NuVista considers capital expenditures to represent its organic capital program and 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 applicable periods:

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash used in investing activities	(138,110)	(134,454)	(304,137)	(278,227)
Changes in non-cash working capital	16,613	9,324	(6,896)	(26,273)
Other asset expenditures	—	—	—	9,500
Power generation expenditures	—	—	1,680	—
Proceeds on property disposition	—	—	—	(26,000)
Capital expenditures	(121,497)	(125,130)	(309,353)	(321,000)

Net capital expenditures

Net capital expenditures are equal to cash used in investing activities, excluding changes in non-cash working capital, other asset expenditures, and power generation expenditures. The Company includes funds used for property acquisitions or proceeds from property dispositions within net capital expenditures as these transactions are part of its development plans. NuVista considers net capital expenditures to represent its organic capital program inclusive of capital spending for acquisition and disposition proposes and 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 applicable periods:

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash used in investing activities	(138,110)	(134,454)	(304,137)	(278,227)
Changes in non-cash working capital	16,613	9,324	(6,896)	(26,273)
Other asset expenditures	—	—	—	9,500
Power generation expenditures	—	—	1,680	—
Net capital expenditures	(121,497)	(125,130)	(309,353)	(295,000)

Free adjusted funds flow

Free adjusted funds flow is adjusted funds flow less net capital expenditures, power generation 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 and return capital to shareholders through its NCIB program and/or dividend payments. By removing the impact of current period net capital and asset retirement expenditures, management believes this measure provides an indication of the funds NuVista 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 applicable periods:

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cash provided by operating activities	166,280	134,166	314,173	349,387
Cash used in investing activities	(138,110)	(134,454)	(304,137)	(278,227)
Excess (deficit) cash provided by operating activities over cash used in investing activities	28,170	(288)	10,036	71,160
Adjusted funds flow	140,246	145,482	275,659	352,946
Net capital expenditures	(121,497)	(125,130)	(309,353)	(295,000)
Power generation expenditures	—	—	(1,680)	—
Asset retirement expenditures	(392)	479	(6,842)	(9,214)
Free adjusted funds flow	18,357	20,831	(42,216)	48,732

Net operating expense

NuVista considers that any incremental gross costs incurred to process third party volumes at its facilities are offset by the applicable fees charged to such third parties. However, under IFRS Accounting Standards, NuVista is required to reflect operating costs and processing fee income separately on its statements of earnings. Management believes that net operating expense, calculated as gross operating expense less processing income and other recoveries, is a meaningful measure for investors to understand the net impact of the NuVista's operating activities.

The following table sets out net operating expense compared to the most directly comparable GAAP measure of operating expenses for the applicable periods:

(\$ thousands)	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Operating expense	89,009	76,979	175,808	152,020
Other income ⁽¹⁾	(2,234)	—	(5,203)	—
Net operating expense	86,775	76,979	170,605	152,020

⁽¹⁾ Excludes income generated through the third-party sale of electricity generated at NuVista's Cogeneration unit at the Wembley Gas Plant, which totaled \$0.2 million and \$0.5 million in the three and six months ended June 30, 2024, respectively (For the three and six months ended June 30, 2023 - nil).

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 Accounting Standards 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 Accounting Standards measures as indicators of NuVista's performance.

Per Boe disclosures for petroleum and natural gas revenues, realized gains/losses on financial derivatives, royalties, transportation expense, G&A expense, financing costs, and DD&A expense are non-GAAP ratios that are calculated by dividing each of these respective GAAP measures by NuVista's total production volumes for the period.

Net operating expense, per Boe

NuVista calculated net operating expense per Boe by dividing net operating expense by NuVista's production volumes for the period.

Management believes that net operating expense, calculated as gross operating expense less processing income and other recoveries, which are included in NuVista's statements of earnings, is a meaningful measure for investors to understand the net impact of the Company's operating activities. The measurement on a Boe basis assists management and investors with evaluating NuVista's operating performance on a comparable basis.

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 net 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 net 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 13 "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, 2023.

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 Internal Control-Integrated Framework (“2013 Framework”), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in May of 2013. There were no changes to NuVista’s ICFR during the six months ended June 30, 2024 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

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 financial statements.

Notably, the Canadian Federal government has committed to cap and reduce greenhouse gas emissions from the oil and gas sector at a pace and scale necessary to support Canada’s 2040 climate goals and achieve net-zero emissions by 2050. The proposed framework, “A Regulatory Framework to Cap Oil and Gas Sector Greenhouse Gas Emissions”, released in December 2023, outlines an emissions cap and maximum allowable emissions from covered sources in 2030. While there are still many gaps in the information available, the proposed legislation

could require a change to NuVista's business plans and allocation of investments. NuVista is continuing to monitor the evolving regulatory landscape and the potential impacts thereof.

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:

- Due to the lack of winter precipitation, the drought risk profile for the province of Alberta has escalated, raising concerns about water access and the impact to our operations and development plans;
- The drought risk profile of Alberta also raises the risk of the occurrence of wildfires which may restrict our ability to access properties and cause operational challenges;
- Commodity risk as crude oil, condensate and natural gas prices and differentials fluctuate due to market forces;
- 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;
- 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;
- Supply chain risk could impact the ability to execute our development plan;
- Labour risk related to availability, productivity and retention of qualified personnel;
- Environmental and safety risk associated with well operations and production facilities;
- 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;
- Risks associated with our information technology systems and a potential breakdown, cyber-attack and/or security breach; and
- Risk associated with the renewal of NuVista's credit facility and the continued participation of NuVista's lenders.

NuVista seeks to mitigate these risks by:

- Developing a water access plan for all areas of our operations that may be impacted by drought and wildfire conditions;
- Constructing our facilities for extreme weather conditions, as well as developing mitigation measures in processes;
- 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;
- 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;
- 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;
- Maintenance of information and technology policies and procedures, and assessment thereof; and
- Monitoring the debt and equity markets to understand how changes in the capital market may impact NuVista's business plan.

Changing regulation

The International Sustainability Standards Board (“ISSB”) recently released its initial sustainability standards, IFRS S1 and IFRS S2, focusing on general sustainability disclosure requirements and climate-related disclosure, respectively. While there has been overall support from various Canadian stakeholders for ISSB's initiatives, the Canadian disclosure framework is still in the early stages of development. Following a comprehensive examination of the Canadian standard-setting structure, the Canadian Sustainability Standards Board (“CSSB”) was established in 2023 with the goal of collaborating with the ISSB to facilitate the adoption of ISSB standards in Canada.

In addition, the Canadian Securities Administrators (“CSA”) published Proposed National Instrument 51-107 – Disclosure of Climate Related Matters for public comment. This proposed instrument aims to introduce climate-related disclosure requirements for reporting issuers in Canada, with limited exceptions. The comment period has since closed, and with the release of ISSB standards and the establishment of the CSSB, the CSA has expressed its intent to further assess international developments and collaborate with the CSSB prior to finalizing National Instrument 51-107.

Failure to meet upcoming sustainability reporting obligations set by regulators or current and future expectations of investors, insurers, or other stakeholders could adversely affect NuVista. This may impact its business, its ability to attract and retain skilled employees, obtain necessary regulatory approvals, and raise capital. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified.

NuVista has considered the evolving global demand for carbon-based energy, incorporating climate-related factors into key business planning and risk management processes. The uncertainties surrounding climate change may influence management's estimates, potentially impacting areas such as property, plant and equipment, exploration and evaluation assets, depletion, impairment, and impairment reversal, reserves estimates, decommissioning obligations, credit facilities, and share capital.

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, 2023.

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
CORRA	Canadian Overnight Repo Rate Average
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
IASB	International Accounting Standards Board
IFRS	IFRS Accounting 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
U.S.	United States
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 IFRS Accounting Standards. 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 (“Mcf”) on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes and Mcfs 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.

NI 51-101 includes condensate and pentanes plus within the product type of natural gas liquids. NuVista has disclosed condensate and pentanes plus values separate from natural gas liquids herein, as NuVista believes it provides a more accurate description of NuVista’s operations and results therefrom.

Production split for Boe/d amounts referenced in this MD&A are as follows:

Reference	Total Boe/d	Natural Gas	Condensate	NGLs
Q2 2024 production - actual	83,152	60 %	31 %	9 %
Q2 2024 production guidance	80,000 - 83,000	61 %	30 %	9 %
Q3 2024 production guidance	83,000 - 86,000	61 %	30 %	9 %
2024 annual production guidance (original)	83,000 - 87,000	61 %	30 %	9 %
2024 annual production guidance (revised)	83,500 - 86,000	61 %	30 %	9 %

In this MD&A, NuVista has used certain oil and gas metrics which do not have standardized meanings and therefore may be calculated differently from the metrics presented by other oil and gas companies. Such metrics have been included herein to provide readers with additional measures to evaluate NuVista’s performance on a comparable basis with prior periods; however, such measures are not reliable indicators of the future performance of NuVista, and future performance may not compare to the performance in previous periods. “DCET” includes all capital spent to drill, complete, equip and tie-in a well.

Any references in this MD&A to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for NuVista.

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 ability to maintain its disciplined and value-adding growth strategy, while concurrently executing on its return of capital to shareholder initiatives and the anticipated benefits therefrom;
- that NuVista’s financial strength will enable it to navigate volatile commodity prices while creating long-term value for shareholders;
- NuVista’s expectations with respect to 2024 full year outlook, well economics, free adjusted funds flow and capital expenditures;
- NuVista’s expectations with respect to its 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;

- NuVista's expected asset retirement obligations and the amount and timing of such expenditures and the source of funding thereof;
- NuVista's future focus, strategy, plans, opportunities and operations;
- the quality of NuVista's asset base and economics therein;
- the anticipated re-evaluation of the uses of free adjusted funds flow and anticipated outcomes therefrom;
- NuVista's 2024 capital expenditure guidance, plans and expected allocations;
- NuVista's updated full year 2024 guidance with respect to production and production mix;
- Guidance with respect to third quarter 2024 production and production mix;
- Expectations regarding monthly production levels in the second half of 2024;
- NuVista's ability to adjust its NCIB expenditures and net debt reduction in the context of commodity prices and net debt levels;
- expectations with respect to the structure set-up of global oil and gas supply and demand; and expectations with respect to the natural gas and condensate price environment;
- the effect of NuVista's financial, commodity, and natural gas risk management strategy and market diversification; and
- NuVista's expectations for 2024 with respect to taxability.

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 Middle East and 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.

Forward-looking information in this MD&A pertaining to the future acquisition of the common shares pursuant to a share buyback (including through the NCIB), if any, and the level thereof is uncertain. Any decision to acquire common shares pursuant to a share buyback will be subject to the discretion of the Board of Directors and may depend on a variety of factors, including, without limitation, NuVista's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on NuVista under applicable corporate law. There can be no assurance of the number of common shares that NuVista will acquire pursuant to a share buyback, if any, in the future.

NuVista's 2024 guidance is based on various commodity price scenarios and economic conditions; certain guidance estimates may fluctuate with commodity price changes and regulatory changes. NuVista's guidance provides readers with the information relevant to management's expectation for financial and operational results for 2024. Readers are cautioned that the guidance estimates may not be appropriate for any other purpose.

This MD&A also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations including, without limitation, expectations with respect to net debt, free adjusted funds flows, capital expenditures and production which are based on various factors and assumptions that are subject to change including regarding production levels, commodity prices, operating and other costs and capital expenditure levels, and in the case of 2025 and beyond, such estimates are provided for illustration purposes only and are based on budgets and plans that have not been finalized and are subject to a variety of contingencies including prior years' results. These statements are also subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. 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 NuVista will derive therefrom. NuVista has included the FOFI and forward-looking statements 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.