FIRST INTERIM REPORT 2007

Press Release May 3, 2007

Calgary – NuVista Energy Ltd. is pleased to announce its financial and operating results for the three months ended March 31, 2007 as follows:

Corporate Highlights

	Three Months ended March 31, 2007	2006	% Change
Financial			
($ thousands, except per share)			
Production revenue	53,626	50,540	6
Funds from operations [1]	27,811	29,425	(5)
Per share – basic	0.57	0.61	(7)
Per share – diluted	0.56	0.59	(5)
Net earnings	4,832	9,451	(48)
Per share – basic	0.10	0.20	(50)
Per share – diluted	0.10	0.19	(47)
Total assets	612,993	450,671	36
Long-term debt, net of working capital	178,036	72,000	147
Shareholders' equity	303,172	266,037	14
Net capital expenditures	35,948	31,747	13
Weighted average common shares outstanding (thousands):			
Basic	49,023	48,429	1
Diluted	49,799	49,953	-
Operating			
(boe conversion – 6:1 basis)			
Production:			
Natural gas (mmcf/d)	66.2	53.5	24
Oil and liquids (bbls/d)	2,369	2,391	-
Total oil equivalent (boe/d)	13,409	11,303	19
Product prices: [2]			
Natural gas ($/mcf)	7.49	8.71	(14)
Oil and liquids ($/bbl)	51.23	40.14	28
Operating expenses:			
Natural gas ($/mcf)	1.03	0.78	32
Oil and liquids ($/bbl)	14.46	7.97	81
Total oil equivalent ($/boe)	7.64	5.38	42
General and administrative expenses ($/boe)	0.88	0.54	63
Funds from operations netback ($/boe) [1]	23.05	28.93	(20)

NOTES:

(1) Funds from operations, funds from operations per share and funds from operations netback are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations are based on cash flow from operating activities before changes in non-cash working capital and abandonment expenditures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income per share. Funds from operations netback equals the total of revenues less royalties, realized commodity derivative gains/losses, transportation, general and administrative costs, interest and cash taxes calculated on a boe basis. Total boe is calculated by multiplying the daily production by the number of days in the period.

(2) Product prices include realized gains/losses on commodity derivatives.

MESSAGE TO SHAREHOLDERS

NuVista Energy Ltd. ("NuVista") is pleased to report to shareholders its financial and operating results for the three months ended March 31, 2007. NuVista's management and Board of Directors are pleased with the value created for our shareholders and the way NuVista has positioned itself to continue to grow profitably in the future during a period of natural gas price volatility and a changing landscape within the Canadian oil and gas industry.

During the first quarter, NuVista was active in the field tieing-in and optimizing production from the 2006 and the early 2007 drilling programs. We achieved our production targets for the quarter with production volumes continuing to climb throughout the quarter. In addition, we participated in a very active seismic program enhancing our prospect inventory; tested a number of heavy oil concepts in our West Central Saskatchewan core area establishing productivity from three wells and leading to several follow-up wells; and signed a purchase and sale agreement for an acquisition in our Central Alberta core area.

NuVista's first quarter drilling activity was lower than originally anticipated largely due to an early spring break-up in Eastern Alberta and West Central Saskatchewan. NuVista participated in 35 wells during the quarter, and had four rigs working in the field when drilling was suspended due to spring break-up. The shortfall in first quarter drilling will be offset through a very active summer drilling program and may ultimately result in improved efficiencies due to reduced cost pressures on the service industry and the generally lower cost of drilling in the summer months.

Other significant highlights for NuVista in the first quarter of 2007 include:

- Increased year over year production by 19% to 13,409 boe/d, consisting of 66.2 mmcf/d of natural gas and 2,369 bbls/d of oil and liquids. NuVista's natural gas weighting has increased to 82% of total production;

- Participated in 35 (25.2 net) wells, with an overall success rate of 86%;

- Increased undeveloped landholdings to approximately 604,000 net acres, providing NuVista with the largest and most prospective drilling inventory in our history;

- Acquired 639 kilometers of 2D seismic and 40 square kilometers of 3D seismic to further enhance the prospectivity of NuVista's undeveloped land; and

- Increased the maximum borrowings under our bank loan facilities to $210 million with a further increase to $220 million subsequent to the end of the quarter, increasing our financial flexibility.

Subsequent to the end of the first quarter, on April 2, 2007, NuVista closed a property acquisition in our Central Alberta core area for a net purchase price of approximately $35 million. On April 20, 2007, NuVista closed a 2.75 million common share offering for net proceeds of approximately $38 million. Pro forma, the acquisition and equity offering, NuVista's debt to running funds from operations ratio has been reduced to approximately 1.3:1.

Despite the recent volatility in spot natural gas prices, we continue to believe in the longer term favourable outlook for natural gas due to the improving supply and demand fundamentals. However to mitigate price volatility, NuVista has entered into natural gas price risk management contracts for the period April 2007 to October 2007 for 20,000 gj's/d or approximately 40% of its natural gas production, net of royalties.

For 2007, NuVista has set a capital program of $160 million with the majority of our planned expenditures for the next three quarters allocated to exploration and development activities. NuVista has identified over 115 firm drilling locations and is continuing to add approximately 15 new prospects per month. We plan to participate in 140-160 wells in 2007. NuVista's current production is 14,400 boe/d and is within our annual forecast guidance range for 2007 of 14,300 boe/d – 14,900 boe/d.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") of financial conditions and results of operations should be read in conjunction with NuVista's interim consolidated financial statements for the three months ended March 31, 2007 and the audited consolidated financial statements and MD&A for the years ended December 31, 2006 and 2005. The following MD&A of financial condition and results of operations was prepared at, and is dated May 3, 2007. Our audited consolidated financial statements, current annual information form and other disclosure documents are filed on SEDAR at *www.sedar.com*, and other corporate documentation can be obtained from our website at *www.nuvistaenergy.com*.

Basis of Presentation *– The financial data presented below has been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The reporting and the measurement currency is the Canadian dollar. For the purpose of calculating unit costs, natural gas is converted to a barrel of oil equivalent ("boe") using six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated.*

Forward-Looking Statements *– Certain information set forth in this document, including management's assessment of NuVista's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond NuVista's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management and services, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, or if any of them do so, what benefits that NuVista will derive therefrom. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.*

Non-GAAP Measurements *- Within Management's discussion and analysis, references are made to terms commonly used in the oil and gas industry. Management uses funds from operations to analyze operating performance and leverage. Funds from operations as presented does not have any standardized meaning prescribed by Canadian GAAP and therefore it may not be comparable with the calculation of similar measures for other entities. Funds from operations as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. All references to funds from operations throughout this report are based on cash flow from operating activities before changes in non-cash working capital and abandonment expenditures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income per share. Funds from operations netbacks equal total revenues less royalties, transportation and operating costs calculated on a boe basis. Total boe is calculated by multiplying the daily production by the number of days in the period. Management uses these terms to analyze operating performance and leverage.*

Operating activities – During the first quarter of 2007, NuVista participated in 35 wells with an average working interest of 72% and operated 31 of these wells. The success rate of 86% in this drilling program resulted in 24 natural gas wells and 6 oil wells. NuVista continues to actively drill in its core areas, with 15 to 20 wells planned for the second quarter.

Production – For the first quarter of 2007, NuVista's average production was 13,409 boe/d, comprised of 66.2 mmcf/d of natural gas and 2,369 bbls/d of oil and liquids, which represents a 19% increase over the same period in 2006. This increase in production relates primarily to the acquisition of the Saskatchewan properties completed in June 2006 and production additions from drilling activities in the last half of 2006 and the first quarter of 2007.

	For the months ended March 31,		
	2007	**2006**	**% Change**
Natural gas (mcf/d)	66,238	53,471	24
Oil and natural gas liquids (bbl/d)	2,369	2,391	-
Total oil equivalent (boe/d)	13,409	11,303	19

Revenues – Revenues for the three months ended March 31, 2007 were $53.6 million, a 6% increase from $50.5 million for the three months ended March 31, 2006. This increase is due to a 19% increase in production volumes offset by a 7% decrease in realized prices. Natural gas prices decreased 14% while oil and liquid prices increased 28% in the first three months of 2007 compared to the same period in 2006. Revenues were comprised of $44.7 million of natural gas revenues and $10.9 million of oil and liquids revenues.

	For the three months ended March 31,					
	2007		2006		% Change	
Natural gas	$ thousands	$/mcf	$ thousands	$/mcf	$	$/mcf
Production revenue	42,847	7.18	41,902	8.71	2	(18)
Realized commodity derivative gains	1,838	0.31	-	-	-	-
Total	44,685	7.49	41,902	8.71	7	(14)

	For the three months ended March 31,					
	2007		2006		% Change	
Oil and natural gas liquids	$ thousands	$/bbl	$ thousands	$/bbl	$	$/bbl
Production revenue	10,779	50.55	8,638	40.14	25	26
Realized commodity derivative gains	145	0.68	-	-	-	-
Total	10,924	51.23	8,638	40.14	26	28

Commodity price risk management – As part of our financial management strategy, NuVista has adopted a disciplined commodity price risk management program. The purpose of this program is to reduce volatility in the financial results, protect acquisition economics and stabilize cash flow against the unpredictable commodity price environment. NuVista's Board of Directors have approved a commodity price risk management limit of 60% of forecast production, net of royalties, primarily using costless collars. Our strategy of using costless collars limits NuVista's exposure to downturns in commodity prices, while allowing for participation in commodity price increases.

Prior to January 1, 2007, NuVista accounted for our commodity derivative contracts as hedges and included realized gains or losses in revenues. On January 1, 2007, with the adoption of new accounting standards for financial instruments and hedging, NuVista discontinued hedge accounting treatment for our commodity derivative contracts. Accordingly realized and unrealized gains on these commodity derivative contracts are recognized in the current period. See note 1 of the consolidated financial statements for the three months ended March 31, 2007.

In the first quarter of 2007, our financial price risk management program resulted in a net gain of $1.9 million consisting of a realized gain of $2.0 million and an unrealized loss of $75,000. In the same period in 2006, NuVista recognized a hedging gain of $1.7 million. The realized gain of $2.0 million for the first quarter of 2007 consisted of a $1.8 million gain on natural gas commodity derivative contracts and a $145,000 gain on crude oil commodity derivative contracts. A summary of commodity price risk management contracts in place as at March 31, 2007 is included in note 5 of the consolidated financial statements for the three months ended March 31, 2007.

	For the three months ended March 31, 2007		
($ thousands)	**Realized gains**	**Unrealized gains/(losses)**	**Total gains/(losses)**
Natural gas	1,838	125	1,963
Oil and natural gas liquids	145	(200)	(55)
Total gains/(losses)	1,983	(75)	1,908

Royalties – Royalties for the three months ended March 31, 2007 were $14.4 million, an increase of 8% over the $13.4 million reported for the three months ended March 31, 2006. The increase in royalties results primarily from higher revenues. As a percentage of revenue, the average royalty rate for the first quarter of 2007 was 26% compared to 27% for the comparative period of 2006.

	For the three months ended March 31,	
Royalty Rates (%)	**2007**	**2006**
Natural gas	29	28
Oil and natural gas liquids	14	17
Weighted average rate	26	27

Netbacks – The table below summarizes netbacks for the three months ended March 31, 2007, compared to the three month period ended March 31, 2006:

	For the three months ended March 31,					
($ thousands)	**2007**		**2006**		**% Change**	
	$	**$/boe**	**$**	**$/boe**	**$**	**$/boe**
Production revenues	53,626	44.44	50,540	49.68	6	(11)
Realized commodity derivative gains	1,983	1.64	-	-	-	-
	55,609	46.08	50,540	49.68	10	(7)
Royalties	(14,420)	(11.95)	(13,411)	(13.18)	8	(8)
Transportation costs	(1,084)	(0.90)	(897)	(0.88)	21	2
Operating costs	(9,223)	(7.64)	(5,474)	(5.38)	68	42
Field netback	**30,882**	**25.59**	**30,758**	**30.24**	**-**	**(15)**
General and administrative	(1,065)	(0.88)	(553)	(0.54)	93	63
Interest	(2,006)	(1.66)	(660)	(0.65)	204	155
Cash taxes	-	-	(115)	(0.11)	-	-
Funds from operations netback	**27,811**	**23.05**	**29,425**	**28.93**	**(5)**	**(20)**

Transportation – Transportation costs were $1.1 million ($0.90/boe) for the three months ended March 31, 2007 compared to $897,000 ($0.88/boe) for the first quarter of 2006. The increase in transportation costs results from the 19% increase in production volumes.

Operating – Operating expenses were $9.2 million for the three months ended March 31, 2007, a 68% increase when compared to $5.5 million for the three months ended March 31, 2006. This increase resulted from the 19% increase in production volumes and a 42% increase in per unit costs in the first quarter of 2007 compared to the first quarter of 2006. In the first quarter of 2007, operating costs increased to $7.64/boe as compared to $5.38/boe for the same period of 2006. Natural gas operating expenses averaged $1.03/mcf and oil and liquids operating expenses were $14.46/bbl as compared to $0.78/mcf and $7.97/bbl respectively for the same period of 2006. Operating costs were higher than anticipated in the first quarter due to continued escalation of oil and gas service industry costs. In addition, there was an increased level of maintenance activities in the quarter, in particular relating to achieving stabilized production from our heavy oil wells drilled in our Provost core area in the second half of 2006. In light of these cost increases, NuVista has reviewed our current operating cost structure and has initiated a number of projects designed to reduce per unit costs. NuVista anticipates a reduction in overall operating costs in the second half of 2007 and is targeting per unit costs of $7.00/boe.

General and administrative – General and administrative expenses for the three months ended March 31, 2007, were $1.1 million ($0.88/boe) net of overhead recoveries, as compared to the charge of $553,000 ($0.54/boe) for the three months ended March 31, 2006. This increase is directly attributable to the higher production base in NuVista, hiring of NuVista's own staff as it has reduced reliance on the Technical Services Agreement (TSA) with Bonavista (see note 6) and other costs associated with NuVista operating more independently. For the three months ended March 31, 2007, Bonavista charged NuVista $340,000, for the remaining general and administrative services provided under the TSA as compared to $480,000 in the same period in 2006 and $698,000 in the fourth quarter of 2006. The TSA has allowed NuVista to operate with a low overhead cost structure until it attained the level of activity that required and could financially support its stand-alone general and administrative staff. As NuVista has achieved this level of operation in 2007, we have reduced our reliance on the TSA and will be conducting most activities with our own staff.

Stock-based compensation – NuVista recorded a stock-based compensation charge of $724,000 for the three month period ended March 31, 2007 compared to $547,000 for the same period in 2006 relating to both stock options and Class B Performance Shares.

Interest – For the three months ended March 31, 2007, interest expense was $2.0 million ($1.66/boe), up 204% from $660,000 ($0.65/boe) in the same period of 2006, due to higher average debt levels and higher interest rates in the first quarter of 2007. Currently NuVista's average borrowing rate is approximately 5.3%.

Depreciation, depletion and accretion – Depreciation, depletion and accretion expenses were $19.4 million for the first quarter of 2007 compared to $13.7 million for the same period in 2006, an increase of 42%. This increase was due to higher production volumes and costs per unit of production. The average cost per unit of production was $16.11/boe in the first quarter of 2007 compared to $13.50/boe for the same period in 2006. This increase was due to higher costs of adding reserves experienced by NuVista and the industry in general.

Income and other taxes – For the first quarter of 2007, the provision for income and other taxes was $2.7 million for an effective tax rate of 36% as compared to $5.8 million with an effective tax rate of 38% for the first quarter of 2006. The decline in the effective tax rate was primarily due to lower corporate income tax rates that became effective in the second quarter of 2006.

Capital expenditures – Capital expenditures were $35.9 million during the first quarter of 2007, primarily on exploration and development spending, compared to $31.7 million during the first quarter of 2006.

($ thousands)	**For the three months ended March 31, 2007**	**2006**
Land and retention costs	$ 1,888	$ 7,513
Seismic	5,572	2,662
Drilling and completion	17,877	13,732
Facilities and equipment	10,229	7,831
Corporate and other	382	9
Total capital expenditures	$ 35,948	$ 31,747

Funds from operations and net earnings – In the first quarter of 2007, funds from operations were $27.8 million ($0.56/share, basic), a 6% decrease over the $29.4 million ($0.61/share, basic) for the same period in 2006. Funds from operations decreased compared to the same period in 2006 as increased production volumes and revenues did not offset the increase in operating, general and administrative and interest costs. Net earnings decreased 48% during the first quarter of 2007 to $4.8 million ($0.10/share, basic) from the $9.5 million ($0.20/share, basic) for the same period in 2006. Net earnings decreased for the same reasons as the decrease in funds from operations, as well as the impact of higher depreciation, depletion and accretion expenses both in total and on a per unit basis.

Liquidity and capital resources – At March 31, 2007, bank debt (including working capital) was $178.0 million, resulting in a debt to annualized first quarter funds from operations ratio of 1.6 to 1. At March 31, 2007, NuVista had approximately $32 million of unused bank borrowing capability based on the bank loan facility of $210 million. Subsequent to the end of the first quarter, NuVista increased its bank loan facility to $220 million and completed an equity offering for net proceeds of approximately $38 million. This additional funding provides NuVista with the financing capacity to fund its 2007 capital program. As at May 3, 2007, there were 51,937,508 common shares and 270,789 Class B Performance Shares outstanding. In addition, there were 3,614,899 stock options outstanding, with an average exercise price of $12.21/share.

Quarterly financial information – The following table highlights NuVista's performance for the eight quarterly reporting periods from June 30, 2005 to March 31, 2007:

	2007	2006				2005		
	March 31	**December 31**	**September 30**	**June 30**	**March 31**	**December 31**	**September 30**	**June 30**
Production (boe/d)	13,409	12,612	12,577	11,357	11,303	11,031	9,874	7,783
($ thousands, except per share amounts)								
Production revenue	$ 53,626	$ 49,195	$ 47,530	$ 45,375	$ 50,540	$ 63,315	$ 48,474	$ 30,626
Net earnings	$ 4,832	$ 5,765	$ 4,082	$ 15,986	$ 9,451	$ 16,247	$ 11,339	$ 6,335
Net earnings per share:								
Basic	0.10	0.12	0.08	0.33	0.20	0.34	0.25	0.16
Diluted	0.10	0.12	0.08	0.32	0.19	0.32	0.24	0.15

NuVista has seen growth in its production volumes over the prior eight quarter periods. During the three quarter reporting periods ended December 31, 2005, revenues and net earnings increased primarily due to increases in production and commodity prices. Since December 31, 2005, production growth continued but has not offset lower average realized commodity prices, resulting in lower revenues and net earnings. Net earnings during the three months ended June 30, 2006 increased due to a $9.6 million future income tax recovery relating to changes in tax rates.

Update on financial reporting matters

a) Effective January 1, 2007, NuVista adopted the Canadian Institute of Chartered Accounts ("CICA") section 3855, "Financial Instruments – Recognition and Measurement," section 3865, "Hedges," section 1530, "Comprehensive Income, and section 3861, "Financial Instruments – Disclosure and Presentation." These standards have been adopted prospectively. See note 1 to the consolidated financial statements.

b) NuVista's President and Chief Executive Officer ("CEO") and Vice President, Finance and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as defined in Multilateral Instrument 52-109. NuVista's CEO and CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that information to be disclosed by NuVista is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. The CEO and CFO have also designed internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. During the quarter ended March 31, 2007, there have been no changes to NuVista's internal controls over financial reporting that have materially, or are reasonably likely to, materially affect the internal controls over financial reporting.

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

BUSINESS RISKS

The Federal Government released on April 26, 2007, its Action Plan to Reduce Greenhouse Gases and Air Pollution (the "Action Plan"), also known as ecoACTION and which includes the Regulatory Framework for Air Emissions. This Action Plan covers not only large industry, but regulates the fuel efficiency of vehicles and the strengthening of energy standards for a number of energy-using products. Regarding large industry and industry related projects the Government's Action Plan intends to achieve the following: (i) an absolute reduction of 150 megatonnes in greenhouse gas emissions by 2020 by imposing mandatory targets; and (ii) air pollution from industry is to be cut in half by 2015 by setting certain targets. New facilities using cleaner fuels and technologies will have a grace period of three years. In order to facilitate the companies' compliance of the Action Plan's requirements, while at the same time allowing them to be cost-effective, innovative and adopt cleaner technologies, certain options are provided. These are: (i) in-house reductions; (ii) contributions to technology funds; (iii) trading of emissions with below-target emission companies; (iv) offsets; and (v) access to Kyoto's Clean Development Mechanism.

On March 8, 2007, the Alberta Government introduced Bill 3, the *Climate Change and Emissions Management Amendment Act,* which intends to reduce greenhouse gas emission intensity from large industries. Bill 3 states that facilities emitting more than 100,000 tonnes of greenhouse gases a year must reduce their emissions intensity by 12% starting July 1, 2007; if such reduction is not initially possible the companies owning the large emitting facilities will be required to pay $15 per tonne for every tonne above the 12% target. These payments will be deposited into an Alberta-based technology fund that will be used to develop infrastructure to reduce emissions or to support research into innovative climate change solutions. As an alternate option, large emitters can invest in projects outside of their operations that reduce or offset emissions on their behalf, provided that these projects are based in Alberta. Prior to investing, the offset reductions, offered by a prospective operation, must be verified by a third party to ensure that the emission reductions are real.

Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact of those requirements on NuVista and its operations and financial condition.

OUTLOOK

NuVista's management remains committed to the same principles and disciplined growth strategy that has led to success in the past 45 months. In 2006, NuVista established our independence from Bonavista adding finance, land and human resource teams to our talented technical teams. With the undeveloped land base now exceeding 604,000 net acres, an increased prospect inventory, coupled with our strong balance sheet, NuVista is well positioned to continue posting strong operational and financial results for the remainder of 2007 and beyond.

For 2007, NuVista has set a capital program of $160 million with the majority of our planned expenditures for the next three quarters allocated to exploration and development activities. We plan to participate in 140-160 wells in 2007. NuVista's current production is 14,400 boe/d and is within our annual forecast guidance range for 2007, of 14,300 boe/d – 14,900 boe/d. Based on commodity price estimates of US$8.00 for NYMEX natural gas and US$62.50/bbl WTI for oil, NuVista expects cash flow in the range of $130 million to $140 million ($2.50/share to $2.70/share).

Notwithstanding pressures facing the industry from both a reserve finding and operating cost perspective, NuVista sees no reason to depart from our long-standing and successful strategy of cost control and applying the expertise of its own technical staff to its current operating regions, through both the drill bit and acquisitions. The execution of our strategies will enable NuVista to continue to grow its production, cash flow and net income consistently and profitably. As always, NuVista's focus remains on profitable per share growth. Our solid financial position will enable us to continue execution of our exploration and development capital program and remain positioned to pursue acquisition opportunities as they arise. We remain unwavering in our commitment to enhance shareholder value over the long-term in a diligent and prudent manner by accessing the broad depth and expertise of our team.

We thank our shareholders for their continued support, and look forward to reporting our progress throughout the remainder of 2007.

Alex G. Verge
President and
Chief Executive Officer

Robert F. Froese
Vice President, Finance and
Chief Financial Officer

May 3, 2007
Calgary, Alberta

Consolidated Balance Sheets

($ thousands) (unaudited)	March 31, 2007	December 31, 2006
Assets		
Current assets:		
Accounts receivable and prepaid expenses	$ 27,478	$ 25,953
Oil and natural gas properties and equipment	531,076	509,692
Goodwill	54,439	54,439
	$ 612,993	$ 590,084
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 32,648	$ 40,552
Long-term debt (note 2)	172,866	152,485
Asset retirement obligations (note 3)	23,639	22,683
Future income taxes	80,668	77,851
Shareholders' equity:		
Share capital (note 4)	195,575	194,030
Contributed surplus (note 4)	3,875	3,747
Accumulated other comprehensive income (note 4)	154	-
Retained earnings	103,568	98,736
	303,172	296,513
	$ 612,993	$ 590,084

See accompanying notes to the consolidated financial statements

Consolidated Statements of Earnings and Retained Earnings

($ thousands, except per share amounts)	Three Months ended March 31, 2007	2006
(unaudited)		
Revenues:		
Production	$ 53,626	$ 50,540
Royalties	(14,420)	(13,411)
Realized and unrealized gains on commodity derivatives (note 5)	1,908	-
	41,114	37,129
Expenses:		
Operating	9,223	5,474
Transportation	1,084	897
General and administrative	1,065	553
Interest	2,006	660
Stock-based compensation (note 4)	724	547
Depreciation, depletion and accretion	19,439	13,730
	33,541	21,861
Earnings before income and other taxes	7,573	15,268
Income and other taxes	2,741	5,817
Net earnings and comprehensive income	**4,832**	**9,451**
Retained earnings, beginning of period	98,736	63,452
Retained earnings, end of period	**$ 103,568**	**$ 72,903**
Net earnings per share – basic	**$** 0.10	**$** 0.20
Net earnings per share – diluted	$ 0.10	$ 0.19

See accompanying notes to the consolidated financial statements

Consolidated Statements of Cash Flows

($ thousands)	Three Months ended March 31, 2007	2006
(unaudited)		
Cash provided by (used in):		
Operating Activities:		
Net earnings	$ 4,832	$ 9,451
Items not requiring cash from operations:		
Depreciation, depletion and accretion	19,439	13,730
Stock-based compensation	724	547
Unrealized losses on commodity derivatives (note 5)	75	-
Future income taxes	2,741	5,697
Asset retirement expenditures	(310)	(210)
Decrease (Increase) in non-cash working capital items	(10,503)	1,138
	16,998	30,353
Financing Activities:		
Issue of share capital	710	435
Increase in long-term debt	20,381	277
	21,091	712
Investing Activities:		
Oil and natural gas properties and equipment	(35,709)	(31,747)
Deposit on capital asset acquisition	(3,608)	-
Decrease in non-cash working capital items	1,228	682
	(38,089)	(31,065)
Change in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	$ -	$ -

See accompanying notes to the consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2007.

The unaudited consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), using the same accounting policies as those set out in note 1 to the consolidated financial statements for the years ended December 31, 2006 and 2005, except as noted below. The consolidated financial statements for the three months ended March 31, 2007 are and should be read in conjunction with the consolidated financial statements for the years ended December 31, 2006 and 2005. Certain amounts have been reclassified to conform with the current year's presentation.

1. Changes in accounting policies:

Financial instruments, hedging activities and comprehensive income

Effective January 1, 2007, NuVista adopted the Canadian Institute of Chartered Accountants ("CICA") section 3855, "Financial Instruments – Recognition and Measurement", section 3865, "Hedges", section 1530, "Comprehensive Income", and section 3861, "Financial Instruments – Disclosure and Presentation". Nuvista has adopted these standards prospectively and the comparative consolidated financial statements have not been restated. Transition amounts have been recorded in accumulated other comprehensive income.

The adoption of these standards has had no material impact on NuVista's net earnings or cash flows. The other effects of the implementation of the new standards are discussed below.

At January 1, 2007, the following adjustments were made to the balance sheet to adopt the new standards:

($ thousands)	**At January 1, 2007**
Accounts receivable – commodity derivatives	1,350
Future income taxes	(445)
Accumulated other comprehensive income	(905)

(i) Financial instruments - recognition and measurement

This new standard requires all financial instruments within its scope, including all derivatives, to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired. Changes to the measurement of existing financial assets and liabilities at the date of adoption were adjusted to either opening retained earnings or opening accumulated other comprehensive income as noted above.

Additional disclosure requirement for financial instruments have been approved by the CICA, and will be required disclosure for NuVista beginning January 1, 2008.

(ii) Derivatives

NuVista continues to utilize financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of oil and natural gas production.

NuVista has elected to account for its commodity sales contracts which were entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements as executory contracts on an accrual basis rather than as non-financial derivatives. Prior to adoption of the new standards, physical receipt and delivery contracts did not fall within the scope of the definition of a financial instrument and were also accounted for as executory contracts.

Prior to January 1, 2007, NuVista applied hedge accounting to its financial derivatives. On January 1, 2007, NuVista discontinued hedge accounting for all existing commodity derivatives. Net derivative gains in accumulated other comprehensive income at January 1, 2007 will be reclassified to earnings in future periods as the original hedged transactions affect net earnings. From that date forward, the changes in fair value of such derivatives will be recognized in net earnings when incurred. Discontinuing hedge accounting will not affect the NuVista's reported financial position or cash flows.

(iii) Embedded derivatives

Embedded derivatives are derivatives embedded in a host contract. NuVista has elected January 1, 2003, as its transition date for accounting for any potential embedded derivatives. NuVista did not identify any material embedded derivatives which required separate recognition and measurement.

(iv) Other comprehensive income

The new standards require a new statement of comprehensive income, which is comprised of net earnings and other comprehensive income which, for NuVista, relates to changes in gains or losses on derivatives designated as cash flow hedges. NuVista has prepared a statement showing the changes in accumulated other comprehensive income.

2. Long-term debt:

On March 7, 2007, NuVista and its lenders agreed to amend NuVista's bank loan facilities to increase the maximum borrowing to $210 million. All terms and conditions of the bank loan facility remain unchanged from December 31, 2006.

3. Asset retirement obligations:

A reconciliation of the asset retirement obligations is provided below:

	Three Months ended March 31,	
($ thousands)	**2007**	**2006**
Balance, beginning of period	$ 22,683	$ 14,790
Accretion expense	438	290
Liabilities incurred	828	763
Liabilities acquired	-	-
Liabilities settled	(310)	(210)
Balance, end of period	**$ 23,639**	**$ 15,633**

4. Share capital:

a) Authorized:

Unlimited number of voting Common Shares and 1,200,000 Class B Performance Shares.

b) Issued:

(i) Common Shares:

	Number	**Amount**
($ thousands)		
Balance, December 31, 2006	49,015	$194,027
Exercise of stock options	119	710
Stock-based compensation	-	835
Balance, March 31, 2007	**49,134**	**$195,572**

(ii) Class B Performance Shares:

($ thousands)	Number	Amount
Balance, December 31, 2006	271	$3
Converted to Common Shares	-	-
Reacquired and cancelled	-	-
Balance, March 31, 2007	**271**	**$3**

c) Contributed surplus:

($ thousands)	Amount
Balance, December 31, 2006	$3,747
Stock-based compensation	963
Conversion of Class B Performance shares and exercise of stock options	(835)
Balance, March 31, 2007	**$3,875**

d) Accumulated other comprehensive income

($ thousands)		2007
Accumulated other comprehensive income, beginning of period	$	-
Transition adjustment for discontinuance of hedge accounting, net of tax of $445		905
Reclassification to net earnings during the period, net of tax of $370		(751)
Accumulated other comprehensive income, end of period	**$**	**154**

e) Stock options and stock-based compensation:

For the three months ended March 31, 2007, there were 167,500 options granted with an average exercise price of $13.43/share and an estimated fair value of $5.00/share using the Black-Scholes option pricing model. There were 3,570,174 stock options outstanding, with an average exercise price of $12.09/share as at March 31, 2007.

NuVista uses the fair value based method for the determination of the stock-based compensation costs. The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model. In the pricing model, the risk free interest rate was 4.0%; average volatility of 37%; and an expected life of 4.5 years.

5. Financial instrument activities:

a) Balance sheet financial instruments:

NuVista's financial instruments recognized in the Consolidated Balance Sheet consist of cash and cash equivalents, accounts receivable, derivative contracts, substantially all current liabilities, and long term debt. Unless otherwise noted, carrying values reflect the current fair value of the company's financial instruments. The estimated fair values of recognized financial instruments have been determined based on NuVista's assessment of available market information and appropriate methodologies, or through comparisons to similar instruments.

b) Commodity price risk management contracts:

(i) As at March 31, 2007, NuVista has entered into the following costless collar crude oil contracts:

Volume	Average Price ($/bbl)	Term
250 bbls/d	CDN$76.14 - CDN$100.19 - WTI	January 1, 2007 – March 31, 2007
250 bbls/d	CDN$75.92 - CDN$100.19 - WTI	April 1, 2007 – June 30, 2007
250 bbls/d	CDN$75.25 - CDN$100.19 - WTI	July 1, 2007 – September 30, 2007
250 bbls/d	CDN$74.25 - CDN$100.19 - WTI	October 1, 2007 – December 31, 2007
500 bbls/d	CDN$70.95 - CDN$94.90 - WTI	January 1, 2008 – March 31, 2008
500 bbls/d	CDN$70.95 - CDN$94.07 - WTI	April 1, 2008 – June 30, 2008
250 bbls/d	CDN$70.03 - CDN$90.03 - WTI	July 1, 2008 – December 31, 2008

As at March 31, 2007, NuVista has entered into the following costless collar natural gas contracts:

Volume	Average Price (Cdn $/gj)	Term
15,000 gj's/d	$ 7.42 - $ 8.00 - AECO	April 1, 2007 – October 31, 2007

As at March 31, 2007, the market value of the commodity derivative contracts was approximately $155,000 and is included on the balance sheet in accounts receivable and prepaid expense.

(ii) Physical purchase contracts:

As at March 31, 2007, NuVista has entered into direct sale costless collar to sell natural gas as follows:

Volume	Average Price (Cdn $/gj)	Term
5,000 gj's/d	$ 7.25 - $ 8.00 - AECO	April 1, 2007 – October 31, 2007
10,000 gj's/d	$ 8.13 - $10.38 - AECO	November 1, 2007 – March 31, 2008

(iii) Commodity derivative gains/(losses):

	Three Months ended March 31,	
(**$** thousands)	**2007**	**2006**
Realized commodity derivatives gains	$ 1,983	$ -
Unrealized commodity derivatives (losses)	(75)	-
Total gains on realized and unrealized commodity derivatives	**$ 1,908**	$ -

6. Relationship with Bonavista Petroleum Ltd.:

Under the Plan of Arrangement with Bonavista, NuVista entered into a Technical Services Agreement ("TSA") with Bonavista Petroleum Ltd. ("Bonavista"). Under the TSA, Bonavista receives payment for certain services provided by it to NuVista. NuVista and Bonavista are considered related as two directors of NuVista, one of whom is NuVista's chairman, are also directors and officers of Bonavista and a director and an officer of NuVista are also officers of Bonavista. TSA charges reflected in these interim statements are based on the proposed changes to the original TSA, effective January 1, 2007. For three months ended March 31, 2007, fees of $340,000 (2006 - $480,000) relating to general and administrative activities were charged pursuant to the TSA. In addition, Bonavista charged $63,000 for costs that are outside of the TSA during the first three months of 2007 relating to NuVista's share of direct charges from third parties. As at March 31, 2007, the amount payable to Bonavista was $563,000.

7. Supplemental information:

	Three months ended March 31,	
($ thousands)	**2007**	**2006**
Cash paid on interest	$1,962	$610
Cash paid on income and other taxes	Nil	Nil

8. Subsequent Events:

On March 8, 2007, NuVista entered into an agreement to acquire certain natural gas properties in Central Alberta for a net purchase price of approximately $35 million. This acquisition closed on April 2, 2007. In connection with this acquisition, NuVista has agreed with its lenders to amend its bank loan facility to increase the maximum borrowing to $220 million. On March 28, 2007, NuVista entered into an agreement to sell 2,750,000 common shares on a bought deal basis at a price of $14.50 per share for net proceeds of approximately $38 million. The equity offering closed on April 20, 2007.

CORPORATE INFORMATION

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