NUVISTA ENERGY LTD

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended September 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 nine months ended September 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 November 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", "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

($ thousands, except otherwise stated)	Three months ended September 30 2024	2023	% Change	Nine months ended September 30 2024	2023	% Change
FINANCIAL						
Petroleum and natural gas revenues	**301,406**	360,373	(16)	**933,780**	1,032,600	(10)
Cash provided by operating activities	**150,249**	160,194	(6)	**464,422**	509,581	(9)
Adjusted funds flow [3]	**139,478**	202,010	(31)	**415,137**	554,956	(25)
Per share, basic [6]	**0.68**	0.94	(28)	**2.01**	2.55	(21)
Per share, diluted [6]	**0.67**	0.91	(26)	**1.98**	2.47	(20)
Net earnings	**59,823**	110,323	(46)	**206,566**	278,165	(26)
Per share, basic	**0.29**	0.51	(43)	**1.00**	1.28	(22)
Per share, diluted	**0.29**	0.50	(42)	**0.99**	1.24	(20)
Total assets				**3,339,971**	3,009,291	11
Net capital expenditures [1]	**118,433**	110,036	8	**427,786**	405,036	6
Net debt [3]				**261,898**	150,158	74
OPERATING						
Daily Production						
Natural gas (MMcf/d)	**297.2**	283.1	5	**296.6**	264.4	12
Condensate (Bbls/d)	**26,204**	26,704	(2)	**25,398**	23,873	6
NGLs (Bbls/d)	**7,735**	6,491	19	**7,395**	6,295	17
Total (Boe/d)	**83,475**	80,382	4	**82,228**	74,240	11
Condensate & NGLs weighting	**41%**	41%		**40%**	41%	
Condensate weighting	**31%**	33%		**31%**	32%	
Average realized selling prices [5]						
Natural gas ($/Mcf)	**1.92**	3.36	(43)	**2.41**	4.49	(46)
Condensate ($/Bbl)	**95.51**	103.92	(8)	**98.20**	100.33	(2)
NGLs ($/Bbl) [4]	**26.09**	29.19	(11)	**26.90**	31.54	(15)
Netbacks ($/Boe)						
Petroleum and natural gas revenues	**39.25**	48.73	(19)	**41.45**	50.95	(19)
Realized gain (loss) on financial derivatives	**1.53**	1.30	18	**0.55**	0.39	41
Other income	**0.34**	—	—	**0.14**	—	—
Royalties	**(4.64)**	(3.64)	27	**(4.71)**	(4.92)	(4)
Transportation expense	**(5.13)**	(4.91)	4	**(4.85)**	(4.86)	—
Net operating expense [2]	**(11.43)**	(11.49)	(1)	**(11.47)**	(11.69)	(2)
Operating netback [2]	**19.92**	29.99	(34)	**21.11**	29.87	(29)
Corporate netback [2]	**18.17**	27.30	(33)	**18.44**	27.37	(33)
SHARE TRADING STATISTICS						
High ($/share)	**14.86**	13.55	10	**14.86**	13.55	10
Low ($/share)	**10.70**	10.34	3	**9.59**	9.93	(3)
Close ($/share)	**11.12**	13.00	(14)	**11.12**	13.00	(14)
Common shares outstanding (thousands of shares)				**205,381**	213,209	(4)

(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.

THIRD QUARTER 2024 HIGHLIGHTS

- **Adjusted funds flow -** During the third quarter of 2024, NuVista generated adjusted funds flow(1) of $139.5 million, a 31% decrease as compared to the same prior year period of $202.0 million, and consistent with the second quarter of 2024 of $140.2 million. The decrease in adjusted funds flow was primarily due to lower natural gas and condensate prices, net of realized gains on financial derivative contracts, partially offset by the impact of higher production volumes. Despite weaker commodity prices in the third quarter, NuVista achieved free adjusted funds flow (2) of $19.4 million, after net capital expenditures(2) of $118.4 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 third quarter of 2024 with $37.5 million drawn on its $450 million covenant-based credit facility. NuVista's net debt to third quarter adjusted fund flow(1) ratio on September 30, 2024 was 0.5:1. NuVista's net debt at September 30, 2024 was $261.9 million, a 43% increase from $183.6 million as at December 31, 2023, due primarily to quarterly phasing variations of NuVista's capital development program. NuVista's net debt level at the end of the third quarter remains well below the $350 million limit 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 third quarter of 2024, production volumes averaged 83,475 Boe/d, which was within the third quarter guidance range of 83,000 - 86,000 Boe/d. This also represented a 4% increase compared to 80,382 Boe/d for the same period in 2023, and a slight increase compared to 83,152 Boe/d for the second quarter of 2024. Production volumes in the third quarter were positively impacted by 10 wells brought online, somewhat offset by natural declines. However, unplanned downtime at third-party facilities negatively impacted third quarter production volumes by approximately 5,000 Boe/d. The production composition for the third quarter of 2024 was 31% condensate, 10% NGLs and 59% natural gas. All impacted production has since been brought back online.

- **Pricing -** Average realized commodity prices experienced some decline throughout 2024, primarily due to weaker natural gas prices. NuVista's average realized selling price for the third quarter of 2024 was $39.25/Boe, a 19% decrease from $48.73/Boe for the same period in 2023, and an 8% decrease from $42.73/Boe for the second quarter of 2024. The decrease in natural gas prices was primarily driven by lower demand due to unseasonably warm winter weather in key consuming regions, leading to below-average storage withdrawals and higher-than-expected inventory levels. Crude oil and condensate prices remained relatively stable in the first half of the year, supported by more balanced supply and demand fundamentals. However, military clashes in the middle East and macroeconomic concerns over slowing economic growth in China have contributed to recent volatility in oil prices. Representing 31% of NuVista's production composition, condensate revenues accounted for 76% of NuVista's total petroleum and natural gas revenues in the third quarter of 2024.
    - Realized condensate pricing for the third quarter of 2024 averaged $95.51/Bbl, an 8% decrease compared to the second quarter of 2024 at $103.89/Bbl and an 8% decrease compared to the same period in 2023 at $103.92/Bbl.
    - Realized natural gas pricing in the third quarter of 2024 averaged $1.92/Mcf, a 15% decrease as compared to the second quarter of 2024 at $2.25/Mcf and a 43% decrease as compared to the same period of 2023 at $3.36/Mcf.
    - Realized NGL pricing for the third quarter of 2024 averaged $26.09/Bbl, a 5% decrease as compared to the second quarter of 2024 at $27.44/Bbl and 11% lower than the same period of 2023 at $29.19/Bbl.

- **Net operating expense[2] -** For the third quarter of 2024, NuVista's net operating expense on a $/Boe basis was slightly lower at $11.43/Boe compared to $11.49/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 relatively consistent to the second quarter of 2024 at $11.47/Boe.

- **Corporate netback[3]-** NuVista's corporate netback for the third quarter of 2024 was $18.17/Boe, inclusive of a $1.53/Boe realized gain on financial derivative contracts. The corporate netback for the third quarter of 2024 was 33% lower compared to $27.30/Boe for the third quarter of 2023. This was largely due to lower production revenues, inclusive of gains on financial derivative contracts and an increase in royalties. NuVista's corporate netback for the second and third quarter of 2024 were consistent at $18.52/Boe and $18.17/Boe, respectively.

- **Capital expenditures, net capital expenditures and power generation expenditures -** Capital expenditures and net capital expenditures were $118.4 million in the third quarter of 2024, of which 80% was allocated to drilling and completion related activities, resulting in 14 (14.0 net) wells drilled and 12 (12.0 net) wells completed. Additionally, during the first nine months 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 third quarter of 2024, NuVista repurchased and subsequently cancelled 816,800 common shares under its 2024 normal course issuer bid ("2024 NCIB") at a weighted average price of $13.81/share for a total cost of $11.3 million. The 2024 NCIB commenced on June 19, 2024, and will expire on the earlier of June 18, 2025 or on the repurchase of 14,234,451 common shares under the 2024 NCIB. Subsequent to September 30, 2024, NuVista has repurchased and subsequently cancelled 1,117,200 common shares at a weighted average price of $11.09/share for a total cost of $12.4 million under the 2024 NCIB program. Since the inception of its NCIB programs in 2022, NuVista has repurchased and subsequently cancelled 33,192,161 of its outstanding common shares at a weighted average price of $11.89/share for a total cost of $394.6 million.

(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"*.

(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"*.

2024 GUIDANCE REAFFIRMED

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. This 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 supportive, continues to drive superior economics despite the weakness in natural gas prices experienced for much of 2024. We continue to execute according to our plans, with well and facility outperformance in several areas. As such, we reaffirm our 2024 capital expenditure guidance target of approximately $500 million, allowing us to maintain the efficiencies of a steady 2-drill-rig execution.

Recent average weekly production has reached a record level above 90,000 Boe/d and our guidance for the fourth quarter of 2024 is 89,000 – 91,000 Boe/d. This includes the minor impact associated with our decision to temporarily shut in the very small amount of our production which was exposed to AECO when those prices reached historically low levels at the start of the fourth quarter. We are pleased that despite the unplanned impacts of third-party downtime in the third quarter, we are able to reaffirm our previously announced full-year 2024 guidance range of 83,500 – 86,000 Boe/d.

2025 BUDGET FURTHER ENHANCES PRIORITY OF RETURN OF CAPITAL TO SHAREHOLDERS

With well outperformance continuing to drive strong capital efficiencies, and with commodity prices retreating from the highs of 2022, we have taken this as a market signal to moderate capital spending and production growth in order to increase the priority of at least triple-digit return of cash to shareholders via share buybacks. We are fortunate that our business has the flexibility and superior asset quality to afford this. We have set our 2025 capital expenditure guidance at approximately $450 million to grow production volumes by 7% to a 2025 annual average of approximately 90,000 Boe/d. This includes a planned six-week turnaround for maintenance and expansion of major third party facilities in Wapiti which will impact the second and third quarters. Production volumes are expected to approach 100,000 Boe/d in the second half of the year. Our budget is based on commodity price assumptions of $65/Bbl WTI oil and $3/MMBtu Nymex natural gas. In this base scenario we would expect to generate approximately $175 million of free adjusted funds flow, of which we will target at least 75% for return to shareholders. This capital budget is approximately $125 million lower than our previous outlook with only a modest tempering of our production growth from 10% to 7%. Superior ongoing execution and new well performance are the main drivers that provide us the flexibility to exercise this discipline and reduce capital substantially with only a modest impact on growth.

Substantially all of our production growth in 2025 will come from the Pipestone North area, beginning with the startup of the CSV Midstream Albright gas plant which is anticipated to be commissioned during the first quarter. 14 wells will be completed in Pipestone to ramp into this additional capacity of 8,000 to 10,000 Boe/d by the second quarter. Looking further ahead, Gold Creek area production growth will be a high focus for 2026 and 2027.

We will monitor the economic environment, and if commodity prices are averaging higher than our base assumptions, we have the ability and intention to increase returns to shareholders and 2025 capital expenditures for future growth concurrently to maximize long term value per share. If in an environment where commodity prices soften, we have the flexibility to further moderate production growth and reduce 2025 capital expenditures to act counter-cyclically and ensure our return of capital to shareholders remains intact. Underlying our commitment to shareholder returns is a pristine balance sheet. We expect to enter 2025 with approximately $250 million of net debt.

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

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per share amounts)	**2024**	2023	**2024**	2023
Net earnings	**59,823**	110,323	**206,566**	278,165
Per share, basic	**0.29**	0.51	**1.00**	1.28
Per share, diluted	**0.29**	0.50	**0.99**	1.24

Q3 2024 compared to Q3 2023

NuVista reported net earnings of $59.8 million ($0.29/share, basic) for the three months ended September 30, 2024, compared to net earnings of $110.3 million ($0.51/share, basic) reported during the same period of 2023. The $50.5 million decrease in net earnings was primarily due a $62.5 million decrease in adjusted funds flow due to commodity pricing reduction and an increase in depletion, depreciation, and amortization expense, partially offset by higher unrealized gains on financial derivative contracts and a decrease in deferred income tax expense.

Q3 YTD 2024 compared to Q3 YTD 2023

NuVista reported net earnings of $206.6 million ($1.00/share, basic) for the nine months ended September 30, 2024, compared to net earnings of $278.2 million ($1.28/share, basic) reported during the same period of 2023. The $71.6 million decrease in net earnings was primarily due to a $139.8 million decrease in adjusted funds flow and an increase in depletion, depreciation, and amortization expense, partially offset by 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 $63.5 million and $178.6 million for the three and nine months ended September 30, 2024, respectively, compared to net earnings of $141.0 million and $383.0 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 nine months ended September 30:

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per share and per Boe amounts)	**2024**	2023	**2024**	2023
Cash provided by operating activities	**150,249**	160,194	**464,422**	509,581
Per share, basic	**0.73**	0.74	**2.25**	2.34
Per share, diluted	**0.72**	0.72	**2.22**	2.27
Adjusted funds flow [(1)]	**139,478**	202,010	**415,137**	554,956
Per share, basic	**0.68**	0.94	**2.01**	2.55
Per share, diluted	**0.67**	0.91	**1.98**	2.47
Adjusted funds flow $/Boe [(2)]	**18.17**	27.30	**18.44**	27.37

[(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"*.

Q3 2024 compared to Q3 2023

For the three months ended September 30, 2024, cash provided by operating activities decreased 6% to $150.2 million ($0.73/share, basic) from $160.2 million ($0.74/share, basic) for the comparable period of 2023. The decrease in cash provided by operating activities was primarily due to lower average commodity prices, partially offset by an increase in production volumes and the impact of changes in non-cash working capital.

Adjusted funds flow for the three months ended September 30, 2024, decreased 31% to $139.5 million ($0.68/share, basic) from $202.0 million ($0.94/share, basic) for the comparable period of 2023. The decrease in adjusted funds flow was primarily due to those reasons noted above, excluding changes in of non-cash working capital.

Q3 YTD 2024 compared to Q3 YTD 2023

For the nine months ended September 30, 2024, cash provided by operating activities decreased 9% to $464.4 million ($2.25/share, basic) from $509.6 million ($2.34/share, basic) from the comparable period of 2023. The decrease in cash provided by operating activities was primarily due to lower average commodity prices, partially offset by an increase in production volumes and the impact of changes in non-cash working capital.

Adjusted funds flow for the nine months ended September 30, 2024, decreased 25% to $415.1 million ($2.01/share, basic) from $555.0 million ($2.55/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 nine months ended September 30, 2024, free adjusted funds flow was $19.4 million and negative $22.8 million compared to $91.2 million and $139.9 million in the prior year comparative periods. The decrease in free adjusted funds flow in the first nine months of 2024 was largely due to the weaker commodity price environment.

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2024**	2023	**2024**	2023
Adjusted funds flow [1]	**139,478**	202,010	**415,137**	554,956
Net capital expenditures [2]	**(118,433)**	(110,036)	**(427,786)**	(405,036)
Power generation expenditures	**—**	—	**(1,680)**	—
Asset retirement expenditures	**(1,636)**	(773)	**(8,478)**	(9,987)
Free adjusted funds flow [2]	**19,409**	91,201	**(22,807)**	139,933

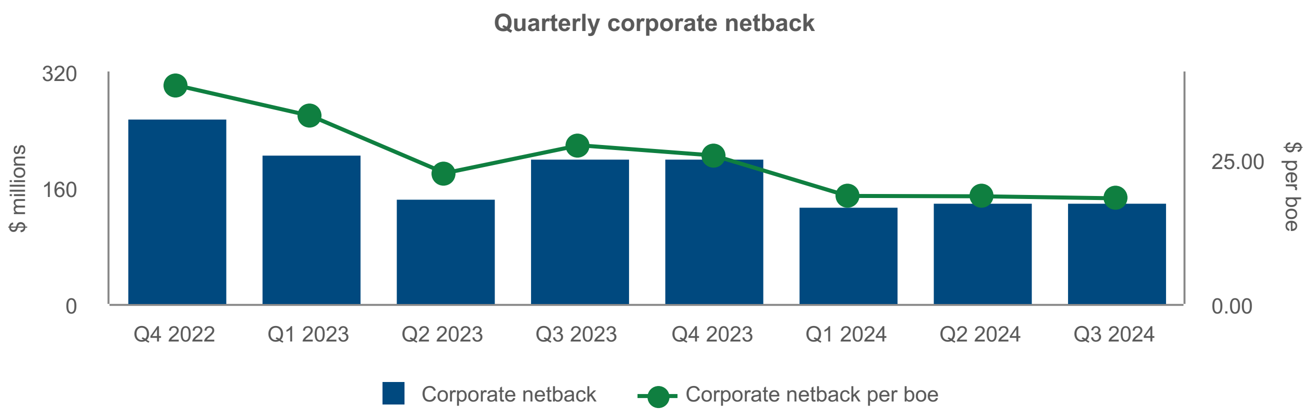
[1] Capital management measure. Reference should be made to the section entitled *"Specified Financial Measures"*.
[2] Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies 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 nine months ended September 30, 2024 and 2023:

	Three months ended September 30		Nine months ended September 30	
$/Boe	**2024**	2023	**2024**	2023
Petroleum and natural gas revenues [1]	**39.25**	48.73	**41.45**	50.95
Realized gain on financial derivatives	**1.53**	1.30	**0.55**	0.39
Other Income	**0.34**	—	**0.14**	—
	41.12	50.03	**42.14**	51.34
Royalties	**(4.64)**	(3.64)	**(4.71)**	(4.92)
Transportation expense	**(5.13)**	(4.91)	**(4.85)**	(4.86)
Net operating expense [2]	**(11.43)**	(11.49)	**(11.47)**	(11.69)
Operating netback [2]	**19.92**	29.99	**21.11**	29.87
General and administrative expense	**(0.78)**	(0.77)	**(0.82)**	(0.87)
Cash share-based compensation recovery (expense)	**0.43**	(0.41)	**(0.03)**	(0.05)
Financing costs [3]	**(1.27)**	(1.18)	**(1.27)**	(1.46)
Current income tax expense	**(0.13)**	(0.33)	**(0.55)**	(0.12)
Corporate netback [2]	**18.17**	27.30	**18.44**	27.37

[1] For the three and nine months ended September 30, 2024, includes price risk management gains of $1.36/Boe and $1.13/Boe (2023 – gains of $0.85/Boe and $0.33/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 nine months ended September 30, 2024 and 2023:

	Three months ended September 30		Nine months ended September 30	
$/Boe	**2024**	2023	**2024**	2023
Net operating expense [1]	**11.43**	11.49	**11.47**	11.69
Transportation expense	**5.13**	4.91	**4.85**	4.86
General and administrative expense	**0.78**	0.77	**0.82**	0.87
Financing costs [2]	**1.27**	1.18	**1.27**	1.46
Current income tax expense	**0.13**	0.33	**0.55**	0.12
Total cash costs [1]	**18.74**	18.68	**18.96**	19.00

[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:

	Three months ended September 30		Nine months ended September 30	
Number of wells	**2024**	2023	**2024**	2023
Wells drilled - gross (net) [1]	**14 (14.0)**	16 (16.0)	**34 (34.0)**	41 (40.5)
Wells completed - gross (net) [2]	**12 (12.0)**	11 (10.5)	**38 (38.0)**	42 (40.7)
Wells brought on production - gross (net) [3]	**10 (10.0)**	19 (18.5)	**36 (36.0)**	45 (43.7)

[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.

Q3 2024

NuVista invested $118.5 million in development projects during the third quarter of 2024. These development projects included facility and pipeline projects, in addition to drilling 14 (14.0 net) wells with a total of 10 (10.0 net) wells brought on production.

Q3 YTD 2024

Year-to-date NuVista has invested $423.2 million in development projects, including 34 (34.0 net) wells drilled and 36 (36.0 net) wells brought on production.

Production

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% Change	**2024**	2023	% Change
Natural gas (Mcf/d)	**297,220**	283,125	5	**296,610**	264,431	12
Condensate (Bbls/d)	**26,204**	26,704	(2)	**25,398**	23,873	6
NGLs (Bbls/d)	**7,735**	6,491	19	**7,395**	6,295	17
Total (Boe/d) [1]	**83,475**	80,382	4	**82,228**	74,240	11
Condensate & NGLs weighting [2]	**41%**	41%		**40%**	41%	
Condensate weighting [2]	**31%**	33%		**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 third quarter of 2024 averaged 83,475 Boe/d consistent with production for the second quarter of 2024 which averaged 83,152 Boe/d, and within NuVista's third quarter guidance range of 83,000 - 86,000 Boe/d. While production volumes in the third quarter were positively impacted by the addition of 10 wells brought online, they were negatively impacted by approximately 5,000 Boe/d due to unplanned downtime at third-party facilities. All impacted production has since been brought back online.

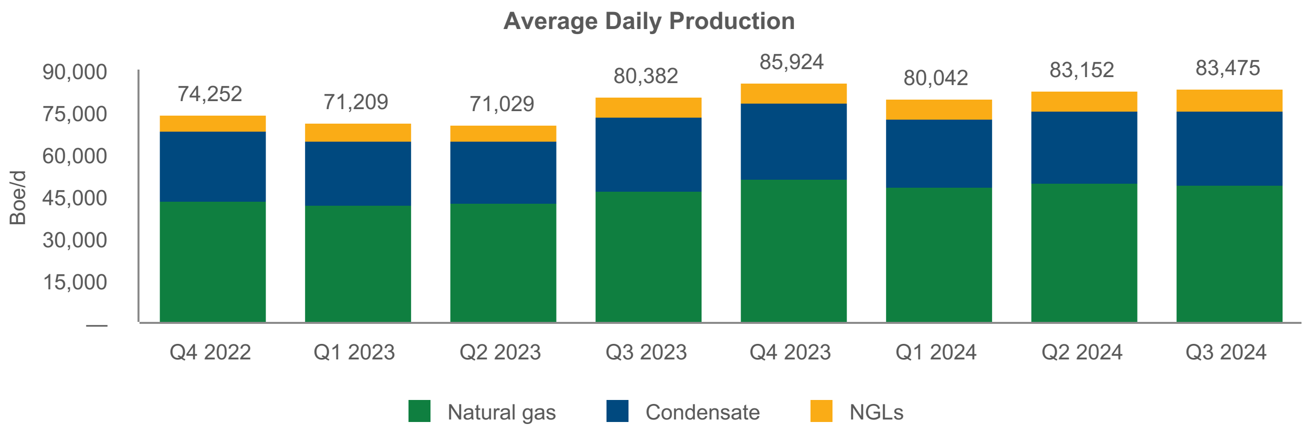
Q3 2024 compared to Q3 2023

Production volumes for three months ended September 30, 2024, increased 4% compared to an average of 80,382 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 planned and unplanned downtime at owned and third-party facilities.

Q3 YTD 2024 compared to Q3 YTD 2023

Production volumes for the nine months ended September 30, 2024, averaged 82,228 Boe/d, an increase of 11% compared to an average of 74,240 Boe/d for the same period in 2023, for similar reasons as noted above.

Condensate volume weighting for both the three and nine months ended September 30, 2024, was 31% compared to 33% and 32% in the prior year comparative periods.



Commodity Pricing

	Three months ended September 30			Nine months ended September 30		
	2024	2023	% change	**2024**	2023	% change
Realized selling prices [1],[2]						
Natural gas ($/Mcf)	**1.92**	3.36	(43)	**2.41**	4.49	(46)
Condensate ($/Bbl)	**95.51**	103.92	(8)	**98.20**	100.33	(2)
NGLs ($/Bbl) [3], [4]	**26.09**	29.19	(11)	**26.90**	31.54	(15)
Barrel of oil equivalent ($/Boe)	**39.25**	48.73	(19)	**41.45**	50.95	(19)
Benchmark pricing						
Natural gas - AECO 5A daily index (Cdn$/Mcf)	**0.69**	2.60	(73)	**1.45**	2.61	(44)
Natural gas - AECO 7A monthly index (Cdn$/Mcf)	**0.81**	2.39	(66)	**1.43**	3.03	(53)
Natural gas - NYMEX (monthly) (US$/MMbtu)	**2.16**	2.55	(15)	**2.10**	2.69	(22)
Natural gas - Chicago Citygate (monthly) (US$/MMBtu)	**1.76**	2.29	(23)	**1.95**	2.85	(32)
Natural gas - Dawn (daily) (US$/MMBtu)	**1.70**	2.27	(25)	**1.87**	2.35	(20)
Natural gas - Malin (monthly) (US$/MMBtu)	**1.97**	3.50	(44)	**2.26**	8.48	(73)
Crude Oil - WTI (US$/Bbl)	**75.14**	82.26	(9)	**77.57**	77.39	—
Crude Oil - Edmonton Par - (Cdn$/Bbl)	**98.00**	107.89	(9)	**98.54**	100.96	(2)
Condensate - @ Edmonton (Cdn$/Bbl)	**97.24**	104.65	(7)	**100.36**	103.31	(3)
Condensate - Average C5-WTI differential (US$/Bbl)	**(3.85)**	(4.29)	(10)	**(3.81)**	(0.65)	486
Exchange rate - (Cdn$/US$)	**1.36**	1.34	1	**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 included 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 nine months ended September 30, 2024 was $(0.4) million and $(2.3) million (2023 - $(0.6) million and $2.9 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 third quarter of 2024, the WTI benchmark averaged US$75.14/Bbl, a 9% decrease from the third quarter of 2023 which averaged US$82.26/Bbl and a 7% decrease from second quarter of 2024 which averaged US$80.62/Bbl. Year-to-date, the WTI benchmark has averaged US$77.57/Bbl, consistent with the prior year's average of US$77.39/Bbl. Although crude oil prices remained relatively stable during the first half of the year, supported by a return to more balanced supply and demand fundamentals, they declined in the third quarter, largely due to macroeconomic uncertainty. Concerns persist over reduced oil demand growth, driven primarily by signs of slowing economic growth in China. Additionally, ongoing geopolitical tensions, including the Russia-Ukraine war and conflicts in the Middle East, continue to create uncertainty in the oil markets and raise the risk of potential supply disruptions. While OPEC's oil production cuts initiated in 2023 have been extended monthly and are expected to continue through the end of 2025, prices remain under pressure.

With growth in heavy oil production in Canada, demand for condensate has continued to be strong. Additionally, Canadian condensate pricing has been strengthened by a weakening Canadian dollar and narrowing differentials to WTI. In the third quarter of 2024, condensate differentials from WTI averaged a negative US$3.85/Bbl, with average condensate prices continuing to outperform other natural gas liquid prices. The Edmonton marker averaged $97.24/Bbl in the third quarter of 2024. With the Trans Mountain expansion ("TMX") having started in May of 2024, it is expected that these narrower differentials will persist.

Natural Gas Liquids

Average realized NGL pricing was 11% lower in the third quarter of 2024 at $26.09/Bbl compared to $29.19/Bbl in third quarter of 2023. Butane prices were weaker due to their correlation with WTI prices, which were lower than the previous year. Propane prices have continued to face downward pressure due to an oversupplied market. Similarly, ethane prices have continued to weaken during the year 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 been long 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 third quarter of 2024, NYMEX natural gas prices averaged US$2.16/MMBtu, a 15% decrease from the third quarter of 2023 and a 14% increase from the second quarter of 2024, which averaged $1.89/MMBtu. Conversely, AECO natural gas prices averaged $0.81/Mcf in the third quarter of 2024 reflecting a 66% decrease from the third quarter of 2023 and 44% decrease from the second quarter of 2024, which averaged $1.44/Mcf. The winter months of 2024 were unusually warm in most key consuming regions, leading to below-average storage withdrawals and higher-than-expected inventory levels. Gas demand from a strong U.S. power market significantly improved U.S. gas balances with storage levels normalizing heading into the fall. However, Alberta's storage nearing capacity due to supply growth and ongoing maintenance outages in the third quarter led to days when natural gas pricing at AECO was negative. Nova debottlenecking, growth in local demand, and the eventual commissioning of LNG facilities on the West Coast are expected to support narrower AECO-NYMEX differentials.

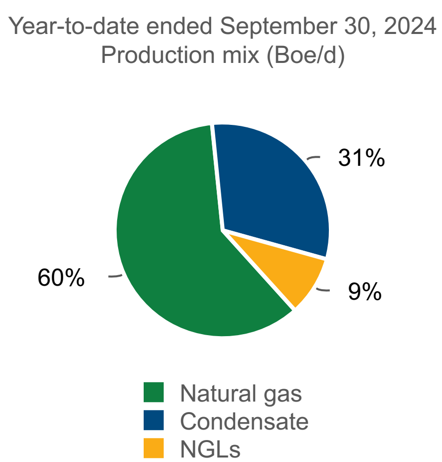
Revenue

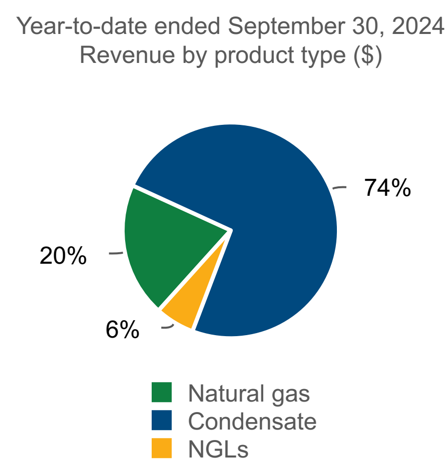
Petroleum and natural gas revenues

	Three months ended September 30				Nine months ended September 30			
	2024		2023		**2024**		2023	
($ thousands, except % amounts)	**$**	**% of total**	$	% of total	**$**	**% of total**	$	% of total
Natural gas [(1)]	**52,596**	**18**	87,629	24	**195,874**	**20**	324,489	31
Condensate	**230,248**	**76**	255,313	71	**683,405**	**74**	653,917	63
NGLs [(2)]	**18,562**	**6**	17,431	5	**54,501**	**6**	54,194	6
Total petroleum and natural gas revenues	**301,406**		360,373		**933,780**		1,032,600	

(1) Natural gas revenue includes price risk management gains and losses on physical delivery sale contracts. For the three and nine months ended September 30, 2024, our physical delivery sales contracts resulted in gains of $10.4 million and $25.4 million, respectively (2023 – gains of $6.3 million and $6.7 million, respectively).

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





Petroleum and natural gas revenues decreased 7% to $301.4 million for the third quarter of 2024 compared to $323.4 million for the second quarter of 2024. The decrease was primarily due to an 8% decrease in the average realized selling price, partially offset by a 1% increase in production volumes.

Q3 2024 compared to Q3 2023

Petroleum and natural gas revenues decreased 16% for the three months ended September 30, 2024, compared to $360.4 million for the same period in 2023. The decrease was primarily due to a 19% decrease in the average realized selling price, partially offset by a 4% increase in production volumes.

Condensate volumes averaged 31% of total production in the third quarter of 2024, contributing 76% of total petroleum and natural gas revenues.

Q3 YTD 2024 compared to Q3 YTD 2023

Petroleum and natural gas revenues decreased 10% to $933.8 million for the nine months ended September 30, 2024, compared to $1.0 billion for the same period in 2023. The decrease was primarily due to a 19% decrease in the average realized selling price, partially offset by an 11% increase in production volumes.

Condensate volumes averaged 31% of total production in the nine months ended September 30, 2024, contributing 74% of total petroleum and natural gas revenues.

Condensate revenue

For the three months ended September 30, 2024, condensate revenue decreased 10% to $230.2 million from $255.3 million for the same period in 2023. The decrease was due to an 8% decrease in the average realized selling price in addition to a 2% decrease in production volumes. For the nine months ended September 30, 2024, condensate revenue increased 5% to $683.4 million from $653.9 million for the same period in 2023. The increase was due to a 6% increase in production volumes partially offset by a 2% decrease in the average realized selling price.

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 $95.51/Bbl and $98.20/Bbl for the three and nine months ended September 30, 2024, compared to $103.92/Bbl and $100.33/Bbl for the comparable periods of 2023, and $103.89/Bbl for the second quarter of 2024.

Natural gas liquids revenue

For the three months ended September 30, 2024, NGL revenue increased 6% to $18.6 million from $17.4 million for the same period in 2023. The increase was due a 19% increase in NGL production volumes partially offset by an 11% decrease in the average realized selling price.

For the nine months ended September 30, 2024, NGL revenue increased slightly to $54.5 million from $54.2 million for the same period in 2023. The increase was due to a 17% increase in NGL production volumes partially offset by a 15% decrease in the average realized selling price.

The average realized selling price for NGLs was $26.09/Bbl and $26.90/Bbl for the three and nine months ended September 30, 2024, compared to $29.19/Bbl and $31.54/Bbl for the comparable periods of 2023, and $27.44/Bbl for the second quarter of 2024. NGL revenue includes sulphur revenue, which decreased 178% compared to 2023. Sulphur revenues are inherently very volatile and not typically a material portion of NuVista's NGL revenue composition. NuVista's NGL production volume composition has remained relatively unchanged, with a predominant weighting towards butane and propane.

Natural gas revenue

For the three months ended September 30, 2024, natural gas revenue decreased 40% to $52.6 million from $87.6 million for the same period in 2023. The decrease was due to a 43% decrease in the average realized selling price partially offset by a 5% increase in natural gas production volumes. Similarly, for the nine months ended September 30, 2024, natural gas revenue decreased 40% to $195.9 million from $324.5 million for the same period in 2023. The decrease was due to a 46% decrease in the average realized selling price partially offset by a 12% increase in natural gas production volumes.

Excluding the impact of realized gains on physical sales contracts, the average realized selling price for natural gas was $1.54/Mcf and $2.10/Mcf for the three and nine months ended September 30, 2024, compared to $3.12/Mcf and $4.40/Mcf for the comparable periods of 2023, and $1.94/Mcf for the second 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 September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
AECO physical deliveries	**52 %**	49 %	**52 %**	44 %
Dawn physical deliveries	**14 %**	15 %	**13 %**	16 %
Malin physical deliveries	**12 %**	13 %	**12 %**	14 %
Chicago physical deliveries	**22 %**	23 %	**23 %**	26 %

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 September 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 and 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.

Derivative contracts 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. Further, on August 7, 2024, NuVista’s Board of Directors amended the Company’s risk management policies to allow for international basis positions at Asia or European markers with terms not exceeding 5 years and a forecast natural gas volume not exceeding 25 MMcf/d. Foreign currency exposure on interest payments and long-term debt, if there is exposure, may also be hedged back to Canadian dollars.

Q3 2024 compared to Q3 2023

	Three months ended September 30					
	2024			2023		
($ thousands)	**Realized gain**	**Unrealized gain**	**Total gain**	Realized gain	Unrealized gain	Total gain
Natural Gas	**11,754**	**12,887**	**24,641**	9,597	549	10,146
Gain on financial derivatives	**11,754**	**12,887**	**24,641**	9,597	549	10,146

For the three months ended September 30, 2024, the commodity price contracts in place under NuVista’s risk management program resulted in a total gain of $24.6 million, consisting of a realized gain of $11.8 million and an unrealized gain of $12.9 million. The realized gain of $11.8 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 $10.1 million, consisting of a realized gain of $9.6 million and an unrealized gain of $0.5 million. The realized gain of $9.6 million consisted of a $9.6 million gain on natural gas financial derivative contracts.

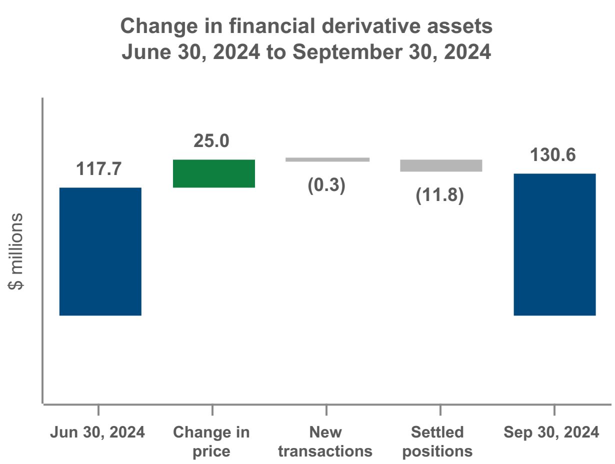
Q3 YTD 2024 compared to Q3 YTD 2023

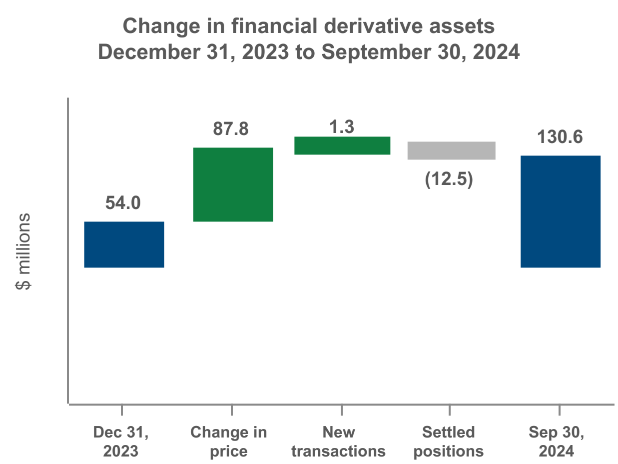
	Nine months ended September 30					
	2024			2023		
($ thousands)	**Realized gain**	**Unrealized gain**	**Total gain**	Realized gain (loss)	Unrealized loss	Total loss
Natural Gas	**12,452**	**76,558**	**89,010**	8,844	(19,932)	(11,088)
Crude Oil	**—**	**—**	**—**	(921)	(1,073)	(1,994)
Gain (loss) on financial derivatives	**12,452**	**76,558**	**89,010**	7,923	(21,005)	(13,082)

For the nine months ended September 30, 2024, the commodity price contracts in place under NuVista's risk management program resulted in a total gain of $89.0 million, consisting of a realized gain of $12.5 million and an unrealized gain of $76.6 million. The realized gain of $12.5 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 $13.1 million, consisting of a realized gain of $7.9 million and an unrealized loss of $21.0 million. The realized gain of $7.9 million consisted of an $8.8 million gain 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 September 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	45,000	(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.

Subsequent to September 30, 2024, the following is a summary of the financial derivatives contracts that have been entered into:

Term [1]	WTI fixed price swap		NYMEX collars		
	Bbls/d	Cdn$/Bbl	Mmbtu/d	US$/Mmbtu	US$/Mmbtu
2025	5,000	97.09	8,795	3.50	3.00

[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 September 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 $10.4 million and $25.4 million for the three and nine months ended September 30, 2024, compared to gains of $6.3 million and $6.7 million for the comparable periods of 2023, and a gain of $8.4 million for the three months ended June 30, 2024.

NuVista currently possesses swaps which cover 17% of projected fourth quarter 2024 natural gas production at an average floor price of C$4.10/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 September 30 2024	2023	Nine months ended September 30 2024	2023
Gross royalties	**47,648**	46,075	**141,814**	155,212
Gas cost allowance	**(11,979)**	(19,188)	**(35,643)**	(55,558)
Royalties	**35,669**	26,887	**106,171**	99,654
Gross royalty % excluding physical delivery sales contracts (1)	**16.4**	13.0	**15.6**	15.1
Gross royalty % including physical delivery sales contracts	**15.8**	12.8	**15.2**	15.0
Royalty %	**11.8**	7.5	**11.4**	9.7
Royalties $/Boe	**4.64**	3.64	**4.71**	4.92

(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 and third quarter of 2024, were consistent at $47.7 million and $47.6 million, respectively. However, gross royalties as a percentage of total petroleum and natural gas revenues increased from 15.1% to 16.4%, due to prior period royalty adjustments.

Q3 2024 compared to Q3 2023

For the three months ended September 30, 2024, gross royalties increased 3% to $47.6 million from $46.1 million for the same period in 2023. Gross royalties as a percentage of petroleum and natural gas revenues increased to 16.4% from 13.0% for the same comparative period, due to the same reasons as noted above.

Q3 YTD 2024 compared to Q3 YTD 2023

For the nine months ended September 30, 2024, gross royalties decreased 9% to $141.8 million from $155.2 million for the same period in 2023. Gross royalties as a percentage of petroleum and natural gas revenues were relatively consistent at 15.6% and 15.1% for the nine months ended September 30, 2024 and September 30, 2023, respectively. The decrease in gross royalties on an absolute basis, 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. Royalties and royalties as a percentage of petroleum and natural gas revenues were higher for the three and nine months ended September 30, 2024, compared to the same periods in 2023, due to the impact of a lower annual GCA credit adjustment.

The gross natural gas and liquids (condensate and NGL) royalty rates for the three months ended September 30, 2024, were 7% and 18% compared to 3% and 16% respectively, in the comparative period of 2023. Compared to the second quarter, the gross natural gas rate increased from 5% and the liquids royalty rate increased slightly from 17%. The gross natural gas and liquids (condensate and NGL) royalty rates for the nine months ended September 30, 2024 were 5% and 18% compared to 6% and 19%, 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

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2024**	2023	**2024**	2023
Operating expense	**90,091**	85,952	**265,899**	238,989
Other income (1)	**(2,293)**	(1,003)	**(7,496)**	(2,020)
Net operating expense (2)	**87,798**	84,949	**258,403**	236,969
Net operating expense $/Boe (3)	**11.43**	11.49	**11.47**	11.69

(1) Processing income and other recoveries.

(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"*.

(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"*.

Net operating expense for the third quarter and second quarter of 2024, were relatively consistent at $87.8 million compared to $86.8 million, respectively. On a $/Boe basis, net operating expense decreased slightly to $11.43/Boe from $11.47/Boe, over this same period.

Q3 2024 compared to Q3 2023

For the three months ended September 30, 2024, net operating expense increased 3% to $87.8 million compared to $84.9 million for the same period in 2023. This increase was due to higher variable costs associated with the 4% increase in production volumes, and costs associated with the planned turnaround at the NuVista Wembley gas plant in the quarter, partially offset by lower power and utility costs. On a $/Boe basis, net operating expense decreased 1% to $11.43/Boe for the three months ended September 30, 2024, compared to $11.49/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.

Q3 YTD 2024 compared to Q3 YTD 2023

For the nine months ended September 30, 2024, net operating expense increased 9% to $258.4 million compared to $237.0 million for the same period in 2023. On a $/Boe basis, net operating expense decreased 2% to $11.47/Boe for the nine months ended September 30, 2024, compared to $11.69/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 nine months ended September 30, 2024, total payments of $5.0 million and $14.8 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 and $14.1 million in the comparable periods of 2023.

Transportation expense

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per unit and per Boe amounts)	**2024**	2023	**2024**	2023
Natural gas transportation expense	**20,769**	19,448	**62,126**	58,420
Condensate & NGL transportation expense	**18,636**	16,840	**47,165**	39,980
Transportation expense	**39,405**	36,288	**109,291**	98,400
Natural gas transportation $/Mcf (1)	**0.76**	0.75	**0.76**	0.81
Condensate & NGL transportation $/Bbl	**5.97**	5.51	**5.25**	4.85
Transportation expense $/Boe	**5.13**	4.91	**4.85**	4.86

(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 third quarter of 2024 to $39.4 million and $5.13/Boe compared to $37.4 million and $4.94/Boe in the second quarter of 2024. The increase was primarily due to incremental trucking costs incurred for condensate and NGL transportation due to downtime at owned and third-party facilities.

Q3 2024 compared to Q3 2023

Transportation expense for the three months ended September 30, 2024, increased 9% to $39.4 million compared to $36.3 million for the same period in 2023. Similarly, on a $/Boe basis, transportation expense for the three months ended September 30, 2024, increased 4% to $5.13/Boe compared to $4.91/Boe for the comparable period of 2023. The increase in transportation expense on an absolute basis and $/Boe basis can be attributed to rate increases on the NOVA Gas Transmission Ltd. ("NGTL") system effective at the January 1, 2024 and incremental trucking costs incurred due to downtime at owned and third-party facilities, in addition to the impact of a 4% increase in production volumes.

Natural gas transportation expense increased 1% to $0.76/Mcf for the three months ended September 30, 2024, compared to $0.75/Mcf for the comparable period of 2023. Similarly, condensate & NGL transportation expense increased 8% to $5.97/Bbl for the three months ended September 30, 2024, compared to $5.51/Bbl for the comparable period of 2023.

Q3 YTD 2024 compared to Q3 YTD 2023

Transportation expense for the nine months ended September 30, 2024, increased 11% to $109.3 million compared to $98.4 million for the same period in 2023. On a $/Boe basis, transportation expense for the nine months ended September 30, 2024 and September 30, 2023, was consistent at $4.85/Boe compared to $4.86/Boe, respectively. The increase in transportation expense on an absolute basis can be largely attributed an 11% increase in production volumes and incremental trucking costs incurred due to downtime at owned and third-party facilities for planned turnaround activity. Additionally, transportation expense was higher as result of a larger third-party credit adjustment recognized in the first half of 2023 than the adjustment recognized in the first half of 2024.

Natural gas transportation expense decreased 6% to $0.76/Mcf for the nine months ended September 30, 2024, compared to $0.81/Mcf for the comparable period of 2023. Conversely, condensate & NGL transportation expense increased 8% to $5.25/Bbl for the nine months ended September 30, 2024, compared to $4.85/Bbl for the comparable period of 2023.

General and administrative expense ("G&A")

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2024**	2023	**2024**	2023
Gross G&A expense	**8,245**	7,844	**24,937**	24,303
Overhead recoveries	**(820)**	(850)	**(2,030)**	(2,682)
Capitalized G&A	**(1,432)**	(1,330)	**(4,327)**	(4,058)
G&A expense	**5,993**	5,664	**18,580**	17,563
Gross G&A expense $/Boe	**1.07**	1.06	**1.11**	1.20
G&A expense $/Boe	**0.78**	0.77	**0.82**	0.87

G&A expense on an absolute basis, decreased 6% to $6.0 million for the third quarter of 2024 compared to $6.4 million for second quarter of 2024, largely due to higher overhead recoveries. Similarly, on a $/Boe basis, G&A expense for the third quarter of 2024, decreased 7% to $0.78/Boe compared to $0.84/Boe for the second quarter of 2024.

Q3 2024 compared to Q3 2023

G&A expense on an absolute basis, increased 6% for the three months ended September 30, 2024 compared to $5.7 million for the same period in 2023, due to compensation related matters and services rendered from third-party providers. G&A expense on a $/Boe basis was relatively consistent over this same period, at $0.78/Boe and $0.77/Boe, respectively, due to a 4% increase in production volumes.

Q3 YTD 2024 compared to Q3 YTD 2023

G&A expense on an absolute basis, increased 6% to $18.6 million for the nine months ended September 30, 2024 compared to $17.6 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 7% to $0.82/Boe for the nine months ended September 30, 2024 compared to $0.87/Boe for the comparable period of 2023, due to an 11% 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 the three and nine months ended September 30, 2024, total payments of $0.2 million and $0.6 million, respectively, were excluded from gross G&A expense and accounted for under the lease standard.

Share-based compensation expense

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2024**	2023	**2024**	2023
Stock options	**638**	635	**1,769**	1,496
Restricted share awards	**664**	570	**1,937**	1,664
Performance share awards	**1,170**	1,114	**3,453**	4,695
Non-cash share-based compensation expense	**2,472**	2,319	**7,159**	7,855
Director deferred share units	**(3,301)**	3,038	**690**	1,195
Restricted share units	**7**	—	**45**	(148)
Cash share-based compensation expense	**(3,294)**	3,038	**735**	1,047
Total share-based compensation expense	**(822)**	5,357	**7,894**	8,902

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.

Q3 2024 compared to Q3 2023

For the three months ended September 30, 2024, the decrease in total share-based compensation over the prior year comparative period was primarily a result in the change in the DSU liability and corresponding expense, which decreased as a result of the revaluation at a lower closing share price. NuVista's share price was $13.00 per share at September 30, 2023 and $11.12 per share at September 30, 2024.

Q3 YTD 2024 compared to Q3 YTD 2023

For the nine months ended September 30, 2024, the decrease in total share-based compensation was primarily due to the fewer number of PSAs outstanding on which the PSA expense is calculated at September 30, 2024 as compared to September 30, 2023, partially offset by an increase in the performance multiplier for 2024 PSAs, which was determined by the Board to be 1.56x (3-year average) based on above-target Company performance. In addition, a lower DSU expense was 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 September 30, 2024 was $11.12 per share compared to $11.04 per share at December 31, 2023.

Financing costs

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2024**	2023	**2024**	2023
Interest on long-term debt (credit facility)	**2,614**	1,601	**7,250**	3,864
Interest on senior unsecured notes (2026 Notes)	**3,651**	3,503	**10,782**	12,693
Early redemption expense on 2026 Notes	**—**	—	**—**	2,604
Interest expense	**6,265**	5,104	**18,032**	19,161
Lease interest expense	**3,514**	3,597	**10,677**	10,340
Accretion expense	**999**	912	**2,594**	2,395
Total financing costs	**10,778**	9,613	**31,303**	31,896
Interest expense $/Boe	**0.82**	0.69	**0.80**	0.95
Total financing costs $/Boe	**1.40**	1.30	**1.39**	1.57

Total financing costs for the second quarter and third quarter of 2024, were relatively consistent at $10.6 million and $10.8 million, respectively. Similarly, on a $/Boe basis total financing costs were $1.41/Boe for the second quarter of 2024 compared to $1.40/Boe for the third quarter of 2024.

Q3 2024 compared to Q3 2023

For the three months ended September 30, 2024, total financing costs were $10.8 million compared to $9.6 million for the same period in 2023. Similarly, for the three months ended September 30, 2024, total financing costs on a $/Boe basis were $1.40/Boe compared to $1.30/Boe for the same period in 2023. The increase in total financing costs, both on an absolute and $/Boe basis, was largely due to 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 September 30, 2024, and September 30, 2023 was 7.0% and 7.6%, respectively. Interest expense on long-term debt includes interest standby charges on NuVista's credit facility.

Q3 YTD 2024 compared to Q3 YTD 2023

For the nine months ended September 30, 2024, total financing costs were $31.3 million compared to $31.9 million for the same period in 2023. Although, NuVista's total financing costs remained relatively unchanged during this period, the make-up of total financing costs changed. Specifically, interest expense pertaining to NuVista's 2026 Notes was higher during the first nine months of 2023 due to the repurchase and cancellation of $55.2 million in aggregate principal notes and related early redemption charge. NuVista has not subsequently repurchased any additional 2026 Notes, however, interest expense related to its credit facility increased in the first nine months of 2024 due to higher average borrowing. The average interest rate on long-term debt for the nine months ended September 30, 2024, and September 30, 2023 was 7.4% and 7.6%, respectively. For the nine months ended September 30, 2024, total financing costs on a $/Boe basis were $1.39/Boe compared to $1.57/Boe for the same period in 2023, due to an 11% increase in production volumes.

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

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2024**	2023	**2024**	2023
Depletion and depreciation of property, plant and equipment	**69,989**	55,321	**219,268**	169,687
Depreciation of right-of-use assets	**2,510**	2,478	**7,529**	7,198
DD&A expense	**72,499**	57,799	**226,797**	176,885
DD&A expense $/Boe	**9.44**	7.82	**10.07**	8.73

Q3 2024 compared to Q3 2023

For the three months ended September 30, 2024, DD&A expense increased 25% to $72.5 million from $57.8 million for the same period in 2023, largely due to a 4% increase in production volumes on which depletion expense is based. Similarly, on a $/Boe basis DD&A expense was higher at $9.44/Boe for the three months ended September 30, 2024 compared to $7.82/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 September 30, 2024, DD&A expense on a $/Boe basis, excluding the impact of accelerated depletion, was $9.28/Boe, compared to the prior year comparative period of $8.85/Boe.

Q3 YTD 2024 compared to Q3 YTD 2023

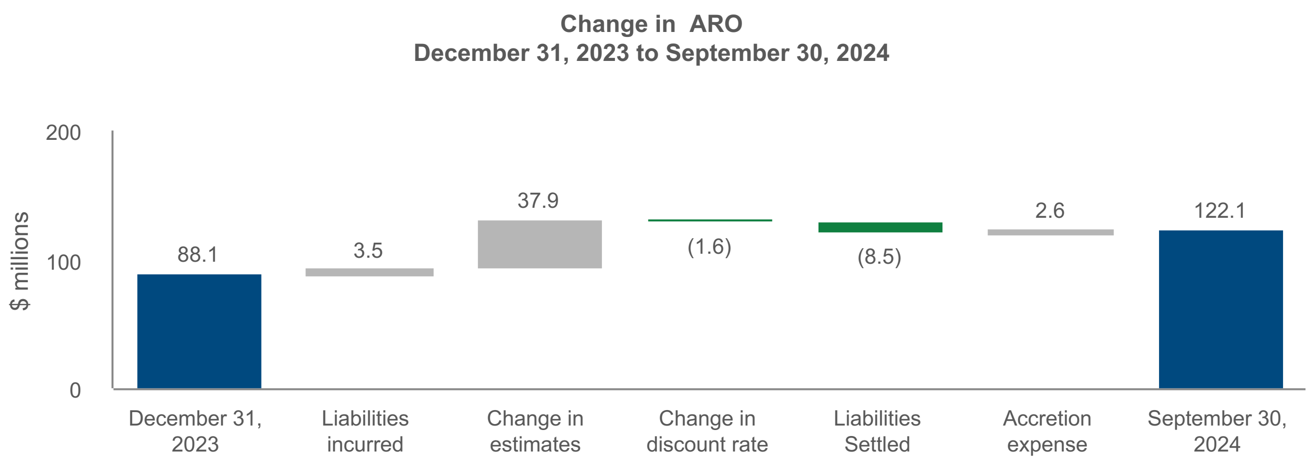
For the nine months ended September 30, 2024, DD&A expense increased 28% to $226.8 million from $176.9 million for the same period in 2023, largely due to a 11% increase in production volumes on which depletion expense is based. Similarly, on a $/Boe basis DD&A expense was higher at $10.07/Boe for the nine months ended September 30, 2024, compared to $8.73/Boe for the same period in 2023.

For the nine months ended September 30, 2024, DD&A expense on a $/Boe basis, excluding the impact of accelerated depletion, was $9.20/Boe, compared to the prior year comparative period of $8.90/Boe. In the second quarter of 2024, there was a one-time adjustment to certain well abandonment liability costs estimates, resulting in a corresponding accelerated depletion charge impacting the current year-to-date DD&A expense $/Boe of $10.07/Boe by $0.70/Boe.

DD&A expense on a $/Boe basis for NuVista's Montney cash generating unit ("CGU") for the three and nine months ended September 30, 2024, increased to $8.96/Boe and $8.84/Boe compared to $8.55/Boe and $8.59/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 September 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 September 30, 2024, NuVista had an ARO balance of $122.1 million as compared to $88.1 million as at December 31, 2023. At September 30, 2024, the estimated total undiscounted and uninflated amount of cash required to settle NuVista's ARO was $156.2 million (December 31, 2023 – $118.0 million), with an estimated 35% to be incurred within the next 10 years. The Government of Canada long-term risk-free bond rate of 3.1% (December 31, 2023 – 3.0%) and an inflation rate of 1.6% (December 31, 2023 – 1.6%) were used to calculate the net present value of the asset retirement obligations as of September 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 1.5% as of September 30, 2024 (December 31, 2023 - 1.4%). ARO expenditures for the nine months ended September 30, 2024 were $8.5 million compared to $11.2 million for the year ended December 31, 2023.

NuVista's ARO liability increased by $34.0 million in 2024 due primarily to a $37.9 million increase in ARO cost estimates and $3.5 million of liabilities incurred as a result of new wells drilled, partially offset by a $1.6 million decrease as a result of a change in the discount rate used to value the liability and $8.5 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 September 30, 2024, cash used in investing activities was $124.4 million compared to $120.7 million for the same period in 2023. Of these investing activities, capital expenditures totaled $118.4 million and $110.0 million for the three months ended September 30, 2024, and 2023, respectively. Of the $118.4 million invested in the third quarter of 2024, 80% was allocated to drilling and completion activities, resulting in 14 (14.0 net) wells drilled and 12 (12.0 net) wells completed.

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

For the nine months ended September 30, 2024, cash used in investing activities was $428.5 million compared to $398.9 million for the same period in 2023. Capital expenditures totaled $427.8 million and $431.0 million for the nine months ended September 30, 2024, and 2023, respectively. Of the $427.8 million invested in the first nine months of 2024, 72% was allocated to drilling and completion activities, resulting in 34 (34.0 net) wells drilled and 38 (38.0 net) wells completed.

During the nine months ended September 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 nine months ended September 30, 2024, and 2023:

	Three months ended September 30				Nine months ended September 30			
($ thousands, except % amounts)	**2024**	**% of total**	2023	% of total	**2024**	**% of total**	2023	% of total
Land and retention costs	**10**	**1**	15	—	**6,978**	**2**	7,492	2
Geological and geophysical	**512**	**—**	336	—	**1,126**	**—**	442	—
Drilling and completion	**95,220**	**80**	93,795	85	**309,658**	**72**	341,250	79
Facilities and equipment	**21,043**	**18**	14,328	14	**105,120**	**25**	77,059	18
Corporate and other	**1,648**	**1**	1,562	1	**4,904**	**1**	4,793	1
Capital expenditures [(1)]	**118,433**		110,036		**427,786**		431,036	
Proceeds on property disposition	**—**		—		**—**		(26,000)	
Net capital expenditures [(1)]	**118,433**		110,036		**427,786**		405,036	
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 September 30, 2024, the total right-of-use asset was $96.8 million with a corresponding total lease liability of $121.2 million, of which $7.2 million is classified as a current liability.

Income taxes

In 2024, NuVista expects to be cash taxable as a result of taxable income being in excess of available tax deductions and as such has recognized a current income tax expense of $1.0 million and $12.4 million for the three and nine months ended September 30, 2024, respectively. NuVista recorded a deferred tax expense of $16.6 million for the three months ended September 30, 2024 compared to a deferred tax expense of $31.2 million for the same period in 2023. For the nine months ended September 30, 2024, NuVista has recorded a deferred tax expense of $48.6 million compared to $83.9 million for the same period in 2023. The deferred tax liability of $407.6 million on September 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 nine months ended September 30, 2024 and 2023, borrowing costs averaged 7.4% and 7.6%, 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 September 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	**0.06:1**	Not exceed 3.0:1	Met
Total debt to EBITDA ratio	**0.31:1**	Not exceed 3.5:1	Met
EBITDA to interest expense ratio	**16.86:1**	Not be less than 3.5:1	Met

As of September 30, 2024, NuVista had $37.5 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 September 30, 2024, NuVista had outstanding letters of credit associated with the APSG of $15.3 million, leaving $14.7 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 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.

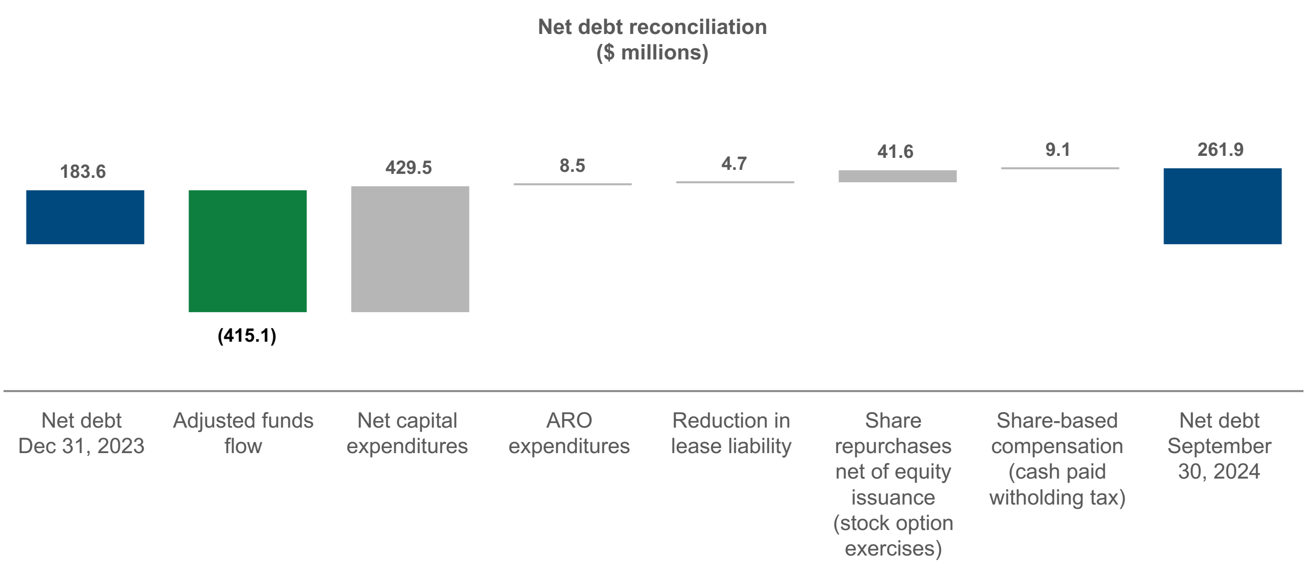
As of September 30, 2024, NuVista had redeemed in aggregate $64.6 million of the 2026 Notes. The remaining face value on September 30, 2024 was $165.4 million, with a carrying value of $163.1 million.

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:

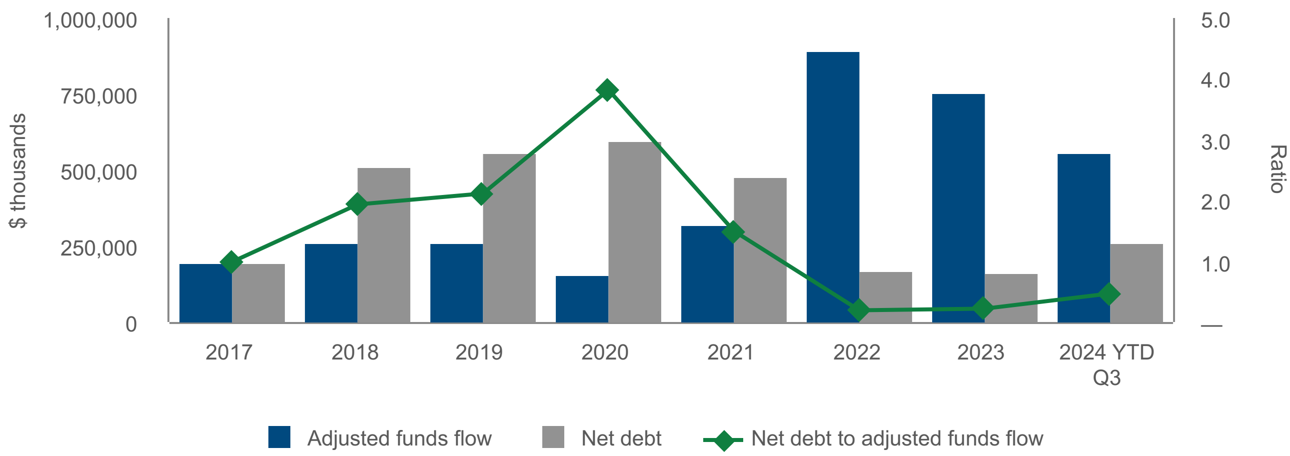
($ thousands)	September 30, 2024	December 31, 2023
Basic common shares outstanding	205,381,033	207,584,197
Share price [1]	11.12	11.04
Total market capitalization	2,283,837	2,291,730
Accounts receivable and prepaid expenses	(133,904)	(163,987)
Inventory	(12,080)	(20,705)
Accounts payable and accrued liabilities	176,123	157,711
Current portion of other liabilities	14,805	14,082
Long-term debt (credit facility)	37,529	16,897
Senior unsecured notes	163,080	162,195
Other liabilities	16,345	17,358
Net debt [2,3]	261,898	183,551
Annualized current quarter adjusted funds flow [2,3]	557,912	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 $261.9 million at September 30, 2024 represents a 43% increase from $183.6 million at December 31, 2023, as a result of temporary phasing of capital spending and share repurchases temporarily in excess of adjusted funds flow. Free adjusted funds flow was negative in the nine months ended September 30, 2024, largely due the decrease in the overall commodity price environment, the phasing of NuVista's capital development program and timing of new well production. NuVista's net debt to annualized third 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.

Net debt to adjusted funds flow



(1) 2017 to 2023 is based on full year adjusted funds flow.
(2) 2024 YTD Q3 is 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, allowing 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, allowing 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. During the three months ended September 30, 2024, NuVista has repurchased and subsequently cancelled 816,800 of its outstanding common shares at a weighted average price of $13.81/share for a total cost of $11.3 million under its 2024 NCIB.

Subsequent to September 30, 2024, NuVista has repurchased and subsequently cancelled 1,117,200 common shares at a weighted average price of $11.09/share for a total cost of $12.4 million.

Since the inception of its NCIB programs in 2022, NuVista has repurchased and subsequently cancelled 33,192,161 of its outstanding common shares at a weighted average price of $11.89/share for a total cost of $394.6 million.

Long-term Incentive and Option Plans

As at September 30, 2024, there were 205.4 million common shares outstanding. Additionally, as part of NuVista’s long-term incentive plans, there were 2.9 million stock options outstanding with an average exercise price of $6.69 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 September 30, 2024:

($ thousands)	Total	2024	2025	2026	2027	2028	Thereafter
Transportation [1]	**$ 939,750**	$ 37,905	$ 152,456	$ 150,702	$ 146,188	$ 119,803	$ 332,696
Processing [1] [2]	**1,739,632**	31,881	124,853	142,412	143,429	144,635	1,152,422
Servicing [3]	**5,908**	—	5,908	—	—	—	—
Total commitments [4]	**$ 2,685,290**	$ 69,786	$ 283,217	$ 293,114	$ 289,617	$ 264,438	$ 1,485,118

[1] Certain of the transportation and processing commitments are secured by outstanding letters of credit of $14.6 million at September 30, 2024 (December 31, 2023 - $18.5 million).
[2] Includes processing commitments to guarantee firm capacity in various facilities.
[3] Effective November 2022, NuVista entered into a 3-year fracturing services and proppant supply agreement with a third-party. Part of the agreement includes USD and the conversion rate used at September 30, 2024 was 1.35 Cdn$/US$.
[4] Excludes commitments recognized within lease liabilities.

Effective November 7, 2025, NuVista entered into a LNG sales arrangement tied to the Japan/Korea marker ("JKM") through a netback agreement based on 21,000 MMbtu/d of LNG for a period up to thirteen years commencing January 1, 2027.

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)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
FINANCIAL								
Petroleum and natural gas revenues	**301,406**	323,350	309,024	365,497	360,373	282,064	390,163	455,868
Net earnings	**59,823**	110,974	35,769	89,513	110,323	87,133	80,709	159,372
Per share, basic	**0.29**	0.54	0.17	0.42	0.51	0.40	0.37	0.72
Per share, diluted	**0.29**	0.53	0.17	0.41	0.50	0.39	0.36	0.69
Cash provided by operating activities	**150,249**	166,280	147,893	211,761	160,194	134,166	215,221	226,688
Per share, basic	**0.73**	0.81	0.71	1.00	0.74	0.62	0.98	1.02
Per share, diluted	**0.72**	0.79	0.70	0.98	0.72	0.60	0.95	0.98
Adjusted funds flow (1)	**139,478**	140,246	135,413	201,987	202,010	145,482	207,464	256,983
Per share, basic (4)	**0.68**	0.68	0.65	0.95	0.94	0.67	0.95	1.16
Per share, diluted (4)	**0.67**	0.67	0.64	0.93	0.91	0.65	0.91	1.12
Net capital expenditures (2)	**118,433**	121,497	187,856	113,258	110,036	125,130	169,870	72,743
Total assets ($ millions)	**3,340**	3,303	3,135	3,058	3,009	2,910	2,882	2,822
Weighted average basic shares outstanding (thousands of shares)	**205,706**	206,191	207,174	211,807	215,710	217,952	219,192	222,483
Weighted average diluted shares outstanding (thousands of shares)	**208,160**	209,893	210,668	216,446	221,657	224,776	226,921	230,366
OPERATING								
Daily Production								
Natural gas (Mcf/d)	**297,220**	299,807	292,798	310,485	283,125	256,572	253,269	259,335
Condensate (Bbls/d)	**26,204**	25,761	24,220	26,889	26,704	21,990	22,885	25,112
NGLs (Bbls/d)	**7,735**	7,424	7,022	7,287	6,491	6,277	6,113	5,918
Total (Boe/d)	**83,475**	83,152	80,042	85,924	80,382	71,029	71,209	74,252
Condensate & NGLs weighting	**41%**	40%	39%	40%	41%	40%	41%	42%
Netbacks ($/Boe)								
Operating netback (3)	**19.92**	21.59	21.85	27.01	29.99	24.07	35.58	40.36
Corporate netback (3)	**18.17**	18.52	18.58	25.55	27.30	22.51	32.36	37.62

(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)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Cash provided by operating activities	**150,249**	166,280	147,893	211,761	160,194	134,166	215,221	226,688
Asset retirement expenditures	**1,636**	392	6,450	1,208	773	(479)	9,693	1,223
Change in non-cash working capital	**(12,407)**	(26,426)	(18,930)	(10,982)	41,043	11,795	(17,450)	29,072
Adjusted funds flow	**139,478**	140,246	135,413	201,987	202,010	145,482	207,464	256,983

(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)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Cash used in investing activities	**(124,352)**	(138,110)	(166,027)	(132,646)	(120,713)	(134,454)	(143,773)	(79,310)
Changes in non-cash working capital	**5,919**	16,613	(23,509)	2,484	10,677	9,324	(35,597)	6,567
Other asset expenditures	**—**	—	—	—	—	—	9,500	—
Power generation expenditures	**—**	—	1,680	16,904	—	—	—	—
Net capital expenditures	**(118,433)**	(121,497)	(187,856)	(113,258)	(110,036)	(125,130)	(169,870)	(72,743)

(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 $159.4 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:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2024**	2023	**2024**	2023
Cash used in investing activities	**(124,352)**	(120,713)	**(428,489)**	(398,940)
Changes in non-cash working capital	**5,919**	10,677	**(977)**	(15,596)
Other asset expenditures	**—**	—	**—**	9,500
Power generation expenditures	**—**	—	**1,680**	—
Proceeds on property disposition	**—**	—	**—**	(26,000)
Capital expenditures	**(118,433)**	(110,036)	**(427,786)**	(431,036)

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:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2024**	2023	**2024**	2023
Cash used in investing activities	**(124,352)**	(120,713)	**(428,489)**	(398,940)
Changes in non-cash working capital	**5,919**	10,677	**(977)**	(15,596)
Other asset expenditures	**—**	—	**—**	9,500
Power generation expenditures	**—**	—	**1,680**	—
Net capital expenditures	**(118,433)**	(110,036)	**(427,786)**	(405,036)

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:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2024**	2023	**2024**	2023
Cash provided by operating activities	**150,249**	160,194	**464,422**	509,581
Cash used in investing activities	**(124,352)**	(120,713)	**(428,489)**	(398,940)
Excess (deficit) cash provided by operating activities over cash used in investing activities	**25,897**	39,481	**35,933**	110,641
Adjusted funds flow	**139,478**	202,010	**415,137**	554,956
Net capital expenditures	**(118,433)**	(110,036)	**(427,786)**	(405,036)
Power generation expenditures	**—**	—	**(1,680)**	—
Asset retirement expenditures	**(1,636)**	(773)	**(8,478)**	(9,987)
Free adjusted funds flow	**19,409**	91,201	**(22,807)**	139,933

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:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2024	2023	2024	2023
Operating expense	90,091	85,952	265,899	238,989
Other income[(1)]	(2,293)	(1,003)	(7,496)	(2,020)
Net operating expense	87,798	84,949	258,403	236,969

(1) Processing income and other recoveries, included within Other Income as presented in the table below:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2024	2023	2024	2023
Other income	2,642	—	3,178	—
Processing income and other recoveries	2,293	1,003	7,496	2,020
Other Income	4,935	1,003	10,674	2,020

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 nine months ended September 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:

- 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;
- 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;
- 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:

- 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;
- 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;
- 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
AER	Alberta Energy Regulator
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
IFRS	IFRS Accounting Standards
JKM	Benchmark price that reflects the spot market value of liquefied natural gas (LNG) cargoes delivered ex-ship (DES) into Japan, South Korea, China, and Taiwan
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
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 ("Mcfe") on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes and Mcfes may be misleading, particularly if used in isolation. A conversion ratio of one barrel to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio on a 6:1 basis may be misleading as an indication of value.

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
Q3 2024 production - actual	83,475	60 %	31 %	9 %
Q3 2024 production guidance	83,000 - 86,000	61 %	30 %	9 %
Q4 2024 production guidance	89,000 - 91,000	61 %	30 %	9 %
2024 annual production guidance	83,500 - 86,000	61 %	30 %	9 %
2025 annual production guidance	~90,000	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;*
- *Expectations regarding timing of completion of operations in Pipestone and the anticipated benefits therefrom;*
- *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 fourth quarter 2024 production and production mix;*
- *Expectations regarding monthly production levels in the fourth quarter of 2024;*
- *NuVista's expectations with respect to our 2025 capital expenditures, free adjusted funds flow and average annual production guidance;*
- *NuVista's expectations that the Company will exit 2024 with net debt significantly below $300 million;*
- *the expectation that growth in 2025 will be largely supported by Pipestone North;*
- *the expected timing of start-up of a third-party gas plant in the Pipestone area and the anticipated benefits thereof;*
- *that production volumes in the second half of 2025 will approach approximately 100,000 Boe/d;*
- *that production during the second and third quarters of 2025 will be impacted due to planned turnaround activity at third-party facilities which is expected to be at least six weeks in duration;*
- *the expectation that more detailed quarterly production guidance will be released throughout 2025, once more detailed information is known;*
- *NuVista's expectation that the Gold Creek area will be an important area of development focus in 2026 and 2027;*
- *that 75% of NuVista's free adjusted funds flow will be put towards the repurchase of the Company's common shares pursuant to the 2024 NCIB;*
- *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, potential changes to U.S. economic, regulatory and/or trade policies as a result of a change in government, 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 and 2025 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 and 2025. 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.