



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**As at, and for the three and six months ended:
June 30, 2025 and 2024**

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

(\$Cdn thousands)	Note	June 30 2025	December 31 2024
ASSETS			
Current assets			
Accounts receivable and other		86,712	132,538
Prepaid expenses		54,072	45,584
Financial derivative assets	16	110,444	65,537
		251,228	243,659
Financial derivative assets	16	136,616	138,567
Other assets	3	62,434	9,500
Exploration and evaluation assets	4	29,790	29,790
Property, plant and equipment	5	3,044,311	2,934,617
Right-of-use assets	6	89,268	94,286
Total assets		\$ 3,613,647	\$ 3,450,419
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 139,953	\$ 206,862
Current portion of other liabilities	15	18,343	18,351
Current portion of lease liabilities	9	7,869	7,441
Current portion of asset retirement obligations	10	16,300	9,800
		182,465	242,454
Long-term debt	7	105,720	5,353
Senior unsecured notes	8	163,887	163,258
Other liabilities		16,117	16,801
Lease liabilities	9	108,057	112,021
Asset retirement obligations	10	114,457	112,614
Deferred tax liability		467,774	443,938
Total liabilities		1,158,477	1,096,439
SHAREHOLDERS' EQUITY			
Share capital	11	1,060,282	1,091,990
Contributed surplus		49,926	47,342
Retained earnings		1,344,962	1,214,648
Total shareholders' equity		2,455,170	2,353,980
Total liabilities and shareholders' equity		\$ 3,613,647	\$ 3,450,419
Subsequent events	11,16,20		
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)**

		Three months ended June 30		Six months ended June 30	
(\$Cdn thousands, except per share amounts)	Note	2025	2024	2025	2024
Revenues					
Petroleum and natural gas sales	13	\$ 267,317	\$ 323,350	\$ 638,722	\$ 632,374
Royalties		(11,370)	(37,923)	(42,728)	(70,502)
Net revenue from petroleum and natural gas sales		255,947	285,427	595,994	561,872
Realized gain on financial derivatives		26,825	1,989	44,384	698
Unrealized gain on financial derivatives	16	33,871	87,133	42,956	63,671
Other income		2,263	2,407	3,462	5,739
Total revenue, other income and gain on financial derivatives		318,906	376,956	686,796	631,980
Expenses					
Operating		84,416	89,009	176,138	175,808
Transportation		38,086	37,360	76,346	69,886
General and administrative		5,925	6,358	12,464	12,587
Share-based compensation	15	4,300	5,458	7,898	8,716
Financing costs	17	10,992	10,635	20,062	20,525
Depletion, depreciation and amortization	5,6	71,047	84,727	142,895	154,298
		214,766	233,547	435,803	441,820
Earnings before taxes		104,140	143,409	250,993	190,160
Current income tax expense		11,048	3,859	33,641	11,410
Deferred income tax expense		12,638	28,576	24,746	32,007
Total income tax expense		\$ 23,686	\$ 32,435	\$ 58,387	\$ 43,417
Net earnings and comprehensive income		\$ 80,454	\$ 110,974	\$ 192,606	\$ 146,743
Net earnings per share					
Basic	12	\$ 0.40	\$ 0.54	\$ 0.96	\$ 0.71
Diluted		\$ 0.40	\$ 0.53	\$ 0.95	\$ 0.70

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	Six months ended June 30	
		2025	2024
Share capital	11,15		
Balance, January 1	\$	1,091,990	\$ 1,111,750
Issued for cash on exercise of stock options		2,597	29
Contributed surplus transferred on exercise of stock options		1,351	734
Conversion of restricted share awards		1,419	1,249
Conversion of performance share awards		3,374	2,776
Conversion of director share units		1,219	—
Repurchase of shares for cancellation		(41,668)	(13,259)
Balance, end of period	\$	1,060,282	\$ 1,103,279
Contributed surplus			
Balance, January 1	\$	47,342	\$ 51,250
Share-based compensation		7,819	5,679
Transfer to share capital on exercise of stock options		(1,351)	(734)
Conversion of restricted share awards		(1,419)	(1,249)
Conversion of performance share awards		(3,374)	(2,776)
Share-based compensation - tax withholdings settled in cash		—	(8,706)
Tax deduction on excess value of share awards		909	3,470
Balance, end of period	\$	49,926	\$ 46,934
Retained earnings			
Balance, January 1	\$	1,214,648	\$ 952,032
Repurchase of shares for cancellation		(62,292)	(17,163)
Net earnings		192,606	146,743
Balance, end of period	\$	1,344,962	\$ 1,081,612
Total shareholders' equity	\$	2,455,170	\$ 2,231,825

See accompanying notes to the condensed consolidated interim financial statements.

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

		Three months ended June 30		Six months ended June 30	
(\$Cdn thousands)	Note	2025	2024	2025	2024
Cash provided by (used in)					
Operating activities					
Net earnings		\$ 80,454	\$ 110,974	\$ 192,606	\$ 146,743
<i>Items not requiring cash from operations:</i>					
Depletion, depreciation and amortization	5,6	71,047	84,727	142,895	154,298
Share-based compensation	15	2,824	2,312	6,630	4,687
Unrealized gain on financial derivatives	16	(33,871)	(87,133)	(42,956)	(63,671)
Deferred income tax expense		12,638	28,576	24,746	32,007
Accretion	10	1,180	790	2,237	1,595
Asset retirement expenditures	10	(1,649)	(392)	(5,129)	(6,842)
Change in non-cash working capital	19	(61,582)	26,426	(17,325)	45,356
Cash provided by operating activities		71,041	166,280	303,704	314,173
Financing activities					
Proceeds from the exercise of stock options	11	1,362	29	2,597	29
Share-based compensation - tax withholdings settled with cash	15	—	(8,304)	—	(8,706)
Payment on lease liabilities	9	(1,819)	(1,563)	(3,536)	(3,083)
Repurchase of shares	11	(58,179)	(15,297)	(103,960)	(30,422)
Increase (decrease) of long-term debt		105,720	(2,694)	100,367	32,829
Other liabilities		(341)	(341)	(683)	(683)
Cash provided by (used in) financing activities		46,743	(28,170)	(5,215)	(10,036)
Investing activities					
Property, plant and equipment expenditures	5	(81,736)	(115,513)	(235,147)	(304,720)
Exploration and evaluation expenditures	4	—	(5,984)	—	(6,313)
Other asset expenditures		(27,919)	—	(52,934)	—
Change in non-cash working capital	19	(10,806)	(16,613)	(10,408)	6,896
Cash used in investing activities		(120,461)	(138,110)	(298,489)	(304,137)
Change in cash and cash equivalents		(2,677)	—	—	—
Cash and cash equivalents, beginning of period		2,677	—	—	—
Cash and cash equivalents, end of period		\$ —	\$ —	\$ —	\$ —
Current income tax expense paid in cash		\$ 45,757	\$ —	\$ 50,757	\$ —
Interest paid in cash		\$ 1,965	\$ 2,992	\$ 9,376	\$ 11,485

See accompanying notes to the condensed consolidated interim financial statements.

NUVISTA ENERGY LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As at, and for the three and six months ended June 30, 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 August 6, 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 \$62.4 million at June 30, 2025 (December 31, 2024 - \$9.5 million), comprising \$52.9 million of long-lead inventory and \$9.5 million of long-term prepaid expenditures. Long-lead inventory, held for future drilling, completion, and facility projects, is recorded at cost and transferred to property, plant and equipment or expensed as used, and is reviewed for impairment if no longer required. Long-term prepaid expenditures represent future rights to third-party infrastructure and are expensed over the contract term once services begin.

4. Exploration and evaluation assets

	Note	June 30, 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	June 30, 2025	December 31, 2024
Cost			
Balance, January 1		\$ 4,979,931	\$ 4,436,834
Additions		235,147	494,272
Capitalized share-based compensation	15	1,189	1,928
Change in asset retirement obligations	10	11,235	42,649
Transfers from exploration and evaluation assets	4	—	4,248
Balance, end of period		\$ 5,227,502	\$ 4,979,931

	Note	June 30, 2025	December 31, 2024
Accumulated depletion, depreciation and amortization			
Balance, January 1		\$ 2,045,314	\$ 1,759,080
Depletion, depreciation and amortization		137,877	286,234
Balance, end of period		\$ 2,183,191	\$ 2,045,314

		June 30, 2025	December 31, 2024
Carrying value			
Balance, January 1		\$ 2,934,617	\$ 2,677,754
Balance, end of period		\$ 3,044,311	\$ 2,934,617

The calculation of depletion at June 30, 2025, includes estimated future development costs of \$3.2 billion associated with NuVista's proved and probable reserves (June 30, 2024 - \$2.6 billion). Depletion expense related to NuVista's development and production assets was \$130.6 million for the six months ended June 30, 2025 (June 30, 2024 - \$141.4 million). Depreciation and amortization expense related to corporate assets, turnarounds and workovers was \$7.2 million for the six months ended June 30, 2025 (June 30, 2024 - \$7.9 million).

Impairment assessment

As at June 30, 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

	Lease			Total	
	Office	Gas Gathering	Gas Processing	June 30, 2025	December 31, 2024
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	458	1,204	3,356	5,018	10,039
Balance, end of period	\$ 5,400	\$ 14,047	\$ 35,142	\$ 54,589	\$ 49,571
Carrying amount					
Balance, January 1	\$ 4,755	\$ 24,078	\$ 65,453	\$ 94,286	\$ 104,325
Balance, end of period	\$ 4,297	\$ 22,874	\$ 62,097	\$ 89,268	\$ 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 7, 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 six months ended June 30, 2025, borrowing costs averaged 5.4% (June 30, 2024 - 7.4%).

Under the terms of the Credit Facility, NuVista is subject to the following financial covenants (collectively, the "financial covenants"), which must be met at the end of each reporting period:

- the Senior Debt to EBITDA⁽¹⁾ 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.

At June 30, 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	0.16:1	Not exceed 3.0:1	Met
Total debt to EBITDA ratio	0.42:1	Not exceed 3.5:1	Met
EBITDA to interest expense ratio	18.28:1	Not be less than 3.5:1	Met

⁽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.

As at June 30, 2025, NuVista had \$105.7 million drawn on its credit facility (December 31, 2024 – \$5.4 million).

On June 30, 2025, NuVista, with the consent of its syndicate, increased its unsecured letter of credit facility under Export Development Canada's ("EDC") Account Performance Security Guarantee ("APSG") program from Cdn\$30 million to US\$50 million. As at June 30, 2025, NuVista had outstanding letters of credit associated with the APSG of Cdn\$15.2 million (December 31, 2024 - Cdn\$15.6 million), leaving approximately US\$38.9 million of credit available on this letter of credit facility.

8. Senior unsecured notes

	June 30, 2025	December 31, 2024
Principal amount of senior unsecured notes	\$ 165,393	\$ 165,393
Debt issue cost	(1,506)	(2,135)
Senior unsecured notes ⁽¹⁾	\$ 163,887	\$ 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, gas gathering, and gas processing leases:

	June 30, 2025	December 31, 2024
Balance, January 1	\$ 119,462	\$ 125,961
Lease interest expense	6,786	14,145
Payment of leases	(10,322)	(20,644)
Balance, end of period	\$ 115,926	\$ 119,462
Consisting of:		
Current portion of lease liabilities	\$ 7,869	\$ 7,441
Non-current portion of lease liabilities	\$ 108,057	\$ 112,021

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

	June 30, 2025	December 31, 2024
Less than 1 year	\$ 20,805	\$ 20,805
1-3 years	62,745	62,684
4-5 years	39,888	40,479
After 5 years	64,862	74,655
Total undiscounted future lease payments	\$ 188,300	\$ 198,623
Amounts representing lease interest expense over the term of the leases	(72,374)	(79,161)
Present value of net lease payments	\$ 115,926	\$ 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. As of June 30, 2025, the Company estimated the total undiscounted, uninflated cash flows required to settle these obligations to be \$172.8 million (December 31, 2024 – \$155.9 million), with approximately 50% expected to be settled within the next 10 years. During the period ended June 30, 2025, NuVista incurred a change in estimate of \$11.5 million which largely related to revised liability cost estimates for well abandonments in certain non-core areas.

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

	June 30, 2025	December 31, 2024
Balance, January 1	\$ 122,414	\$ 88,114
Accretion expense	2,237	3,680
Liabilities incurred	2,562	4,780
Change in estimates	11,487	39,781
Change in discount rate ⁽¹⁾	(2,814)	(1,912)
Liabilities settled	(5,129)	(12,029)
Balance, end of period	\$ 130,757	\$ 122,414
Consisting of:		
Current portion of asset retirement obligations	\$ 16,300	\$ 9,800
Non-current portion of asset retirement obligations	\$ 114,457	\$ 112,614

⁽¹⁾ A long-term risk-free bond rate of 3.6% (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 3.6% (December 31, 2024 - 3.3%) and the real rate of interest of 1.7% (December 31, 2024 - 1.5%)

11. Share capital

	June 30, 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	—	2,597	—	1,401
Contributed surplus transferred on exercise of stock options	772,530	1,351	953,112	1,655
Conversion of restricted share awards	126,129	1,419	175,031	2,898
Conversion of performance share awards	282,654	3,374	931,389	5,559
Conversion of director share units	93,152	1,219	—	—
Repurchase of shares for cancellation	(7,909,300)	(41,668)	(5,942,500)	(31,273)
Balance, end of period	197,066,394	\$ 1,060,282	203,701,229	\$ 1,091,990

Normal course issuer bid

In the second quarter of 2025, NuVista received TSX approval to continue its NCIB, authorizing the purchase of up to 16,398,617 outstanding common shares. The program commenced on June 23, 2025, and will expire on the earlier of June 22, 2026, or upon completion of the authorized repurchases. NuVista's prior NCIB, which authorized the purchase of 14,234,451 common shares, expired on June 19, 2024, with 11,234,200 shares repurchased and cancelled.

During the six months ended June 30, 2025, NuVista repurchased and cancelled 7,909,300 common shares under its NCIB programs, at an average price of \$13.14 per common share, for a total repurchase cost of \$104.0 million, including \$2.0 million of share buyback tax. The total cost of \$104.0 million exceeded the average carrying value of the shares repurchased of \$41.7 million, with the difference of \$62.3 million recorded to retained earnings.

Subsequent to the second quarter, and up to August 6, 2025, NuVista has repurchased and cancelled an additional 1,444,300 common shares at an average price of \$14.50 per common share, for a total cost of \$20.9 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Weighted average common shares outstanding				
Basic	199,358	206,191	201,399	206,683
Diluted ⁽¹⁾	201,005	209,893	203,037	210,252

⁽¹⁾ For the six months ended June 30, 2025, 1,439,657 options and 329,404 share awards (June 30, 2024 - 1,166,117 options and 371,664 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Natural gas revenue ⁽¹⁾	\$ 85,694	\$ 61,258	\$ 203,479	\$ 143,277
Condensate revenue	158,106	243,551	380,565	453,157
NGL revenue ⁽²⁾	23,517	18,541	54,678	35,940
Total petroleum and natural gas revenue	\$ 267,317	\$ 323,350	\$ 638,722	\$ 632,374

⁽¹⁾ Natural gas revenue includes transportation revenue for the three and six months ended June 30, 2025 of \$9.5 million and \$19.0 million (2024 - \$8.9 million and \$18.0 million, respectively).

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

Included in accounts receivable at June 30, 2025 was \$52.2 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 June 30, 2025, NuVista's net debt was 0.6 times its annualized second 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Cash provided by operating activities	\$ 71,041	\$ 166,280	\$ 303,704	\$ 314,173
Asset retirement expenditures	1,649	392	5,129	6,842
Change in non-cash working capital	61,582	(26,426)	17,325	(45,356)
Adjusted funds flow ⁽¹⁾	\$ 134,272	\$ 140,246	\$ 326,158	\$ 275,659

⁽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 accounts receivable, prepaid expenses, other receivables, 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:

	June 30, 2025	December 31, 2024
Basic common shares outstanding (thousands of shares)	197,066	203,701
Share price ⁽¹⁾	\$ 14.98	\$ 13.82
Total market capitalization	\$ 2,952,049	\$ 2,815,148
Accounts receivable and other	(86,712)	(132,538)
Prepaid expenses	(54,072)	(45,584)
Accounts payable and accrued liabilities	139,953	206,862
Current portion of other liabilities	18,343	18,351
Long-term debt	105,720	5,353
Senior unsecured notes	163,887	163,258
Other liabilities	16,117	16,801
Net debt ⁽²⁾	\$ 303,236	\$ 232,503
Annualized current quarter adjusted funds flow	\$ 537,088	\$ 548,236
Net debt to annualized current quarter adjusted funds flow	0.6	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 4,682,026 remain to be issued at June 30, 2025.

The following continuity table summarizes the stock option activity:

	June 30, 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	319,428	13.88	662,831	12.74
Exercised - issuance of shares from treasury	(772,530)	3.36	(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	2,343,627	\$ 10.48	2,811,741	\$ 8.15

The following table summarizes stock options outstanding and exercisable at June 30, 2025:

	Options outstanding			Options exercisable	
Range of exercise price	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	274,074	0.8	\$ 0.83	274,074	\$ 0.83
\$2.00 to \$3.99	164,519	1.0	2.62	164,519	2.62
\$6.00 to \$7.99	90,414	1.5	7.28	90,414	7.28
\$10.00 to \$11.99	371,038	2.0	11.38	282,364	11.45
\$12.00 to \$13.88	1,443,582	3.3	13.18	309,174	13.23
\$0.79 to \$13.88	2,343,627	2.6	\$ 10.48	1,120,545	\$ 7.71

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.

The weighted average fair value and weighted average assumptions used to fair value the options granted in the year are as follows:

	June 30, 2025	December 31, 2024
Risk-free interest rate (%)	2.90	3.40
Expected volatility (%)	47	51
Expected life (years)	4.5	4.4
Forfeiture rate (%)	8.95	9.03
Fair value at grant date (\$ per option)	5.82	5.72

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 3,930,454 remain to be issued at June 30, 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:

	June 30, 2025	December 31, 2024
Balance, January 1	538,268	488,392
Settled - issuance of shares from treasury	(126,129)	(175,031)
Settled - cash withholding tax	—	(52,446)
Granted	130,945	297,044
Forfeited	(6,507)	(19,691)
Balance, end of period	536,577	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:

	June 30, 2025	December 31, 2024
Balance, January 1	1,314,076	1,755,372
Settled - issuance of shares from treasury	(282,654)	(931,389)
Settled - cash withholding tax	—	(494,509)
Granted	207,624	527,828
Forfeited	(19,435)	(84,994)
Performance adjustment ⁽¹⁾	154,632	541,768
Balance, end of period	1,374,243	1,314,076

⁽¹⁾ Awards granted on the vest date due to a performance factor of 1.46x for the six months ended June 30, 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:

	June 30, 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 six months ended June 30, 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:

	June 30, 2025	December 31, 2024
Balance, January 1	\$ 15,612	\$ 11,422
Change in accrued compensation liabilities	1,198	4,190
Settled - issuance of shares from treasury	\$ (1,219)	\$ —
Cash settled	\$ —	\$ —
Balance, end of period	\$ 15,591	\$ 15,612

The compensation liability was calculated using NuVista’s closing share price at June 30, 2025 and December 31, 2024, of \$14.98 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:

	June 30, 2025	December 31, 2024
Balance, January 1	19,416	8,236
Settled	(4,366)	—
Granted	—	11,180
Balance, end of period	15,050	19,416

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

	June 30, 2025	December 31, 2024
Balance, January 1	\$ 107	\$ 18
Change in accrued compensation liabilities	70	89
Cash settled	(58)	—
Balance, end of period	\$ 119	\$ 107
Current portion of compensation liabilities	\$ 92	\$ 79
Non-current portion of compensation liabilities	\$ 27	\$ 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Stock options	\$ 723	\$ 584	\$ 1,398	\$ 1,131
Restricted share awards	703	642	1,358	1,273
Performance share awards	1,398	1,086	3,874	2,283
Non-cash share-based compensation expense	2,824	2,312	6,630	4,687
Director deferred share units	1,436	3,121	1,198	3,990
Restricted share units	40	25	70	39
Cash share-based compensation expense	1,476	3,146	1,268	4,029
Total share-based compensation expense	\$ 4,300	\$ 5,458	\$ 7,898	\$ 8,716

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

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Capitalized stock options	\$ 121	\$ 124	\$ 234	\$ 243
Capitalized restricted share awards	122	126	231	246
Capitalized performance share awards	253	245	724	503
Capitalized share-based compensation	\$ 496	\$ 495	\$ 1,189	\$ 992

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 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 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Unrealized gain on financial instruments - commodity contracts	\$ 19,278	\$ 87,133	\$ 34,004	\$ 63,671
Unrealized gain on financial instruments - embedded derivative	14,593	—	8,952	—
Total unrealized gain on financial instruments	\$ 33,871	\$ 87,133	\$ 42,956	\$ 63,671

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

	June 30, 2025			December 31, 2024
	Financial derivative contracts	Natural gas embedded derivative	Total	Total
Current asset	\$ 110,444	\$ —	\$ 110,444	\$ 65,537
Long term asset	127,800	8,816	136,616	138,567
Total fair value of financial instruments	\$ 238,244	\$ 8,816	\$ 247,060	\$ 204,104

Financial derivative contracts

The following is a summary of the financial derivatives as at June 30, 2025:

Term ⁽¹⁾	WTI fixed price swap		WTI 3 way collar			
	Bbls/d	Cdn\$/Bbl	Bbls/d	Cdn\$/Bbl	Cdn\$/Bbl	Cdn\$/Bbl
2025	8,000	97.16	—	—	—	—
2026	2,000	90.70	1,000	77.00	88.00	94.75

Term ⁽¹⁾	AECO-NYMEX basis swap		Dawn-NYMEX basis swap	
	MMBtu/d	US\$/MMBtu	MMBtu/d	US\$/MMBtu
2025	105,000	(0.96)	13,370	(0.41)
2026	187,500	(0.92)	—	—
2027	140,000	(0.91)	—	—
2028	120,000	(1.04)	—	—
2029	47,500	(1.11)	—	—
2030	70,000	(1.08)	—	—
2031	25,000	(1.23)	—	—

⁽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	56,766	3.44	4.34
2026	20,000	4.07	95,000	3.75	5.27

⁽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	21,685	3.67	6,685	1.50	2.35
2026	20,521	2.97	—	—	—

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

Subsequent to June 30, 2025, the following financial derivative contracts were entered into:

Term ⁽¹⁾	WTI collar		
	Bbls/d	Cdn\$/Bbl	Cdn\$/Bbl
2025	663	80.00	96.30
2026	1,000	80.00	96.30

⁽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 June 30, 2025:

Term ⁽¹⁾	AECO fixed price swap		AECO-NYMEX Basis	
	GJ/d	Cdn\$/GJ	MMBtu/d	US\$/MMBtu
2025	41,685	3.83	5,000	(1.15)

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

17. Financing costs

	Note	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Interest on long-term debt		\$ 2,980	\$ 2,826	\$ 3,892	\$ 4,636
Interest on senior unsecured notes		3,463	3,459	7,147	7,131
Interest expense		6,443	6,285	11,039	11,767
Lease interest expense		3,369	3,560	6,786	7,163
Accretion expense	10	1,180	790	2,237	1,595
Total financing costs		\$ 10,992	\$ 10,635	\$ 20,062	\$ 20,525

18. Commitments

The following is a summary of the NuVista's commitments as at June 30, 2025:

	Total	2025	2026	2027	2028	2029	Thereafter
Transportation ⁽¹⁾	\$ 1,046,898	\$ 81,340	\$ 164,221	\$ 161,723	\$ 140,721	\$ 122,512	\$ 376,381
Processing ^{(1) (2)}	1,883,911	68,165	162,816	167,294	168,541	166,158	1,150,937
Other	1,633	117	117	117	117	117	1,048
Total commitments ⁽³⁾	\$ 2,932,442	\$ 149,622	\$ 327,154	\$ 329,134	\$ 309,379	\$ 288,787	\$ 1,528,366

⁽¹⁾ Certain of the transportation and processing commitments are secured by outstanding letters of credit totaling \$14.6 million at June 30, 2025 (December 31, 2024 - \$14.8 million).

⁽²⁾ Includes processing and disposal commitments to guarantee firm capacity or priority service in various facilities.

⁽³⁾ 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Cash provided by (used for):				
Accounts receivable and other	\$ 48,944	\$ (10,357)	\$ 45,825	\$ 1,151
Prepaid expenses	(6,087)	1,038	(8,488)	12,022
Other receivables	—	—	—	—
Accounts payable and accrued liabilities	(115,245)	19,132	(65,070)	39,079
	\$ (72,388)	\$ 9,813	\$ (27,733)	\$ 52,252
Related to:				
Operating activities	\$ (61,582)	\$ 26,426	\$ (17,325)	\$ 45,356
Investing activities	(10,806)	(16,613)	(10,408)	6,896
	\$ (72,388)	\$ 9,813	\$ (27,733)	\$ 52,252

20. Subsequent event

Subsequent to June 30, 2025, NuVista entered into certain contracts with a third-party in relation to a compressor station and associated infrastructure currently under construction in its Gold Creek area. This infrastructure is anticipated to be ready for use in the second quarter of 2026, with total project costs estimated to be approximately \$150 million. Under the terms of the agreement, NuVista will be reimbursed by the third-party through scheduled payments starting August 2025 through March 2026. As at June 30, 2025, NuVista had incurred \$46.2 million in relation to this infrastructure which has been recorded in other long-term assets on the statements of financial position.

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

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

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Royal Bank of Canada

The Bank of Nova Scotia

Bank of Montreal

ATB Financial

Business Development Bank of Canada

AUDITORS

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Calgary, Alberta

RESERVE EVALUATORS

GLJ Ltd.

Calgary, Alberta

TRANSFER AGENT - COMMON SHARES

Odyssey Trust Company

Calgary, Alberta

STOCK EXCHANGE LISTING

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TRANSFER AGENT - SENIOR UNSECURED NOTES

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