



**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

**As at, and for the three months ended:
March 31, 2025 and 2024**

NUVISTA ENERGY LTD.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

(\$Cdn thousands)	Note	March 31 2025	December 31 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 2,677	\$ —
Accounts receivable and other		135,657	132,538
Prepaid expenses		47,985	45,584
Financial derivative assets	16	82,363	65,537
		268,682	243,659
Financial derivative assets	16	130,826	138,567
Other assets	3	34,515	9,500
Exploration and evaluation assets	4	29,790	29,790
Property, plant and equipment	5	3,023,628	2,934,617
Right-of-use assets	6	91,777	94,286
Total assets		\$ 3,579,218	\$ 3,450,419
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 256,804	\$ 206,862
Current portion of other liabilities	15	16,907	18,351
Current portion of lease liabilities	9	7,652	7,441
Current portion of asset retirement obligations	10	11,500	9,800
		292,863	242,454
Long-term debt	7	—	5,353
Senior unsecured notes	8	163,698	163,258
Other liabilities		16,478	16,801
Lease liabilities	9	110,093	112,021
Asset retirement obligations	10	112,737	112,614
Deferred tax liability		456,116	443,938
Total liabilities		1,151,985	1,096,439
SHAREHOLDERS' EQUITY			
Share capital	11	1,076,986	1,091,990
Contributed surplus		50,141	47,342
Retained earnings		1,300,106	1,214,648
Total shareholders' equity		2,427,233	2,353,980
Total liabilities and shareholders' equity		\$ 3,579,218	\$ 3,450,419
Subsequent events	7,11,16		
Commitments	18		

See accompanying notes to the condensed consolidated interim financial statements.

NUVISTA ENERGY LTD.
**Condensed Consolidated Interim Statements of Net Earnings and Comprehensive Income
(Unaudited)**

(\$Cdn thousands, except per share amounts)	Note	Three months ended March 31	
		2025	2024
Revenues			
Petroleum and natural gas sales	13	\$ 371,405	\$ 309,024
Royalties		(31,358)	(32,579)
Net revenue from petroleum and natural gas sales		340,047	276,445
Realized gain (loss) on financial derivatives		17,559	(1,291)
Unrealized gain (loss) on financial derivatives	16	9,085	(23,462)
Other income		1,199	3,332
Total revenue, other income and gain (loss) on financial derivatives		367,890	255,024
Expenses			
Operating		91,722	86,799
Transportation		38,260	32,526
General and administrative		6,539	6,229
Share-based compensation	15	3,598	3,258
Financing costs	17	9,070	9,890
Depletion, depreciation and amortization	5,6	71,848	69,571
		221,037	208,273
Earnings before taxes		146,853	46,751
Current income tax expense		22,593	7,551
Deferred income tax expense		12,108	3,431
Total income tax expense		\$ 34,701	\$ 10,982
Net earnings and comprehensive income		\$ 112,152	\$ 35,769
Net earnings per share			
	12		
Basic		\$ 0.55	\$ 0.17
Diluted		\$ 0.55	\$ 0.17

See accompanying notes to the condensed consolidated interim financial statements.

NUVISTA ENERGY LTD.

**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited)**

(\$Cdn thousands)	Note	Three months ended March 31	
		2025	2024
Share capital	11,15		
Balance, January 1		\$ 1,091,990	\$ 1,111,750
Issued for cash on exercise of stock options		1,235	—
Contributed surplus transferred on exercise of stock options		623	133
Conversion of restricted share awards		208	27
Conversion of performance share awards		798	106
Conversion of director share units		1,219	—
Repurchase of shares for cancellation		(19,087)	(7,203)
Balance, end of period		\$ 1,076,986	\$ 1,104,813
Contributed surplus			
Balance, January 1		\$ 47,342	\$ 51,250
Share-based compensation		4,499	2,872
Transfer to share capital on exercise of stock options		(623)	(133)
Conversion of restricted share awards		(208)	(27)
Conversion of performance share awards		(798)	(106)
Share-based compensation - tax withholdings settled in cash		—	(402)
Tax deduction on excess value of share awards		(71)	784
Balance, end of period		\$ 50,141	\$ 54,238
Retained earnings			
Balance, January 1		\$ 1,214,648	\$ 952,032
Repurchase of shares for cancellation		(26,694)	(7,922)
Net earnings		112,152	35,769
Balance, end of period		\$ 1,300,106	\$ 979,879
Total shareholders' equity		\$ 2,427,233	\$ 2,138,930

See accompanying notes to the condensed consolidated interim financial statements.

NUVISTA ENERGY LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

(\$Cdn thousands)	Note	Three months ended March 31	
		2025	2024
Cash provided by (used in)			
Operating activities			
Net earnings		\$ 112,152	\$ 35,769
<i>Items not requiring cash from operations:</i>			
Depletion, depreciation and amortization	5,6	71,848	69,571
Share-based compensation	15	3,806	2,375
Unrealized loss (gain) on financial derivatives	16	(9,085)	23,462
Deferred income tax expense		12,108	3,431
Accretion	10	1,057	805
Asset retirement expenditures	10	(3,480)	(6,450)
Change in non-cash working capital	19	44,257	18,930
Cash provided by operating activities		232,663	147,893
Financing activities			
Proceeds from the exercise of stock options	11	1,235	—
Share-based compensation - tax withholdings settled with cash	15	—	(402)
Payment on lease liabilities	9	(1,717)	(1,520)
Repurchase of shares	11	(45,781)	(15,125)
Increase (decrease) of long-term debt		(5,353)	35,523
Other liabilities		(342)	(342)
Cash provided by (used in) financing activities		(51,958)	18,134
Investing activities			
Property, plant and equipment expenditures	5	(153,411)	(189,207)
Exploration and evaluation expenditures	4	—	(329)
Other asset expenditures		(25,015)	—
Change in non-cash working capital	19	398	23,509
Cash used in investing activities		(178,028)	(166,027)
Change in cash and cash equivalents		2,677	—
Cash and cash equivalents, beginning of period		—	—
Cash and cash equivalents, end of period		\$ 2,677	\$ —
Current income tax expense paid in cash		\$ —	\$ —
Interest paid in cash		\$ 7,411	\$ 8,493

See accompanying notes to the condensed consolidated interim financial statements.

NUVISTA ENERGY LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements For the three months ended March 31, 2025, and 2024

1. Corporate information

NuVista Energy Ltd. and its subsidiary (together “NuVista” or the “Company”) is a Canadian publicly traded company incorporated in the province of Alberta. NuVista is a condensate and natural gas company actively engaged in the development, delineation, and production of condensate 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 Alberta Deep Basin.

NuVista’s registered office and principal place of business is located at 2500, 525 – 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1G1. NuVista’s common shares are traded on the Toronto Stock Exchange (“TSX”) under the symbol NVA.

2. Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements (the “financial statements”) have been prepared in accordance with IAS 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”). These financial statements have been prepared following the same accounting policies and methods of computation as the annual financial statements for the year ended December 31, 2024. These financial statements do not include all the information required for annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS.

These financial statements were approved and authorized for issuance by the Board of Directors on May 8, 2025.

Functional and presentation currency

These financial statements are presented in Canadian dollars (“CDN”), which is the Company’s functional currency. All tabular amounts are in thousands of CDN dollars, unless otherwise stated.

Operating environment

Numerous factors beyond NuVista’s control influence the marketability and pricing of oil, condensate, NGLs, and natural gas, which may experience significant volatility. These factors include uncertainties in supply and demand driven by government policies, global economic conditions, sanctions and tariffs, shifts in global trade flows, changes in interest rates and inflation, actions by OPEC+, political and geopolitical instability, regulatory changes, ongoing conflicts, and other macroeconomic or political developments. Specifically, adverse changes in U.S.-Canada-Mexico trade relations, particularly regarding tariffs and energy, could negatively affect NuVista given the integration of North American energy markets.

Given the uncertainty surrounding the magnitude, duration, and potential outcomes of these factors, NuVista cannot currently predict their long-term impact on its operations, liquidity, financial condition, or results; however, the impact may be material.

Use of estimates and judgments

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, 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.

3. Other assets

Other assets totaled \$34.5 million at March 31, 2025 (December 31, 2024 - \$9.5 million) and included \$25.0 million in long-lead inventory and \$9.5 million in long-term prepaid expenditures. Long-lead inventory consists of equipment and materials procured for future drilling, completion, and facility projects, with expected use beyond twelve months. These items are recorded at cost and transferred to property, plant, and equipment or expensed as used. NuVista reviews long-lead inventory for impairment if no longer required for planned operations. Long-term prepaid expenditures relate to the future right to use third-party infrastructure assets. This amount will be expensed over the term of the related contract once the associated services commence.

4. Exploration and evaluation assets

	Note	March 31, 2025	December 31, 2024
Cost			
Balance, January 1		\$ 29,790	\$ 27,754
Additions		—	6,284
Transfers to property, plant and equipment	5	—	(4,248)
Balance, end of period		\$ 29,790	\$ 29,790

5. Property, plant and equipment

	Note	March 31, 2025	December 31, 2024
Cost			
Balance, January 1		\$ 4,979,931	\$ 4,436,834
Additions		153,411	494,272
Capitalized share-based compensation	15	693	1,928
Change in asset retirement obligations	10	4,246	42,649
Transfers from exploration and evaluation assets	4	—	4,248
Balance, end of period		\$ 5,138,281	\$ 4,979,931

	Note	March 31, 2025	December 31, 2024
Accumulated depletion, depreciation and amortization			
Balance, January 1		\$ 2,045,314	\$ 1,759,080
Depletion, depreciation and amortization		69,339	286,234
Balance, end of period		\$ 2,114,653	\$ 2,045,314

		March 31, 2025	December 31, 2024
Carrying value			
Balance, January 1		\$ 2,934,617	\$ 2,677,754
Balance, end of period		\$ 3,023,628	\$ 2,934,617

The calculation of depletion at March 31, 2025, includes estimated future development costs of \$3.2 billion associated with NuVista's proved and probable reserves (March 31, 2024 - \$2.6 billion). Depletion expense related to NuVista's development and production assets was \$65.8 million for three months ended March 31, 2025 (March 31, 2024 - \$62.9 million). Depreciation and amortization expense related to corporate assets,

turnarounds and workovers was \$3.6 million for the three months ended March 31, 2025 (March 31, 2024 - \$4.1 million).

Impairment assessment

As at March 31, 2025 and December 31, 2024, there were no indicators of impairment identified within property, plant & equipment, and an impairment test was not performed.

6. Right-of-use assets

				March 31	December 31
	Office	Gas Gathering	Gas Processing	2025	2024
	Leases	Lease	Lease	Total	Total
Cost					
Balance, January 1	\$ 9,697	\$ 36,921	\$ 97,239	\$ 143,857	\$ 143,857
Accumulated depreciation					
Balance, January 1	\$ 4,942	\$ 12,843	\$ 31,786	\$ 49,571	\$ 39,532
Depreciation	229	602	1,678	2,509	10,039
Balance, end of period	\$ 5,171	\$ 13,445	\$ 33,464	\$ 52,080	\$ 49,571
Carrying amount					
Balance, January 1	\$ 4,755	\$ 24,078	\$ 65,453	\$ 94,286	\$ 104,325
Balance, end of period	\$ 4,526	\$ 23,476	\$ 63,775	\$ 91,777	\$ 94,286

7. Long-term debt

Covenant-based credit facility

On May 8, 2025, NuVista amended and renewed its existing covenant-based credit facility (the "Credit Facility") with a syndicate of Canadian financial institutions. The amendments included an increase in the Credit Facility from \$450 million to \$550 million and an extension of the maturity date by one year to May 8, 2028. The amendments also included updates to the applicable benchmark rates for borrowing and certain administrative changes. NuVista's financial covenants remain unchanged.

The Credit Facility continues to have a three-year tenor and may be extended annually at NuVista's request, subject to lender consent. It is secured by a demand debenture and includes an expansion feature (the "accordion"), which allows the Company, subject to lender approval, to either increase the facility amount or add a term loan by up to \$300 million at any time during the term, either by increasing the commitments of existing lenders or by adding new lenders.

Borrowings under the Credit Facility may be made through prime loans and CORRA loans or SOFR loans and U.S. base rate loans (for U.S. borrowings). These advances bear interest at the bank's prime rate and/or at money market rates plus applicable margins. For the three months ended March 31, 2025, borrowing costs averaged 5.5% (March 31, 2024 - 7.6%).

Under the terms of the credit facility, NuVista has provided the following financial covenants (collectively, the "financial covenants") that at the end of each reporting period:

- 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 not be less than 3.5:1.

EBITDA is defined as net earnings 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 March 31, 2025, 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	0.00:1	Not exceed 3.0:1	Met
Total debt to EBITDA ratio	0.26:1	Not exceed 3.5:1	Met
EBITDA to interest expense ratio	18.17:1	Not be less than 3.5:1	Met

As at March 31, 2025, NuVista had cash deposits of \$2.7 million and no amount drawn on its credit facility. (December 31, 2024 – \$5.4 million drawn on its 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. As at March 31, 2025, NuVista had outstanding letters of credit associated with the APSG of \$15.6 million (December 31, 2024 - \$15.6 million), leaving \$14.4 million of credit available on this letter of credit facility.

8. Senior unsecured notes

	March 31, 2025	December 31, 2024
Principal amount of senior unsecured notes	\$ 165,393	\$ 165,393
Debt issue cost	(1,695)	(2,135)
Senior unsecured notes ⁽¹⁾	\$ 163,698	\$ 163,258

⁽¹⁾ Represents the carrying value of senior unsecured notes.

On July 23, 2021, NuVista issued \$230.0 million of senior unsecured notes bearing interest at a fixed rate of 7.875%, payable semi-annually in arrears, and maturing on July 23, 2026 (the "2026 Notes"). The 2026 Notes were issued at \$989.89 per \$1,000 principal amount and are fully and unconditionally guaranteed as to the payment of principal and interest on a senior unsecured basis. NuVista is not subject to any financial covenants under the terms of the 2026 Notes. Since issuance, NuVista has redeemed an aggregate principal amount of \$64.6 million of the senior unsecured notes.

The 2026 Notes were non-callable by NuVista before July 23, 2023, after which NuVista may redeem all or part of the 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 were to occur, each holder of the 2026 Notes will have the right to require NuVista to purchase all or any part their notes for cash at 101% of the aggregate principal amount repurchased, plus accrued and unpaid interest.

9. Lease liabilities

NuVista has the following future commitments associated with its lease obligations relating to office leases, gas gathering, and gas processing commitments:

	March 31, 2025	December 31, 2024
Balance, January 1	\$ 119,462	\$ 125,961
Lease interest expense	3,418	14,145
Payment of leases	(5,135)	(20,644)
Balance, end of period	\$ 117,745	\$ 119,462
Consisting of:		
Current portion of lease liabilities	\$ 7,652	\$ 7,441
Non-current portion of lease liabilities	\$ 110,093	\$ 112,021

The following table details the undiscounted cash outflows and contractual maturities relating to NuVista's lease liabilities:

	March 31, 2025	December 31, 2024
Less than 1 year	\$ 20,805	\$ 20,805
1-3 years	62,714	62,684
4-5 years	40,183	40,479
After 5 years	69,786	74,655
Total undiscounted future lease payments	\$ 193,488	\$ 198,623
Amounts representing lease interest expense over the term of the leases	(75,743)	(79,161)
Present value of net lease payments	\$ 117,745	\$ 119,462

10. Asset retirement obligations

NuVista's asset retirement obligations are based on estimated costs for reclaiming and abandoning its ownership interests in oil and natural gas assets, including well sites, gathering systems, and processing facilities. At of March 31, 2025, the Company estimated the total undiscounted, uninflated cash flows required to settle these obligations to be \$155.4 million (December 31, 2024 – \$155.9 million), with approximately 47% expected to be settled within the next 10 years.

A long-term risk-free bond rate of 3.2% (December 31, 2024 – 3.3%) and an inflation rate of 1.9% (December 31, 2024 – 1.8%) were used to calculate the net present value of the asset retirement obligations. The inflation rate was determined as the difference between the long-term risk-free rate bond rate of 3.2% (December 31, 2024 - 3.3%) and the real rate of interest of 1.4% (December 31, 2024 - 1.5%). During the period ended March 31, 2025, NuVista incurred a change in estimate of \$0.2 million which largely related to revised liability cost estimates for well abandonments.

The following table reconciles NuVista's provision for asset retirement obligations:

	March 31, 2025		December 31, 2024	
Balance, January 1	\$	122,414	\$	88,114
Accretion expense		1,057		3,680
Liabilities incurred		1,228		4,780
Change in estimates		176		39,781
Change in discount rate		2,842		(1,912)
Liabilities settled		(3,480)		(12,029)
Balance, end of period	\$	124,237	\$	122,414
Consisting of:				
Current portion of asset retirement obligations	\$	11,500	\$	9,800
Non-current portion of asset retirement obligations	\$	112,737	\$	112,614

11. Share capital

	March 31, 2025		December 31, 2024	
	Number	Amount	Number	Amount
Balance, January 1	203,701,229	\$ 1,091,990	207,584,197	\$ 1,111,750
Issued for cash on exercise of stock options	—	1,235	—	1,401
Contributed surplus transferred on exercise of stock options	348,514	623	953,112	1,655
Conversion of restricted share awards	17,461	208	175,031	2,898
Conversion of performance share awards	64,173	798	931,389	5,559
Conversion of director share units	93,152	1,219	—	—
Repurchase of shares for cancellation	(3,560,500)	(19,087)	(5,942,500)	(31,273)
Balance, end of period	200,664,029	\$ 1,076,986	203,701,229	\$ 1,091,990

Normal course issuer bid

In the second quarter of 2024, NuVista received approval from the TSX to purchase up to 14,234,451 of its outstanding common shares under its current NCIB program. This program commenced on June 19, 2024, and will expire on the earlier of June 18, 2025, or the completion of the authorized repurchases.

During the three months ended March 31, 2025, NuVista repurchased and cancelled 3,560,500 common shares under its current NCIB program, at an average price of \$12.86 per common share, for a total repurchase cost of \$45.8 million, including \$0.9 million of share buyback tax. The total cost of \$45.8 million exceeded the average carrying value of the shares repurchased of \$19.1 million, with the difference of \$26.7 million recorded to retained earnings.

Subsequent to the first quarter, and up to May 8, 2025, NuVista has repurchased and cancelled an additional 2,189,100 common shares at an average price of \$12.16 per common share, for a total cost of \$26.6 million under its current NCIB program.

12. Earnings per share

The following table summarizes the weighted average common shares used in calculating net earnings per share:

(thousands of shares)	Three months ended March 31	
	2025	2024
Weighted average common shares outstanding		
Basic	203,463	207,174
Diluted ⁽¹⁾	205,159	210,668

⁽¹⁾ For the three months ended March 31, 2025, 1,132,121 options and 9,165 share awards (March 31, 2024 - 983,295 options and 382,378 share awards) were excluded from the diluted weighted average common share calculation as they were anti-dilutive.

13. Petroleum and natural gas revenues

NuVista produces natural gas, condensate, and NGLs from its assets in the Montney area of Alberta. The company sells its production through fixed-price or variable-price physical delivery contracts. For variable-price contracts, the transaction price is based on a benchmark commodity price, adjusted for quality, location, or other factors. Each component of the pricing formula may be fixed or variable, depending on the contract terms.

Under its contracts with customers, NuVista is obligated to deliver volumes of natural gas, condensate and NGLs to specified locations, where control over the delivered volumes is transferred to the customer. In cases where a third-party marketer takes title of NuVista's product but uses NuVista's pipeline contract for delivery to the end customer, a portion of the natural gas revenue is recognized as natural gas transportation revenue.

The following table summarizes petroleum and natural gas revenue by product:

	Three months ended March 31	
	2025	2024
Natural gas revenue ⁽¹⁾	\$ 117,785	\$ 82,019
Condensate revenue	222,459	209,606
NGL revenue ⁽²⁾	31,161	17,399
Total petroleum and natural gas revenue	\$ 371,405	\$ 309,024

⁽¹⁾ Natural gas revenue includes transportation revenue which was \$9.5 million and \$9.2 million, for the years ended March 31, 2025 and 2024, respectively.

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

Included in accounts receivable at March 31, 2025 was \$103.2 million (December 31, 2024 - \$97.1 million) of accrued petroleum and natural gas revenue related to deliveries for periods prior to the reporting date. There were no significant adjustments for prior period accrued petroleum and natural gas revenue reflected in the current period.

14. Capital management

NuVista manages its capital structure with the goal of maintaining flexibility to respond to changing economic conditions, commodity prices, and the risk profiles of its assets. NuVista has the ability to adjust its capital structure through various means, including issuing new shares and debt, repurchasing shares or debt, or changing capital expenditures relative to adjusted funds flow.

NuVista has established a long-term net debt target of less than 1.0 times adjusted funds flow, annualized for the current quarter, in a stress test price environment of US\$45.00/Bbl WTI and US\$2.00/MMBtu NYMEX. While the actual ratio may fluctuate on a quarterly basis due to factors such as facility outages, commodity price changes, capital expenditures, and the timing of acquisitions and dispositions, NuVista actively monitors these variables to manage its capital structure effectively. As of March 31, 2025, NuVista's net debt was 0.3 times its annualized first quarter adjusted funds flow (December 31, 2024 - 0.4 times). This ratio represents

the number of years it would take to pay off net debt if no additional capital expenditures were made and adjusted funds flow remained consistent.

To manage its long-term net debt target, NuVista prepares annual adjusted funds flow and capital expenditure forecasts, which are updated as necessary, and are routinely reviewed and approved by the Board of Directors. NuVista manages its capital structure and makes adjustments by continually monitoring its business conditions including: the current economic conditions, the risk characteristics of its natural gas and condensate assets, the depth of its investment opportunities, current and forecast net debt levels, current and forecast commodity prices, and other factors that influence commodity prices and adjusted funds flow such as quality and basis differentials, royalties, operating costs and transportation costs. NuVista's approach ensures its capital structure aligns with both short-term operational needs and long-term strategic goals, balancing liquidity with flexibility to support growth opportunities while maintaining financial strength.

Adjusted funds flow

NuVista considers adjusted funds flow to be a key measure that provides a more comprehensive view of the company's ability to generate cash flow necessary for financing capital expenditures, meeting asset retirement obligations, and fulfilling its financial commitments. Adjusted funds flow is calculated by adjusting cash flow from operating activities to exclude changes in non-cash working capital and asset retirement expenditures. Management believes these elements are subject to timing variations in collection, payment, and occurrence. By excluding them, management is able to provide a more meaningful performance measure of NuVista's ongoing operations. Specifically, expenditures on asset retirement obligations may fluctuate depending on the company's capital programs and the maturity of its operating areas, while environmental remediation recovery is tied to an infrequent incident that management does not expect to recur regularly. The settlement of asset retirement obligations is managed through NuVista's capital budgeting process, which incorporates the available adjusted funds flow.

A reconciliation of adjusted funds flow is presented in the following table:

	Three months ended March 31	
	2025	2024
Cash provided by operating activities	\$ 232,663	\$ 147,893
Asset retirement expenditures	3,480	6,450
Change in non-cash working capital	(44,257)	(18,930)
Adjusted funds flow ⁽¹⁾	\$ 191,886	\$ 135,413

⁽¹⁾ Adjusted funds flow as presented does not have any standardized meaning prescribed by IFRS Accounting Standards and therefore it may not be comparable with the calculation of similar measures of other entities. Management considers adjusted funds flow to be a capital management measure.

Net debt and total capitalization

Net debt is used by management to provide a more comprehensive understanding of NuVista's capital structure and to assess the company's liquidity. NuVista calculates net debt by considering cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, long-term debt (the Credit Facility), senior unsecured notes, and other liabilities. Management uses total market capitalization and the ratio of net debt to annualized adjusted funds flow for the current quarter to analyze balance sheet strength and liquidity.

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

	March 31, 2025	December 31, 2024
Basic common shares outstanding (thousands of shares)	200,664	203,701
Share price ⁽¹⁾	\$ 13.60	\$ 13.82
Total market capitalization	\$ 2,729,030	\$ 2,815,148
Cash and cash equivalents	\$ (2,677)	\$ —
Accounts receivable and other	(135,657)	(132,538)
Prepaid expenses	(47,985)	(45,584)
Accounts payable and accrued liabilities	256,804	206,862
Current portion of other liabilities	16,907	18,351
Long-term debt	—	5,353
Senior unsecured notes	163,698	163,258
Other liabilities	16,478	16,801
Net debt ⁽²⁾	\$ 267,568	\$ 232,503
Annualized current quarter adjusted funds flow	\$ 767,544	\$ 548,236
Net debt to annualized current quarter adjusted funds flow	0.3	0.4

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

⁽²⁾ Net debt as presented does not have any standardized meaning prescribed by IFRS Accounting Standards and therefore it may not be comparable with the calculation of similar measures of other entities. Management considers net debt to be a capital management measure.

15. Share-based compensation

Stock options

NuVista has established a Stock Option plan under which officers and employees are eligible to receive options to purchase common shares. The options granted under this plan vest at a rate of one-third per year and expire 2.5 years after the vesting date. On May 7, 2024, shareholders approved a 2,500,000 increase in the number of common shares available for stock option grants. The maximum number of common shares reserved for issuance under the Stock Option plan is 12,945,000 of which 5,106,042 remain to be issued at March 31, 2025.

The following continuity table summarizes the stock option activity:

	March 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, January 1	2,811,741	\$ 8.15	3,415,160	\$ 5.27
Granted	—	—	662,831	12.74
Exercised - issuance of shares from treasury	(348,514)	3.55	(953,112)	2.60
Exercised - cash withholding tax	—	—	(285,829)	2.60
Forfeited	(10,778)	12.48	(26,639)	10.71
Expired	(4,234)	13.77	(670)	13.77
Balance, end of period	2,448,215	\$ 8.78	2,811,741	\$ 8.15

The following table summarizes stock options outstanding and exercisable at March 31, 2025:

Range of exercise price	Options outstanding			Options exercisable	
	Number of options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
\$0.79 to \$1.99	489,037	0.9	\$ 0.83	489,037	\$ 0.83
\$2.00 to \$3.99	278,785	1.1	2.59	278,785	2.59
\$6.00 to \$7.99	144,789	1.4	7.28	144,789	7.28
\$10.00 to \$11.99	396,894	2.2	11.40	171,014	11.50
\$12.00 to \$13.77	1,138,710	3.2	12.98	233,923	13.42
\$0.79 to \$13.77	2,448,215	2.2	\$ 8.78	1,317,548	\$ 5.53

NuVista uses the fair value-based method to determine share-based compensation costs. The fair value of each option granted during the year was estimated on the date of grant using the Black-Scholes option pricing model. There were no stock options granted in the three months ended March 31, 2025.

Share award incentive plan

NuVista has a Share Award Incentive plan for certain directors, officers, employees and consultants consisting of Restricted Share Awards (“RSA”) and Performance Share Awards (“PSA”). The maximum number of common shares reserved for issuance under the Share Award Incentive Plan is 14,350,000 of which 4,254,748 remain to be issued at March 31, 2025.

Restricted share awards

NuVista has a RSA plan for its officers and employees, entitling the holder to receive one common share for each RSA granted upon vesting. RSA grants may vest within three years from the date of grant. To date, all RSA grants have had a two-year vesting period.

The fair value of RSAs is determined based on the weighted average trading price of the five days preceding the grant date. This fair value is recognized as share-based compensation expense over the vesting period, with a corresponding increase to contributed surplus. The compensation expense is adjusted by an estimated forfeiture rate, which is determined at the grant date and updated periodically. Upon vesting of the RSAs and settlement in common shares, the previously recognized value in contributed surplus is transferred to share capital.

The following table summarizes the change in the number of RSAs:

	March 31, 2025	December 31, 2024
Balance, January 1	538,268	488,392
Settled - issuance of shares from treasury	(17,461)	(175,031)
Settled - cash withholding tax	—	(52,446)
Granted	6,415	297,044
Forfeited	(5,407)	(19,691)
Balance, end of period	521,815	538,268

Performance share awards

NuVista has a PSA plan for its officers and employees. Each PSA entitles the holder to receive the number of common shares specified in the performance award, multiplied by a payout multiplier ranging from 0 to 2.0x. The payout multiplier for performance-based awards is determined by NuVista’s Board of Directors, based on an assessment of the Company’s achievement of predefined corporate performance measures for the applicable period. PSA grants vest three years from the date of grant.

The fair value of PSAs is determined based on the weighted average trading price of the five days preceding the grant date. This fair value is recognized as share-based compensation expense over the vesting period, with a corresponding increase to contributed surplus. The amount of the compensation expense is adjusted for an estimated forfeiture rate, determined at the date of the grant and updated periodically. Upon vesting of the PSAs and settlement in common shares, the previously recognized value in contributed surplus is transferred to share capital.

The following table summarizes the change in the number of PSAs:

	March 31, 2025	December 31, 2024
Balance, January 1	1,314,076	1,755,372
Settled - issuance of shares from treasury	(64,173)	(931,389)
Settled - cash withholding tax	—	(494,509)
Granted	2,750	527,828
Forfeited	(13,795)	(84,994)
Performance adjustment ⁽¹⁾	153,002	541,768
Balance, end of period	1,391,860	1,314,076

⁽¹⁾ Awards granted on the vest date due to a performance factor of 1.46x for the three months ended March 31, 2025. (December 31, 2024 - 1.56x)

Cash award incentive plan

NuVista has a Cash Award Incentive Plan that includes Director Deferred Share Units (“DSU”) for non-management directors, Restricted Stock Units (“RSU”) for non-management directors, officers, and employees, and Performance Share Units (“PSU”) for officers and employees.

Director deferred share units

NuVista’s DSU plan provides compensation to non-management directors. Each DSU entitles the holder to receive cash equal to the trading price of the equivalent number of common shares of the NuVista. All DSUs granted vest and become payable upon the director’s retirement. The compensation expense is calculated using the fair value method, based on the trading price of the NuVista’s common shares at the end of each reporting period.

The following table summarizes the change in the number of DSUs:

	March 31, 2025	December 31, 2024
Balance, January 1	1,129,643	1,034,614
Settled - issuance of shares from treasury ⁽¹⁾	(93,152)	—
Granted	4,310	95,029
Balance, end of period	1,040,801	1,129,643

⁽¹⁾ During the three months ended March 31, 2025, NuVista elected to settle vested DSUs totaling 93,152 through the issuance of common shares.

The following table summarizes the change in compensation liability relating to DSUs:

	March 31, 2025	December 31, 2024
Balance, January 1	\$ 15,612	\$ 11,422
Change in accrued compensation liabilities	(238)	4,190
Settled - issuance of shares from treasury	\$ (1,219)	\$ —
Cash settled	\$ —	\$ —
Balance, end of period	\$ 14,155	\$ 15,612

The compensation liability was calculated using NuVista’s closing share price at March 31, 2025 and December 31, 2024, of \$13.60 and \$13.82, respectively, and is recorded within the current portion of other liabilities on the Statement of Financial Position.

Restricted share units

NuVista's RSU plan provides compensation to non-management directors, officers and employees. Each RSU entitles the holder to receive cash equal to the trading price of the equivalent number of common shares of NuVista. The vesting arrangement of RSU's is at the discretion of NuVista Board of Directors, although each RSU will typically vest and become payable within two years from the date of grant.

The following table summarizes the change in the number of RSUs:

	March 31, 2025	December 31, 2024
Balance, January 1	19,416	8,236
Granted	—	11,180
Balance, end of period	19,416	19,416

The following table summarizes the change in compensation liability relating to RSUs:

	March 31, 2025	December 31, 2024
Balance, January 1	\$ 107	\$ 18
Change in accrued compensation liabilities	31	89
Balance, end of period	\$ 138	\$ 107
Current portion of compensation liabilities	\$ 92	\$ 79
Non-current portion of compensation liabilities	\$ 46	\$ 28

Share-based compensation expense

The following table summarizes the total share-based compensation expense relating to stock options, RSAs, PSAs, DSUs and RSUs:

	Three months ended March 31	
	2025	2024
Stock options	\$ 676	\$ 548
Restricted share awards	654	630
Performance share awards	2,476	1,197
Non-cash share-based compensation expense	3,806	2,375
Director deferred share units	(239)	869
Restricted share units	31	14
Cash share-based compensation expense	(208)	883
Total share-based compensation expense	\$ 3,598	\$ 3,258

The following table summarizes the capitalized share-based compensation relating to stock options, RSAs and PSAs:

	Three months ended March 31	
	2025	2024
Capitalized stock options	\$ 113	\$ 119
Capitalized restricted share awards	109	120
Capitalized performance share awards	471	258
Capitalized share-based compensation	\$ 693	\$ 497

Capitalized share-based compensation is attributable to personnel involved with the exploration and development of the NuVista's capital projects.

16. Risk management activities

Financial instruments

NuVista's financial instruments recognized on the statement of financial position consist of cash and cash equivalents, accounts receivable, financial derivative contracts, accounts payable and accrued liabilities, compensation liability, lease liabilities, and long-term debt. The carrying value of the long-term debt approximates its fair value as it bears interest at market rates. Except for financial derivative contracts and compensation liability, which are recorded at fair value, the carrying values of other financial instruments reflect their current fair value, given their short-term maturities. The estimated fair values of recognized financial instruments have been determined based on quoted market prices when available, or through third-party models and valuation methodologies utilizing observable market data.

NuVista classifies fair value measurements according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

NuVista's cash and cash equivalents are classified as Level 1 measurements, financial commodity derivative contracts and embedded derivative contracts as Level 2 measurements. NuVista does not have any recurring fair value measurements classified as Level 3. NuVista uses third-party models and valuation methodologies to determine the fair value of financial derivatives, and internally developed models based on observable market data and information that can be corroborated by market data. The assessment of the significance of a particular input to the fair value measurement requires judgment and may impact the placement within the fair value hierarchy level.

Risk management contracts

The following provides a summary of the unrealized gains and losses on financial instruments:

	Three months ended March 31	
	2025	2024
Unrealized gain (loss) on financial instruments - commodity contacts	\$ 14,726	\$ (23,462)
Unrealized loss on financial instruments - embedded derivative	(5,641)	—
Total unrealized gain (loss) on financial instruments	\$ 9,085	\$ (23,462)

The following is a summary of the fair value of financial instruments:

	March 31, 2025			December 31, 2024	
	Financial derivative contracts	Natural gas embedded derivative	Total		Total
Current asset	\$ 82,363	\$ —	\$ 82,363	\$	65,538
Long term asset (liability)	136,603	(5,777)	130,826		138,566
Total fair value of financial instruments	\$ 218,966	\$ (5,777)	\$ 213,189	\$	204,104

Financial derivative contracts

The following is a summary of the financial derivatives as at March 31, 2025:

Term ⁽¹⁾	WTI fixed price swap	
	Bbls/d	Cdn\$/Bbl
2025	7,000	97.93
2026	2,000	90.70

Term ⁽¹⁾	AECO-NYMEX basis swap		Dawn-NYMEX basis swap	
	MMBtu/d	US\$/MMBtu	MMBtu/d	US\$/MMBtu
2025	101,727	(0.91)	15,564	(0.41)
2026	187,500	(0.92)	—	—
2027	140,000	(0.91)	—	—
2028	97,500	(0.99)	—	—
2029	25,000	(0.98)	—	—
2030	47,500	(1.00)	—	—
2031	2,500	(1.00)	—	—

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

Term ⁽¹⁾	NYMEX fixed price swap		NYMEX collars		
	MMBtu/d	US\$/MMBtu	MMBtu/d	US\$/MMBtu	US\$/MMBtu
2025	10,000	4.26	62,800	3.42	4.32
2026	20,000	4.07	75,000	3.75	5.24

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

Term ⁽¹⁾	AECO fixed price swap		AECO collars		
	GJ/d	Cdn\$/GJ	GJ/d	Cdn\$/GJ	Cdn\$/GJ
2025	22,782	3.63	7,782	1.50	2.35

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

Physical delivery sales contracts

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

The following is a summary of the physical delivery sales contracts in place as at March 31, 2025:

Term ⁽¹⁾	AECO fixed price swap		AECO-NYMEX Basis	
	GJ/d	Cdn\$/GJ	MMBtu/d	US\$/MMBtu
2025	40,600	3.90	5,000	(1.15)

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

17. Financing costs

	Note	Three months ended March 31	
		2025	2024
Interest on long-term debt		\$ 912	\$ 1,810
Interest on senior unsecured notes		3,683	3,672
Interest expense		4,595	5,482
Lease interest expense		3,418	3,603
Accretion expense	10	1,057	805
Total financing costs		\$ 9,070	\$ 9,890

18. Commitments

The following is a summary of the NuVista's commitments as at March 31, 2025:

	Total	2025	2026	2027	2028	2029	Thereafter
Transportation ⁽¹⁾	\$ 1,085,894	\$ 126,665	\$ 173,002	\$ 165,610	\$ 144,568	\$ 125,626	\$ 350,423
Processing ^{(1) (2)}	1,918,221	99,048	166,266	167,291	168,539	166,155	1,150,922
Servicing ⁽³⁾	6,291	6,291	—	—	—	—	—
Other	1,633	117	117	117	117	117	1,048
Total commitments ⁽⁴⁾	\$ 3,012,039	\$ 232,121	\$ 339,385	\$ 333,018	\$ 313,224	\$ 291,898	\$ 1,502,393

⁽¹⁾ Certain of the transportation and processing commitments are secured by outstanding letters of credit totaling \$14.8 million at March 31, 2025 (December 31, 2024 - \$14.8 million).

⁽²⁾ Includes processing and disposal commitments to guarantee firm capacity or priority service 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 March 31, 2025 was 1.44 Cdn\$/US\$.

⁽⁴⁾ Excludes commitments recognized within lease liabilities.

19. Supplemental information

The following table provides a detailed breakdown of certain non-cash items included in cash flows from operating and investing activities:

	Three months ended March 31	
	2025	2024
Cash provided by (used for):		
Accounts receivable and other	\$ (3,119)	\$ 11,507
Prepaid expenses	(2,400)	10,984
Accounts payable and accrued liabilities	50,174	19,948
	\$ 44,655	\$ 42,439
Related to:		
Operating activities	\$ 44,257	\$ 18,930
Investing activities	398	23,509
	\$ 44,655	\$ 42,439

LEADERSHIP TEAM

Mike Lawford

President and Chief Executive Officer

Ivan J. Condic

Vice President, Finance and Chief Financial Officer

Ryan Paulgaard

Vice President, Operations

Chris LeGrow

Vice President, Development and Planning

Josh Truba

Vice President, Business Development and Corporate Services

BOARD OF DIRECTORS

Pentti Karkkainen ^{(1) (2)}

Chair of the Board

Ronald Eckhardt ^{(2) (4)}

Independent Director

K.L. (Kate) Holzhauser ^{(1) (3)}

Independent Director

Mary Ellen Lutey ^{(3) (4)}

Independent Director

Ronald Poelzer ^{(1) (2)}

Independent Director

Deborah Stein ^{(1) (3)}

Independent Director

Grant Zawalsky ⁽³⁾

Independent Director

Jonathan Wright ⁽⁴⁾

Non-Independent Director

Mike Lawford

President and Chief Executive Officer

(1) Member of Audit Committee

(2) Member of Corporate Governance & Compensation Committee

(3) Member of Environment, Social & Governance Committee

(4) Member of Reserves Committee

BANKERS

Canadian Imperial Bank of Commerce

Royal Bank of Canada

The Bank of Nova Scotia

Bank of Montreal

ATB Financial

Canadian Western Bank

Business Development Bank of Canada

AUDITORS

KPMG LLP

Calgary, Alberta

RESERVE EVALUATORS

GLJ Ltd.

Calgary, Alberta

TRANSFER AGENT - COMMON SHARES

Odyssey Trust Company

Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange ("TSX")

"NVA"

TRANSFER AGENT - SENIOR UNSECURED NOTES

Computershare Trust Company of Canada

Calgary, Alberta and Toronto, Ontario



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