MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") of financial conditions and results of operations should be read in conjunction with NuVista Energy Ltd.'s ("NuVista" or the "Company") interim financial statements for the three and nine months ended September 30, 2015. The following MD&A of financial condition and results of operations was prepared at and is dated November 9, 2015. Our December 31, 2014 audited financial statements, Annual Information Form and other disclosure documents for 2014 are available through our filings on SEDAR at **www.sedar.com** or can be obtained from our website at **www.nuvistaenergy.com**.

> ***Basis of presentation*** *– Unless otherwise noted, the financial data presented below has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") also known as International Financial Reporting Standards ("IFRS"). The reporting and measurement currency is the Canadian dollar. Natural gas is converted to a barrel of oil equivalent ("Boe") using six thousand cubic feet of gas to one barrel of oil. In certain circumstances natural gas liquid volumes have been converted to a thousand cubic feet equivalent ("Mcfe") on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes and Mcfes may be misleading, particularly if used in isolation. A conversion ratio of one barrel to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio on a 6:1 basis may be misleading as an indication of value.*

> ***Advisory regarding forward-looking information and statements*** *– This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward looking statements, including management's assessment of: NuVista's future focus, strategy, plans, opportunities and operations; financial and commodity risk management strategy; production mix; NuVista's planned capital expenditures; the timing, allocation and efficiency of NuVista's capital program and the results therefrom; our ability to fulfill all take or pay ("TOP") obligations; the anticipated potential and growth opportunities associated with NuVista's asset base; production guidance and anticipated production interruptions; sources of funding NuVista's capital program; drilling and completion plans; plans to maintain balance sheet strength and flexibility; future cash flow; anticipated year end net debt to cash flow ratio; the timing and anticipated outcome of NuVista's borrowing base review; plans to provide growth and value creation; asset retirement obligations and the amount and timing of expenditures relating to such asset retirement obligations and the source of funding thereof; the scope, timing and costs of environmental remediation required in connection with the pipeline spill in Northwest Alberta; future taxes and NuVista's tax pools; targeted net debt to annualized current quarter funds from operations; expectations regarding future commodity prices, netbacks, price differentials and supply; industry conditions and anticipated accounting changes and their impact on NuVista's operations and financial position. By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond NuVista's control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and funds from operations, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, access to infrastructure and markets, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties; the ability to access sufficient capital from internal sources and bank and equity markets; and including, without limitation, those risks considered under "Risk Factors" in our Annual Information Form. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. NuVista's actual results, performance or achievement could differ materially from those expressed*

in, or implied by, these forward-looking statements, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements in this MD&A in order to provide readers with a more complete perspective on NuVista's future operations and such information may not be appropriate for other purposes. 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 the MD&A, references are made to terms commonly used in the oil and natural 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 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, per the statement of cash flows, net earnings (loss) or other measures of financial performance calculated in accordance with GAAP. All references to funds from operations throughout this MD&A are based on cash flow from operating activities before changes in non-cash working capital, asset retirement expenditures and environmental remediation expense. Adjusted working capital equals current assets less current liabilities excluding the current portion of the commodity derivative asset. Net debt is equal to bank debt net of the adjusted working capital. Annualized current quarter funds from operations is calculated as cash flow from operating activities before changes in non-cash working capital, asset retirement expenditures and environmental remediation expenses for the current quarter, annualized for the year. Net debt to annualized current quarter funds from operations is net debt divided by annualized current quarter funds from operations. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net earnings (loss) per share. Funds from operations netbacks equal total revenues including realized commodity derivative gains/losses less royalties, transportation, operating costs, general and administrative, restricted stock unit, interest expense and cash taxes. Management also uses operating netbacks to analyze operating performance and adjusted working capital to analyze leverage. Adjusted net earnings (loss) is calculated as net earnings (loss) excluding non-recurring or non-cash items that management believes reduces the comparability of the NuVista's financial performance between periods, net of tax. Thereafter tax items include, but are not limited to unrealized gains/losses on commodity derivatives, impairments and impairment reversals, goodwill impairments, gains/losses on divestitures, environmental remediation expenses and the effect of changes in statutory income tax rate. Total revenue equals revenue including realized commodity derivative gains/losses. Operating netbacks equal the total of revenue including realized commodity derivative gains/ losses less royalties, transportation and operating costs. Total revenue, operating netbacks, adjusted net earnings, adjusted working capital and net debt as presented, do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable with the calculation of similar measure for other entities. Total Boe is calculated by multiplying the daily production by the number of days in the period.*

Additional GAAP measurements – *Additional GAAP measurements, which are non-GAAP measurements that are referenced in the annual financial statements, do not have a standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other entities. Adjusted working capital equals working capital excluding the current portion of the commodity derivative asset or liability. Net debt is equal to bank debt net of the adjusted working capital. Annualized current quarter funds from operations is calculated as current quarter cash flow from operations before asset retirement expenditures and changes in non-cash working capital, annualized for the year.*

Description of business – NuVista is an oil and natural gas company actively engaged in the exploration, development and production of oil and natural gas reserves in the Western Canadian Sedimentary Basin. NuVista's primary focus is on the scalable and repeatable condensate-rich Montney formation in the Alberta Deep Basin ("Wapiti Montney"). The common shares of NuVista trade on the Toronto Stock Exchange ("TSX") under the symbol NVA.

Dispositions – NuVista completed various asset dispositions in 2014 and 2015. Substantially all the dispositions were within NuVista's non-core operating areas.

Operating activities

($ thousands, except per unit amounts)	Three months ended September 30 **2015**	2014	Nine months ended September 30 **2015**	2014
Wells drilled	**4**	7	**13**	20
Net wells drilled	**4**	5	**13**	18
Average working interest (%)	**100%**	70%	**100%**	90%

For the three months ended September 30, 2015, NuVista drilled 4 (4.0 net) natural gas wells with a 100% success rate. During the same period of 2014, NuVista drilled 7 (4.9 net) natural gas wells also with a 100% success rate.

For the nine months ended September 30, 2015, NuVista drilled 12 (12.0 net) natural gas wells and 1 (1.0 net) planned disposal well with 100% success rate. For the comparable period of 2014, NuVista drilled 19 (16.9 net) natural gas wells and 1 (1.0 net) planned micro-seismic observation well with a 100% success rate. The 13 wells in 2015 and 20 in 2014 were drilled in NuVista's Wapiti Montney operating area with an average working interest of 100% and 90% respectively.

Production

	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Natural gas (Mcf/d)	**90,373**	65,424	38	**92,254**	56,873	62
Condensate (Bbls/d)	**4,767**	3,006	59	**4,621**	2,420	91
Butane (Bbls/d)	**509**	419	21	**481**	446	8
Propane (Bbls/d)	**508**	391	30	**558**	578	(3)
Ethane (Bbls/d)	**394**	281	40	**525**	699	(25)
Oil (Bbls/d)	**127**	243	(48)	**183**	357	(49)
Subtotal (Boe/d)	**21,367**	15,244	40	**21,744**	13,979	56
Dispositions (Boe/d) (3)	**255**	2,786	(91)	**345**	2,803	(88)
Total production (Boe/d)	**21,622**	18,030	20	**22,089**	16,782	32
Oil & liquids weighting (1) & (2)	**30%**	28%		**29%**	31%	
Condensate weighting (2)	**22%**	18%		**21%**	15%	

(1) Liquids include condensate, butane, propane and ethane.
(2) Product weighting is based on total production.
(3) Production from properties disposed in the period.

Production by area

	Three months ended September 30					Three months ended September 30				
	Natural gas (Mcf/d)	Condensate (Bbls/d)	NGLs (Bbls/d)	Oil (Bbls/d)	**2015 Total (Boe/d)**	Natural gas (Mcf/d)	Condensate (Bbls/d)	NGLs (Bbls/d)	Oil (Bbls/d)	2014 Total (Boe/d)
Wapiti Montney	66,271	4,601	754	—	**16,400**	36,887	2,743	548	—	9,439
Wapiti Sweet / Non-core	24,102	166	657	127	**4,967**	28,537	263	543	243	5,805
Subtotal	90,373	4,767	1,411	127	**21,367**	65,424	3,006	1,091	243	15,244
Dispositions	884	64	3	41	**255**	12,908	191	165	278	2,786
Total	91,257	4,831	1,414	168	**21,622**	78,332	3,197	1,256	521	18,030

	Nine months ended September 30					Nine months ended September 30				
	Natural gas (Mcf/d)	Condensate (Bbls/d)	NGLs (Bbls/d)	Oil (Bbls/d)	**2015 Total (Boe/d)**	Natural gas (Mcf/d)	Condensate (Bbls/d)	NGLs (Bbls/d)	Oil (Bbls/d)	2014 Total (Boe/d)
Wapiti Montney	66,650	4,371	704	—	**16,184**	27,667	2,132	585	—	7,328
Wapiti Sweet / Non-core	25,604	250	860	183	**5,560**	29,206	288	1,138	357	6,651
Subtotal	92,254	4,621	1,564	183	**21,744**	56,873	2,420	1,723	357	13,979
Dispositions	1,364	25	7	86	**345**	12,678	180	183	327	2,803
Total	93,618	4,646	1,571	269	**22,089**	69,551	2,600	1,906	684	16,782

Natural gas liquids ("NGLs") include butane, propane and ethane and are priced to varying degrees based on oil and natural gas prices.

Production weighting by area

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Wapiti Montney	**76%**	52%	**73%**	44%
Wapiti Sweet / Non-core & dispositions	**24%**	48%	**27%**	56%

For the three months ended September 30, 2015, NuVista's average production was 21,622 Boe/d compared to 18,030 Boe/d for the same period in 2014. Condensate volumes increased by 59% to 4,767 Bbls/d from 3,006 Bbls/d in the third quarter of 2014 and increased from 4,447 Bbls/d in the second quarter of 2015. The majority of condensate production is associated with the Wapiti Montney area.

Third quarter total production increased by 20% compared to the comparative period of 2014. Third quarter production of 21,622 Boe/d was consistent with the second quarter of 2015 of 21,448 Boe/d. Wapiti Montney production averaged 16,400 Boe/d in the third quarter, an increase of 6% from 15,483 Boe/d in the second quarter of 2015 due to the addition of 2 new wells brought onto production in July.

For the nine months ended September 30, 2015, NuVista's average production was 22,089 Boe/d compared to 16,782 Boe/d in 2014, an increase of 32%. The increase in production is a direct result of the significant production increases in Wapiti Montney.

Commodity prices

Benchmark prices

	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Natural gas - AECO (daily) ($/GJ)	**2.75**	3.81	(28)	**2.62**	4.56	(43)
Natural gas - AECO (monthly) ($/GJ)	**2.65**	4.00	(34)	**2.66**	4.31	(38)
Natural gas - NYMEX (monthly) (US$/MMbtu)	**2.77**	4.06	(32)	**2.80**	4.55	(38)
Oil - WTI (US$/Bbl)	**46.43**	97.17	(52)	**51.00**	99.61	(49)
Oil - Edmonton Par - (Cdn$/Bbl)	**56.17**	97.01	(42)	**58.53**	100.76	(42)
Condensate - (Cdn$/Bbl)	**57.86**	101.74	(43)	**61.88**	109.87	(44)
Exchange rate - (Cdn$/US$)	**1.309**	1.089	20	**1.260**	1.094	15

Average selling prices (1) & (2)

	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Natural gas ($/Mcf)	**3.55**	4.31	(18)	**3.67**	4.38	(16)
Condensate ($/Bbl)	**51.59**	92.74	(44)	**53.90**	96.01	(44)
Butane ($/Bbl)	**25.97**	51.26	(49)	**27.63**	56.54	(51)
Propane ($/Bbl)	**(8.67)**	27.12	—	**(2.40)**	43.25	—
Ethane ($/Bbl)	**7.45**	12.46	(40)	**8.21**	14.23	(42)
Oil ($/Bbl)	**51.58**	86.72	(41)	**48.37**	90.48	(47)

(1) Prices exclude price risk management realized and unrealized gains and losses on financial derivative commodity contracts but includes gains and losses on physical sale contracts.
(2) The average liquids selling price is net of tariffs and fractionation fees.

NuVista markets its natural gas based on a mix of monthly, daily and fixed AECO pricing. NuVista's average selling price for natural gas in the third quarter of 2015 was $3.55/Mcf compared to $4.31/Mcf for the same period in 2014 and $3.61/Mcf in the second quarter of 2015.

Strong demand for condensate in Alberta results in benchmark condensate prices at Edmonton trading at a premium to Canadian light oil prices. NuVista's realized condensate prices include adjustments for pipeline tariffs to Edmonton and quality differentials. Condensate prices averaged $51.59/Bbl in the third quarter, a decrease of 44% from $92.74/Bbl in the same period in 2014, due to a 52% decline in WTI prices being mitigated somewhat by a weakening Canadian dollar. Butane and propane trade at varying discounts to light oil prices depending on market conditions. The second and third quarter propane prices were severely impacted due to an oversupply in Western Canada. This supply imbalance is expected to last into winter. Propane production makes up less than 3% of the company's total production for the three and nine months ended September 30, 2015. Ethane prices are highly correlated to natural gas prices.

Revenues

($ thousands)	Natural gas	Condensate	NGLs [2]	Oil	**2015 Total**	2014 Total
	Three months ended September 30					
Revenue [1]	29,842	22,929	1,094	799	**54,664**	66,426
Realized gain (loss) on commodity derivatives	100	10,873	—	333	**11,306**	(4,007)
Total revenue [3]	29,942	33,802	1,094	1,132	**65,970**	62,419

[1] Natural gas revenue includes price risk management gains and losses on physical sale contracts. For the three months ended September 30, 2015, our physical sale contracts totaled a $6.1 million gain (2014 – $1.6 million loss).
[2] Includes butane, propane, and ethane.
[3] Refer to "Non-GAAP measurements".

($ thousands)	Natural gas	Condensate	NGLs [2]	Oil	**2015 Total**	2014 Total
	Nine months ended September 30					
Revenue [1]	93,703	68,356	4,482	3,552	**170,093**	187,057
Realized gain (loss) on commodity derivatives	206	30,200	—	1,329	**31,735**	(12,826)
Total revenue [3]	93,909	98,556	4,482	4,881	**201,828**	174,231

[1] Natural gas revenue includes price risk management gains and losses on physical sale contracts. For the nine months ended September 30, 2015, our physical sale contracts totaled a $16.9 million gain (2014 – $7.4 million loss).
[2] Includes butane, propane, and ethane.
[3] Refer to "Non-GAAP measurements".

For the three months ended September 30, 2015, revenues including realized commodity derivative gains and losses were $66.0 million, a 6% increase from $62.4 million for the same period in 2014. The increase in total revenue for the three months ended September 30, 2015 compared to the same period of 2014 is primarily due to realized gains on commodity derivative contracts of $11.3 million and a 20% increase in production volumes offset by a 31% decrease in overall realized prices for the quarter. Revenues were comprised of $29.9 million of natural gas revenue, $33.8 million of condensate revenue, $1.1 million of NGL revenue and $1.1 million of oil revenue.

For the nine months ended September 30, 2015, revenues including realized commodity derivative gains and losses were $201.8 million, a 16% increase from $174.2 million for the same period in 2014. The increase in revenues for the nine months ended September 30, 2015 compared to the same period of 2014 is primarily due to a 32% increase in average production including dispositions which is offset by a 12% decline on a per Boe basis, in oil and natural gas pricing. These revenues were comprised of $93.9 million of natural gas revenue, $98.6 million of condensate revenue, $4.5 million of liquids revenue and $4.9 million of oil revenue. The decrease in average realized commodity prices is comprised of a 16% decrease in the natural gas price to $3.67/Mcf from $4.38/Mcf, a 44% decrease in the condensate price to $53.90/Bbl from $96.01/Bbl, a 71% decrease in the liquids price, excluding condensate to $10.45/Bbl from $36.15/Bbl and a decrease of 47% in the oil price to $48.37/Bbl from $90.48/Bbl.

Commodity price risk management

	Three months ended September 30					
($ thousands)	**2015**			2014		
	Realized gain (loss)	**Unrealized gain (loss)**	**Total gain (loss)**	Realized gain (loss)	Unrealized gain (loss)	Total gain (loss)
Natural gas	**100**	**(2,426)**	**(2,326)**	(1,264)	1,776	512
Condensate and NGLs	**10,873**	**5,880**	**16,753**	(2,364)	8,968	6,604
Oil	**333**	**179**	**512**	(379)	1,441	1,062
Total gain (loss)	**11,306**	**3,633**	**14,939**	(4,007)	12,185	8,178

	Nine months ended September 30					
($ thousands)	**2015**			2014		
	Realized Gain (Loss)	**Unrealized Gain (Loss)**	**Total Gain (Loss)**	Realized Gain (Loss)	Unrealized Gain (Loss)	Total Gain (Loss)
Natural gas	**206**	**(926)**	**(720)**	(3,264)	(1,241)	(4,505)
Condensate	**30,200**	**(20,472)**	**9,728**	(7,434)	5,110	(2,324)
Oil	**1,329**	**(1,182)**	**147**	(2,128)	257	(1,871)
Total gain (loss)	**31,735**	**(22,580)**	**9,155**	(12,826)	4,126	(8,700)

NuVista has a disciplined commodity price risk management program as part of its financial risk management strategy. The purpose of this program is to reduce volatility in financial results, protect acquisition economics and help stabilize cash flow against the unpredictable commodity price environment. NuVista's Board of Directors has authorized the use of fixed price, put option and costless collar contracts ("Fixed Price Contracts") for up to 60% of forecast production, net of royalties, for the first twelve month period, up to 50% for the next twelve month period, and up to 40% for the following twelve month period. In addition, the Board of Directors approved limits for entering into natural gas basis differential contracts that are the lesser of 50% of forecast natural gas production, net of royalties, or the volumes that would bring the combined natural gas basis differential contracts and natural gas Fixed Price Contracts to 100% of forecast natural gas production, net of royalties. In November 2015, NuVista's Board of Directors made an amendment to the commodity price risk management program to authorize the use of Fixed Price Contracts for up to 70% of forecast natural gas production, net of royalties in 2016.

During the third quarter of 2015, the commodity price risk management program resulted in a gain of $14.9 million, consisting of a realized gain of $11.3 million and unrealized gain of $3.6 million on natural gas and oil contracts compared to a gain of $8.2 million consisting of a realized loss of $4.0 million and unrealized gain of $12.2 million for the same period of 2014.

For the nine months ended September 30, 2015, the commodity price risk management program resulted in a gain of $9.2 million, consisting of a realized gain of $31.7 million and unrealized loss of $22.6 million on natural gas and oil contracts compared to a loss of $8.7 million consisting of a realized loss of $12.8 million and an unrealized gain of $4.1 million for the same period of 2014. At September 30, 2015, the mark to market value of the financial derivative commodity contracts amounted to $24.6 million consisting of current assets of $7.1 million and long term assets of $17.6 million.

Price risk management gain on our physical sale contracts totaled $6.1 million and $16.9 million for the three and nine months ended September 30, 2015 respectively. The mark to market value of the physical sale contracts at September 30, 2015 was a gain of $30.6 million; these transactions are not recorded on the financial statements but once settled they are recognized in net earnings.

(a) Financial instruments

The following is a summary of the remaining hedged volumes and prices of financial derivative commodity contracts as at September 30, 2015:

	Volume (Bbls/d)	Pricing (Cdn$/Bbl)	Remaining term
WTI crude oil contracts			
Fixed price swap	3,665	$88.85	Oct 1, 2015 - Dec 31, 2015
Fixed price swap	3,200	$80.32	Jan 1, 2016 - Mar 31, 2016
Fixed price swap	2,500	$86.27	Apr 1, 2016 - Jun 30, 2016
Fixed price swap	2,200	$84.33	Jul 1, 2016 - Sept 30, 2016
Fixed price swap	2,200	$84.33	Oct 1, 2016 - Dec 31, 2016

	Volume (MMbtu/d)	Pricing (US$/MMbtu)	Remaining term
NYMEX natural gas contracts			
AECO-NYMEX basis	5,000	$(0.44)	Oct 1, 2015 - Dec 31, 2015
AECO-NYMEX basis	10,000	$(0.66)	Jan 1, 2016 - Dec 31, 2016
AECO-NYMEX basis	10,000	$(0.70)	Jan 1, 2017 - Dec 31, 2017
Chicago-NYMEX basis	3,370	$ 0.07	Oct 1, 2015 - Dec 31, 2015
Chicago-NYMEX basis	20,000	$0.10	Jan 1, 2016 - Mar 31, 2016
Chicago-NYMEX basis	10,000	$(0.01)	Apr 1, 2016 - Dec 31, 2016
Chicago-NYMEX basis	5,000	$(0.05)	Jan 1, 2017 - Dec 31, 2017

Subsequent to September 30, 2015, the following financial instruments have been entered into:

	Volume (Bbls/d)	Pricing (Cdn$/Bbl)	Remaining term
WTI crude oil contracts			
Fixed price swap	150	$67.05	Nov 1, 2015 - Dec 31, 2015
Fixed price swap	650	$63.93	Jan 1, 2016 - Mar 31, 2016

(b) Physical purchase and sale contracts

The following is a summary of the remaining hedged volumes and prices of physical purchase and sale contracts as at September 30, 2015:

	Volume (GJ/d)	Pricing (Cdn$/GJ)	Remaining term
AECO natural gas contracts			
Costless collar	12,000	$3.46 - $3.93	Oct 1, 2015 - Dec 31, 2015
Costless collar	10,000	$3.45 - $3.89	Jan 1, 2016 - Mar 31, 2016
Costless collar	5,000	$3.40 - $3.85	Apr 1, 2016 - Jun 30, 2016
Costless collar	5,000	$3.40 - $3.85	Jul 1, 2016 - Sept 30, 2016
Costless collar	5,000	$3.40 - $3.85	Oct 1, 2016 - Dec 31, 2016
Fixed price swap	54,000	$3.66	Oct 1, 2015 - Dec 31, 2015
Fixed price swap	52,500	$3.55	Jan 1, 2016 - Mar 31, 2016
Fixed price swap	42,500	$3.48	Apr 1, 2016 - Jun 30, 2016
Fixed price swap	52,500	$3.45	Jul 1, 2016 - Sep 30, 2016
Fixed price swap	52,500	$3.46	Oct 1, 2016 - Dec 31, 2016
Fixed price swap	42,500	$3.41	Jan 1, 2017 - Mar 31, 2017
Fixed price swap	27,500	$3.38	Apr 1, 2017 - Jun 30, 2017
Fixed price swap	17,500	$3.42	Jul 1, 2017 - Sep 30, 2017
Fixed price swap	14,158	$3.46	Oct 1, 2017 - Dec 31, 2017

These physical purchase and sale contracts are not considered financial instruments and are being accounted for as they settle.

Subsequent to September 30, 2015, the following physical contracts have been entered into:

	Volume (GJ/d)	Pricing (Cdn$/GJ)	Remaining term
AECO natural gas contracts			
Fixed price swap	10,000	$2.49	Jan 1, 2016 - Sep 30, 2016
Fixed price swap	6,685	$2.50	Oct 1, 2016 - Dec 31, 2016

Royalties

	Three months ended September 30		Nine months ended September 30	
($ thousands, except % and per Boe amounts)	**2015**	2014	**2015**	2014
Royalties	**835**	5,551	**5,521**	17,737
Royalties as a % of revenues	**2**	8	**3**	9
Per Boe	**0.42**	3.35	**0.92**	3.87

For the three and nine months ended September 30, 2015, royalties were $0.8 million and $5.5 million respectively, 85% and 69% lower than the $5.6 million and $17.7 million for the same period of 2014. On a total dollar basis, royalties decreased by $4.7 million in the third quarter of 2015 compared to the same period in 2014 due to lower royalties in our non-core areas as a result of declining production, lower commodity prices and dispositions of higher royalty rate assets.

As a percentage of revenue, the reported average royalty rate for the three months ended September 30, 2015 was 2% compared to 8% for the comparative period of 2014 and 3% for the second quarter of 2015. Corporate royalty rates decreased in 2015 compared to 2014 due to dispositions of higher royalty rate non-core assets and lower commodity prices. The average royalty rate remained consistent to the second quarter rate of 3%, as Gas Cost Allowance ("GCA") credits received in both the second and third quarters of 2015 were realized as a result of the startup of the Bilbo compressor station in June 2014 and partner operated facility CGA credits. The Wapiti Montney represents 76% of production and has an average royalty rate excluding GCA of approximately 7%.

NuVista's physical price risk management activities impact reported royalty rates as royalties are based on government market reference prices and not the Company's average realized prices that include price risk management activities.

Transportation expenses

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2015**	2014	**2015**	2014
Transportation expense	**2,053**	2,393	**9,994**	5,600
Per Boe	**1.03**	1.44	**1.66**	1.22

Transportation expenses were $2.1 million ($1.03/Boe) for the three months ended September 30, 2015 as compared to $2.4 million ($1.44/Boe) for the same period of 2014, and $1.2 million ($0.63/Boe) for the three months ended June 30, 2015. Transportation expenses on a total dollar and per Boe basis for the three months ended September 30, 2015 were lower compared to the same period in 2014 due to the completion of a new third party liquids pipeline in April 2015. Transportation expenses increased from the second quarter of 2015 due to the start up of the Elmworth compressor station in June, and the resulting increase in condensate production trucked to third party facilities.

Transportation expenses were $10.0 million ($1.66/Boe) for the nine months ended September 30, 2015 compared to $5.6 million ($1.22/Boe) for the same period of 2014. Transportation expenses for 2015 were higher than 2014 due to increased trucking costs associated with increased condensate production from our Wapiti Montney play. As expected, trucking costs were high during the first half of 2015 as condensate volumes were temporarily trucked to third party facilities for processing prior to the completion of the pipeline. Capacity restrictions at various facilities throughout 2015 also contributed to the increased cost over the prior year.

Operating expenses

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2015**	2014	**2015**	2014
Operating expenses	**25,233**	19,483	**73,162**	52,042
Per Boe	**12.68**	11.75	**12.13**	11.36

Operating expenses were $25.2 million ($12.68/Boe) for the three months ended September 30, 2015 compared to $19.5 million ($11.75/Boe) for the same period of 2014 and comparable to the $25.1 million ($12.84/Boe) for the three months ended June 30, 2015. Third quarter operating expenses on a total dollar basis were higher compared to the same period of 2014 due to a 20% increase in production, mainly driven from the production growth in the Wapiti Montney play. On a per Boe basis, expenses increased 8% due to the costs associated with the startup of the Bilbo compressor station in June. Compared to the prior quarter ended June 30, 2015, operating expenses remained consistent on a total dollar basis and decreased slightly on a per Boe basis due to the increase in Montney production.

Operating expenses were $73.2 million ($12.13/Boe) for the nine months ended September 30, 2015 compared to $52.0 million ($11.36/Boe) for the same period of 2014. The increase year over year is a result of the 56% increase in Montney production.

General and administrative ("G&A")

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2015**	2014	**2015**	2014
Gross G&A expenses	**5,451**	6,565	**17,731**	19,059
Overhead recoveries	**(113)**	(210)	**(438)**	(1,006)
Capitalized G&A	**(512)**	(648)	**(1,901)**	(1,970)
Net G&A expenses	**4,826**	5,707	**15,392**	16,083
Gross G&A per Boe	**2.74**	3.96	**2.94**	4.16
Net G&A per Boe	**2.43**	3.44	**2.55**	3.51

G&A, net of overhead recoveries and capitalized G&A, for the three and nine months ended September 30, 2015 was $4.8 million ($2.43/Boe) and $15.4 million ($2.55/Boe) compared to $5.7 million ($3.44/Boe) and $16.1 million ($3.51/Boe) for the same period of 2014. Gross and net G&A expenses for the three and nine months ended September 30, 2015 on a total dollar basis compared to the prior year comparative periods are lower primarily as a result of organizational restructuring and cost reduction initiatives, and on a per Boe basis as a direct result of increased production volumes.

Share-based compensation

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2015**	2014	**2015**	2014
Stock options	**987**	701	**2,920**	2,271
Restricted stock units	**(102)**	398	**447**	5,731
Restricted share awards	**208**	7	**499**	168
Total	**1,093**	1,106	**3,866**	8,170

NuVista recorded a share-based compensation charge of $1.1 million for the three months ended September 30, 2015 consistent with the $1.1 million for the same period in 2014. For the nine months ended September 30, 2015, NuVista recorded an expense of $3.9 million compared to the same period of 2014 of $8.2 million. The share-based compensation charge relates to the amortization of the fair value of stock option awards and restricted share awards ("RSA") and the accrual for future payments under the restricted stock unit ("RSU") plan. The reduction in the nine months ended September 30, 2015, compared to the same period of 2014 is a result of the limited restricted stock units outstanding which fluctuated in 2014 with the change in share prices. The September 30, 2015 closing price per share was $5.05 compared to $10.43 for September 30, 2014, resulting in lower RSU expense in the period.

Interest expense

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2015**	2014	**2015**	2014
Interest expense	**1,303**	1,561	**4,867**	3,766
Per Boe	**0.65**	0.94	**0.81**	0.82

Interest expense for the three months ended September 30, 2015 was $1.3 million ($0.65/Boe) compared to $1.6 million ($0.94/Boe) for the same period of 2014. The interest expense for the nine months ended September 30, 2015 was $4.9 million ($0.81/Boe) compared to $3.8 million ($0.82/Boe) for 2014. Interest expense for the nine months ended September 30, 2015 increased compared to the same period in 2014 due to higher debt levels for most of the first half of 2015. During the second quarter of 2015, NuVista used the proceeds from the equity issuances to pay down debt levels. Average borrowing costs for three and nine months ended September 30, 2015 were 3.1%

and 3.2% respectively compared to the average borrowing costs of 3.4% and 3.3% for the comparable period of 2014. Cash paid for interest for the three and nine months ended September 30, 2015 was $1.3 million and $5.2 million compared to $1.6 million and $3.7 million for the same period in 2014.

Funds from operations

A reconciliation of funds from operations is presented in the following table:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2015**	2014	**2015**	2014
Cash provided by operating activities	**22,454**	18,456	**82,818**	54,878
Add back:				
Environmental remediation expense	**8,000**	—	**8,000**	—
Asset retirement expenditures	**2,143**	1,282	**5,555**	6,124
Change in non-cash working capital	**(775)**	7,588	**(3,928)**	12,270
Funds from operations(1)	**31,822**	27,326	**92,445**	73,272

(1) Refer to “Non-GAAP measurements”.

The tables below summarize operating netbacks by area for the three months ended September 30, 2015 and 2014:

	Wapiti Montney		Wapiti Sweet / Non-core		Corporate	Three months ended September 30, 2015	
($ thousands, except per Boe amounts)	$	$/Boe	$	$/Boe	$	**$**	**$/Boe**
Revenue	40,003	26.51	8,600	17.90	6,061	**54,664**	**27.48**
Realized gain (loss) on commodity derivatives(2)	—	—	—	—	11,306	**11,306**	**5.68**
	40,003	26.51	8,600	17.90	17,367	**65,970**	**33.16**
Royalties	(1,801)	(1.19)	966	2.01	—	**(835)**	**(0.42)**
Transportation expenses	(1,515)	(1.00)	(538)	(1.12)	—	**(2,053)**	**(1.03)**
Operating expenses	(19,470)	(12.91)	(5,763)	(11.99)	—	**(25,233)**	**(12.68)**
Operating netback(1)	17,217	11.41	3,265	6.80	17,367	**37,849**	**19.03**
General and administrative(2)	—	—	—	—	(4,826)	**(4,826)**	**(2.43)**
Restricted stock units(2)	—	—	—	—	102	**102**	**0.05**
Interest(2)	—	—	—	—	(1,303)	**(1,303)**	**(0.65)**
Funds from operations netback(1)	17,217	11.41	3,265	6.80	11,340	**31,822**	**16.00**

(1) Refer to “Non-GAAP measurements”.

(2) Amounts not allocated by core area.

	Wapiti Montney		Wapiti Sweet / Non-core		Corporate	Three months ended September 30, 2014	
($ thousands, except per Boe amounts)	$	$/Boe	$	$/Boe	$	**$**	**$/Boe**
Revenue	40,801	46.98	27,225	34.44	(1,600)	**66,426**	**40.05**
Realized gain (loss) on commodity derivatives[2]	—	—	—	—	(4,007)	**(4,007)**	**(2.42)**
	40,801	46.98	27,225	34.44	(5,607)	**62,419**	**37.63**
Royalties	(2,002)	(2.31)	(3,549)	(4.49)	—	**(5,551)**	**(3.35)**
Transportation expenses	(1,733)	(2.00)	(660)	(0.83)	—	**(2,393)**	**(1.44)**
Operating expenses	(10,393)	(11.97)	(9,090)	(11.50)	—	**(19,483)**	**(11.75)**
Operating netback[1]	26,673	30.70	13,926	17.62	(5,607)	**34,992**	**21.09**
General and administrative[2]	—	—	—	—	(5,707)	**(5,707)**	**(3.44)**
Restricted stock units[2]	—	—	—	—	(398)	**(398)**	**(0.24)**
Interest[2]	—	—	—	—	(1,561)	**(1,561)**	**(0.94)**
Funds from operations netback[1]	26,673	30.70	13,926	17.62	(13,273)	**27,326**	**16.47**

[1]Refer to “Non-GAAP measurements”.

[2]Amounts not allocated by core area.

For the three months ended September 30, 2015, NuVista’s funds from operations were $31.8 million ($0.21/share, basic); an increase of 16% from $27.3 million ($0.20/share, basic) for the three months ended September 30, 2014 and increased slightly compared to the $30.3 million ($0.21/share, basic) in the second quarter of 2015.

The tables below summarize operating netbacks by area for the nine months ended September 30, 2015 and 2014:

	Wapiti Montney		Wapiti Sweet / Non-core		Corporate	Nine months ended September 30, 2015	
($ thousands, except per Boe amounts)	$	$/Boe	$	$/Boe	$	**$**	**$/Boe**
Revenue	122,892	27.82	30,328	18.81	16,873	**170,093**	**28.21**
Realized gain (loss) on commodity derivatives[2]	—	—	—	—	31,735	**31,735**	**5.26**
	122,892	27.82	30,328	18.81	48,608	**201,828**	**33.47**
Royalties	(3,996)	(0.90)	(1,525)	(0.95)	—	**(5,521)**	**(0.92)**
Transportation expenses	(8,173)	(1.85)	(1,821)	(1.13)	—	**(9,994)**	**(1.66)**
Operating expenses	(53,374)	(12.08)	(19,788)	(12.27)	—	**(73,162)**	**(12.13)**
Operating netback[1]	57,349	12.99	7,194	4.46	48,608	**113,151**	**18.76**
General and administrative[2]	—	—	—	—	(15,392)	**(15,392)**	**(2.55)**
Restricted stock units[2]	—	—	—	—	(447)	**(447)**	**(0.07)**
Interest[2]	—	—	—	—	(4,867)	**(4,867)**	**(0.81)**
Funds from operations netback[1]	57,349	12.99	7,194	4.46	27,902	**92,445**	**15.33**

[1]Refer to “Non-GAAP measurements”.

[2]Amounts not allocated by area.

	Wapiti Montney		Wapiti Sweet / Non-core		Corporate	Nine months ended September 30, 2014	
($ thousands, except per Boe amounts)	$	$/Boe	$	$/Boe	$	**$**	**$/Boe**
Revenue	100,751	50.36	93,676	36.29	(7,370)	**187,057**	**40.83**
Realized gain (loss) on commodity derivatives[2]	—	—	—	—	(12,826)	**(12,826)**	**(2.80)**
	100,751	50.36	93,676	36.29	(20,196)	**174,231**	**38.03**
Royalties	(5,037)	(2.52)	(12,700)	(4.92)	—	**(17,737)**	**(3.87)**
Transportation expenses	(3,389)	(1.69)	(2,211)	(0.86)	—	**(5,600)**	**(1.22)**
Operating expenses	(21,984)	(10.99)	(30,058)	(11.64)	—	**(52,042)**	**(11.36)**
Operating netback[1]	70,341	35.16	48,707	18.87	(20,196)	**98,852**	**21.58**
General and administrative[2]	—	—	—	—	(16,083)	**(16,083)**	**(3.51)**
Restricted stock units[2]	—	—	—	—	(5,731)	**(5,731)**	**(1.25)**
Interest[2]	—	—	—	—	(3,766)	**(3,766)**	**(0.82)**
Funds from operations netback[1]	70,341	35.16	48,707	18.87	(45,776)	**73,272**	**16.00**

(1) Refer to “Non-GAAP measurements”.

(2) Amounts not allocated by area.

For the nine months ended September 30, 2015, funds from operations were $92.4 million ($0.63/share, basic) compared to $73.3 million ($0.54/share, basic) for same period of 2014. For the three and nine months ended September 30, 2015 funds from operations were higher compared with the same period in 2014 due primarily to higher production levels, lower royalty costs and greater realized gains on derivatives. These gains were offset by higher transportation and operational costs as well as lower realized oil and natural gas prices.

Environmental remediation expense

During the third quarter of 2015, NuVista identified a leak in a remote pipeline carrying oil emulsion in its non-core area of Northwest Alberta. The pipeline was immediately shut down and NuVista’s emergency response plan was activated. In cooperation with local governmental regulators, first nation bands and with the assistance of qualified consultants, NuVista immediately commenced remediation and restoration activities. To date, there have been no injuries or wildlife fatalities associated with the release. The Company’s insurers have been notified and are currently evaluating to determine if this is an insurable event. The Company has recorded $8.0 million in environmental remediation expense during the third quarter of 2015 which is the current best estimate of the total cost of remediation of which $3.0 million has spent. It is anticipated that the majority of the remaining remediation will continue to occur throughout 2016.

The provision for accrued environmental remediation liability contains significant estimates and judgments about the scope, timing and costs of the work that will be required. The assumptions and estimates used are based on current information and are subject to revision in the future as further information becomes available to the Company.

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

	Three months ended September 30		Nine months ended September 30	
($ thousands, except per Boe amounts)	**2015**	2014	**2015**	2014
Depletion of oil and gas assets	**26,123**	19,815	**71,508**	56,184
Depreciation of fixed assets	**3,360**	1,587	**8,998**	4,820
DD&A expense	**29,483**	21,402	**80,506**	61,004
DD&A rate per Boe	**14.82**	12.90	**13.35**	13.32
Property, plant and equipment impairment expense	**55,460**	—	**65,441**	15,751
E&E impairment expense	**6,788**	—	**6,788**	—
Total Impairment expense	**62,248**	—	**72,229**	15,751
Total DD&A and impairment expense	**91,731**	21,402	**152,735**	76,755

DD&A expense was $29.5 million for the third quarter of 2015 as compared to $21.4 million for the same period in 2014. The average per unit cost was $14.82/Boe in the third quarter of 2015 as compared to $12.90/Boe for the same period in 2014 and $12.84/Boe in the second quarter of 2015. DD&A rate per Boe increased on a per unit basis in the third quarter due to a decrease in non-Wapiti Montney CGU's economic reserves as a result of the lower expected commodity prices. DD&A expense for the three and nine months ended September 30, 2015 increased compared to the same period in 2014 primarily due to increased production in the period. On a year to date basis, DD&A expense per Boe remained consistent with 2014 primarily due to lower pricing seen through the estimated reserves base offset by an impairment expense of $43.4 million recorded at December 31, 2014 and $10.0 million recorded in Q2 2015.

At September 30, 2015, there were indicators of impairment in all of NuVista's cash generating units ("CGU") as a result of further declines in the forward commodity prices for oil and natural gas. An impairment test was performed on property, plant and equipment assets. Property, plant and equipment was assessed based on the recoverable amount estimated using a fair value less cost to sell calculation based on expected future cash flows generated from proved and probable reserves using a pre-tax discount rate of ranging from 12% to 15%, based on the internal reserves report. The internal reserves report was generated based on a roll forward of the Company's December 31, 2014 external reserve report with updates for October 1, 2015 external reserve engineer pricing deck, updated future development costs, updates to production for first 9 months and capital cost assumptions based on current market costs incurred. The impairment test resulted in an impairment charge totaling $55.5 million in the Shallow Gas Alberta, Deep Gas and Oil CGUs and has been included in the depletion, depreciation, amortization and impairment expense.

At September 30, 2015, there were indicators of impairment in some of NuVista's CGUs that the carrying amount of exploration and evaluation assets ("E&E") is not likely to be recovered and an impairment test was performed on E&E. E&E assets were evaluated by comparing carrying amounts to the fair value less costs to sell based on a trailing twelve month land sales prices in the areas in which the Company owns undeveloped land. The impairment tests resulted in an impairment charge totaling $6.8 million in the Shallow Gas Alberta, Deep Gas and Oil CGUs. This charge has been included in depletion, depreciation, amortization and impairment expense.

In June 2015, the Company signed an agreement to dispose of certain non-core natural gas properties in the Kirkwall area held within the Company's Shallow Gas CGU. At June 30, 2015 these properties were classified as assets held for sale as it was highly probable that their carrying value would be received through a sales transaction rather than through continuing use. An impairment test was performed on the whole CGU, however, did not result in an impairment expense for this CGU. The recoverable amount was estimated using a value in use calculation based on expected future cash flows generated from proved and probable reserves using a pre-tax discount rate of 15%, based on an internal reserves report. Subsequent to the impairment test, the carrying amount of the specific property, plant and equipment was transferred to assets held for sale and were measured at fair value less cost to sell, resulting in an impairment expense of 10.0 million. During the third quarter of 2015, these assets were disposed of for cash proceeds of $3.8 million.

In June 2014, certain oil and gas assets were reclassified as assets held for sale. Upon reclassifying these assets to assets held for sale, the Company recorded an impairment expense of $15.8 million.

Asset retirement obligations – Asset retirement obligations ("ARO") are based on estimated costs to reclaim and abandon ownership interests in oil and natural gas assets including well sites, gathering systems and processing facilities. At September 30, 2015, NuVista has an ARO balance of $104.6 million as compared to $111.3 million as at December 31, 2014. The liability was discounted using a risk free discount rate of 2.2% at September 30, 2015 (December 31, 2014 – 2.3%). At September 30, 2015, the estimated total undiscounted amount of cash flow required to settle NuVista's ARO was $152.1 million (December 31, 2014 – $172.6 million). The majority of the costs are expected to be incurred between 2016 and 2034. Actual ARO expenditures for the three and nine months ended September 30, 2015 were $2.1 million and $5.6 million respectively (September 30, 2014 – $1.3 million and $6.1 million).

There are uncertainties related to asset retirement obligations and the impact on the financial statements could be material as the eventual timing and expected costs to settle these obligations could differ from our estimates. The main factors that could cause expected costs to differ are changes to laws, regulations, reserve estimates, costs and technology. Any reclamation or abandonment expenditures will generally be funded from cash flow from operating activities.

Capital expenditures

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2015**	2014	**2015**	2014
Exploration and development				
Land and retention costs	**887**	82	**1,014**	4,669
Seismic	**864**	1,157	**8,641**	3,737
Drilling and completion	**45,435**	41,011	**130,657**	144,889
Facilities and equipment	**12,585**	13,351	**80,454**	90,521
Corporate and other	**118**	231	**198**	424
Capital expenditures	**59,889**	55,832	**220,964**	244,240

Capital expenditures were $59.9 million during the third quarter of 2015, consisting of exploration and development spending compared to $55.8 million incurred for the same period of 2014. NuVista's completion expenditures for the third quarter of 2015 were $19.1 million compared to $14.5 million for the same period of 2014. For the nine months ended September 30, 2015, NuVista's completion expenditures were $52.5 million compared to $57.4 million for the same period of 2014. Substantially all of the capital expenditures in the third quarter were spent on liquids-rich natural gas projects in our Wapiti Montney play. NuVista spent $41.2 million during the first half of 2015 constructing a compressor station in the Elmworth area with ultimate through-put capacity of 80 MMcf/d of raw gas and 4,000 Bbls/d of condensate. This compressor station was brought on line in June.

Acquisitions and dispositions – For the three months ended September 30, 2015, there were no acquisitions compared to $5.4 million in the same period for 2014. During the third quarter of 2015, NuVista sold minor assets for proceeds after closing adjustments of $3.8 million resulting in a gain on dispositions of $1.3 million.

For nine months ended September 30, 2015 there were undeveloped land acquisitions of $0.6 million and $10.2 million for the same period of 2014. For the first nine months of 2015, proceeds from non-core property dispositions were $13.9 million compared to $12.2 million for the nine months ended September 30, 2014.

Income taxes – For the three and nine months ended September 30, 2015, the provision for income taxes was an expense of $9.5 million and $6.9 million respectively compared to an expense of $2.9 million and a benefit $0.8 million for the same period in 2014. The Company decreased its deferred income tax asset from $9.4 million to $nil during the quarter as a result of projections of future cash flows at the current commodity prices being less than the Company's total tax pools.

Net loss – For the three months ended September 30, 2015, net loss totaled $74.8 million ($0.49/share, basic) compared to a net loss of $0.2 million ($nil/share, basic) for the same period in 2014. For the nine months ended September 30, 2015, net loss totaled $103.9 million compared to $16.4 million. The increase in net loss for the period is primarily due impairment of both exploratory and evaluation assets of $6.8 million and property, plant and equipment assets of $65.4 million. NuVista also recognized a deferred tax expense due to the unrecognizing of its deferred tax asset of $6.9 million. Lower realized commodity prices, unrealized losses on derivatives, and higher operating costs associated with higher production levels also added to the increase net loss for the period. These losses were partially offset by realized gains on derivatives of $31.7 million for the nine months ended September 30, 2015.

Adjusted net loss – The table below summarizes adjusted net earnings (loss) for the three and nine months ended September 30, 2015 and 2014:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2015**	2014	**2015**	2014
Net loss	**(74,837)**	(208)	**(103,853)**	(16,403)
Add (deduct):				
Environmental remediation expense, after tax	**5,840**	—	**5,840**	—
Unrealized loss on commodity derivatives, after tax	**(2,652)**	(9,120)	**16,483**	(3,088)
Impairments, after tax	**45,441**	—	**52,727**	11,790
Gain on dispositions, after tax	**(934)**	7,516	**(1,375)**	3,048
Adjusted net earnings (loss)[(1) & (2)]	**(27,142)**	(1,812)	**(30,178)**	(4,653)
Per basic and diluted share	**(0.18)**	(0.01)	**(0.21)**	(0.03)

(1) Refer to "Non-GAAP measurements".

(2) Nine months ended September 30 2015 values will equal the sum of the quarter as a result of change in tax rate in the quarter from 25% to 27% as a result of the Alberta provincial rate increasing by 2% in June 2015 and became effective July 1, 2015.

Liquidity and capital resources

($ thousands)	**September 30, 2015**	December 31, 2014
Common shares outstanding	**153,283**	138,677
Share price[(1)]	**5.05**	7.41
Total market capitalization	**774,079**	1,027,597
Adjusted working capital deficit[(2)]	**30,997**	11,801
Long-term debt	**172,757**	171,969
Debt, net of adjusted working capital ("Net debt")	**203,754**	183,770
Annualized current quarter funds from operations[(2)]	**127,288**	146,812
Net debt to annualized current quarter funds from operations[(2)]	**1.6**	1.3

(1) Represents the closing price on the Toronto Stock Exchange on September 30, 2015 and December 31, 2014.
(2) Refer to the "Non-GAAP measurements".

As at September 30, 2015, net debt was $203.8 million, resulting in a net debt to annualized current quarter funds from operations of 1.6x. NuVista's long term strategy is to maintain a net debt to annualized current quarter funds from operations ratio of less than 1.5x. However, in periods of volatile and lower commodity prices, NuVista is willing to work to target a net debt to annualized current quarter funds from operations of around than 2x. The actual ratio may fluctuate on a quarterly basis above or below target due to a number of factors including facility outages, commodity prices and the timing of acquisitions and dispositions. At September 30, 2015, NuVista had an adjusted working capital deficit of $31.0 million. Adjusted working capital is current assets less current liabilities excluding the current portion of the fair value of the commodity derivative assets of $7.1 million. The company believes it is appropriate to exclude these amounts when assessing financial leverage. At September 30, 2015, NuVista had drawn $172.8 million on its credit facility leaving $127.2 million of unused bank borrowing capacity based on the current committed credit facility of $300.0 million.

At September 30, 2015 NuVista had a $300.0 million (December 31, 2014 - $300.0 million) extendible revolving term credit facility available from a syndicate of Canadian chartered banks. In April 2015, NuVista completed the annual review of its borrowing base with its lenders and the lenders approved a revolving extendible credit facility with a maximum borrowing base of $300.0 million as a result of increased producing reserves offset by reduced forecast commodity prices used by the banks. Borrowing under the credit facility may be made by prime loans, bankers' acceptances and/or US libor advances. These advances bear interest at the bank's prime rate and/or at money market rates plus a borrowing margin. The credit facility is secured by a first floating charge debenture, general assignment of book debts and NuVista's oil and natural gas properties and equipment. The credit facility has a 364-day revolving period and is subject to an annual review by the lenders, at which time a lender can extend the revolving period or can request conversion to a one year term loan. During the revolving period, a review of the maximum borrowing amount occurs semi-annually on or before October 31 and April 30. The revolving period matures on April 29, 2016. During the term period, no principal payments would be required until a year after the revolving period matures. As such, the credit facility is classified as long-term. NuVista is subject to various non-financial covenants under its credit facility. Compliance with these covenants is monitored on a regular basis and as at September 30, 2015, NuVista was in compliance with all covenants.

During the fourth quarter, NuVista requested and received an extension of the renewal date of the credit facility from October 31 to on or before November 30, 2015 from the banking syndicate. This request was made to allow for the inclusion of new well production data in the borrowing base redetermination.

In April 2015, NuVista issued common and flow-through shares for gross proceeds of $112.0 million. Pursuant to a public offering, 11.5 million common shares were issued at $7.85 per share and 2.3 million common shares were issued on a flow-through basis in respect of Canadian Development expenses ("CDE") at a price of $8.65 per share. In addition, NuVista also completed a private offering of 0.2 million common shares on a flow-through basis in respect of CDE expenses at a price of $8.65 per share. Under the terms of the flow-through share agreements, the Company is committed to spend $22.0 million on qualifying CDE prior to December 31, 2015. The proceeds from the offering were used to reduce bank debt and fund NuVista's capital program. As of June 30, 2015, NuVista has fulfilled its commitment to spend $22.0 million of CDE on qualifying expenditures.

NuVista plans to monitor its 2015 and 2016 business plan and adjust its capital program in the context of commodity prices and debt levels. NuVista plans to finance its 2015 and 2016 capital programs with funds from operating activities, any proceeds from divestitures, available bank lines and proceeds from the equity financing completed in April, 2015.

In September 2014, pursuant to a private placement, NuVista issued 2.4 million common shares on a flow-through basis in respect of Canadian exploration expenses ("CEE") and CDE at a price of $13.19 and $11.99 per share respectively for gross proceeds of $29.4 million. As at December 31, 2014, NuVista had fully spent the $17.7 million qualifying CDE and as at September 30, 2015, NuVista had fully spent the $11.7 million CEE on qualifying expenditures.

As at September 30, 2015, there were 153.3 million common shares outstanding. In addition, there were 5.9 million stock options with an average exercise price of $7.52 per option, 0.3 million RSUs and 0.2 million RSAs outstanding. As of November 9, 2015, there were 153.3 million common shares, 5.8 million options, 0.3 million RSUs and 0.2 million RSAs outstanding.

Contractual obligations and commitments – NuVista enters into contract obligations as part of conducting business. The following is a summary of NuVista's contractual obligations and commitments as at September 30, 2015:

($ thousands)	**Total**	2015	2016	2017	2018	2019	Thereafter
Transportation and processing	**564,092**	9,902	55,442	66,135	66,451	59,746	306,416
Office lease	**7,937**	946	3,813	3,178	—	—	—
Drilling rig contracts	**6,395**	1,440	4,229	726	—	—	—
Total commitments	**578,424**	12,288	63,484	70,039	66,451	59,746	306,416

Off "balance sheet" arrangements – NuVista has certain lease arrangements, all of which are reflected in the contractual obligations and commitments table, which were entered into in the normal course of operations. All leases have been treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease.

Quarterly financial information – The following table highlights NuVista's performance for the eight quarterly reporting periods from December 31, 2013 to September 30, 2015:

($ thousands, except	**2015**			2014				2013
per share amounts)	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Production (Boe/d)	**21,622**	21,448	23,215	23,165	18,030	14,493	17,823	18,034
Revenue	**54,664**	57,502	57,927	72,050	66,426	51,734	68,897	57,143
Net loss	**(74,837)**	(21,357)	(7,659)	(42,478)	(208)	(11,837)	(4,358)	(47,405)
Net loss								
Per basic and diluted share	**(0.49)**	(0.14)	(0.06)	(0.31)	—	(0.09)	(0.03)	(0.38)

NuVista's production volumes over the past eight quarters have been increasing significantly with substantially all of the company's capital expenditures allocated to Wapiti Montney and successful drilling performance in that area. Total company production increases have been partially offset with non-core property dispositions. Over the prior eight quarters, quarterly revenue has been in a range of $51.7 million to $72.1 million with revenue primarily influenced by production volumes, commodity prices and property dispositions. Net losses have been in a range of a net loss of $74.8 million to net loss of $0.2 million with earnings primarily influenced by impairments, gains and losses from disposal of assets, production volumes, commodity prices and realized and unrealized gains and losses on commodity derivatives.

Update on regulatory matters

Environmental – There are no new material environmental initiatives impacting NuVista at this time.

Update on financial reporting matters

Future accounting changes

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers", which replaces IAS 18, "Revenue" and IAS 11, "Construction Contracts". The standard is required to be adopted retrospectively or using a modified transition approach. The current effective date is January 2017, however the IASB has proposed to defer to January 2018 with earlier adoption permitted. NuVista is currently evaluating the impact this standard may have on the financial statements.

In July 2014, the IASB issued IFRS 9, "Financial Instruments" to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial asset and liabilities with a single model that has only two classification categories: amortized cost and fair value. As of January 1, 2018, NuVista will be required to adopt the standard. NuVista is evaluating the impact this standard may have on the financial statements.

Disclosure controls and internal controls over financial reporting

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 National 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 required to be disclosed by NuVista in its interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and is accumulated and communicated to NuVista's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. The CEO and CFO have concluded, based on their evaluation as of the end of the period covered by the interim filings that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to NuVista, is made known to them by others within the Company.

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 NuVista's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that: (a) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of NuVista; (b) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with GAAP, and that receipts and expenditures of NuVista are being made only in accordance with authorizations of management and directors of NuVista; and (c) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of NuVista's assets that could have a material effect on the annual financial statements. NuVista has designed its internal controls over financial reporting based on the framework in "Internal Control Over Financial Reporting – Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992). During the quarter ended September 30, 2015, 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 control over financial reporting may not prevent or detect misstatements, error or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance, that the objectives of the control system are met.

Assessment of business risks

The following are the primary risks associated with the business of NuVista. Most of these risks are similar to those affecting others in the conventional oil and natural gas sector. NuVista's financial position and results of operations are directly impacted by these factors:

- Operational risk associated with the production of oil and natural gas;
- Reserves risk with respect to the quantity and quality of recoverable reserves;
- Commodity risk as crude oil and natural gas prices and differentials fluctuate due to market forces;
- Financial risk such as volatility of the Cdn/US dollar exchange rate, interest rates and debt service obligations;
- Risk associated with the re-negotiation of NuVista's credit facility and the continued participation of NuVista's lenders;
- Market risk relating to the availability of transportation systems to move the product to market;
- Environmental and safety risk associated with well operations and production facilities;
- Changing government regulations relating to royalty legislation, income tax laws, incentive programs, operating practices, fracturing regulations and environmental protection relating to the oil and natural gas industry; and

- Labour risks related to availability, productivity and retention of qualified personnel.

NuVista seeks to mitigate these risks by:

- Acquiring properties with established production trends to reduce technical uncertainty as well as undeveloped land with development potential;
- Maintaining a low cost structure to maximize product netbacks and reduce impact of commodity price cycles;
- Diversifying properties to mitigate individual property and well risk;
- Maintaining product mix to balance exposure to commodity prices;
- Conducting rigorous reviews of all property acquisitions;
- Monitoring pricing trends and developing a mix of contractual arrangements for the marketing of products with creditworthy counterparties;
- Maintaining a price risk management program to manage commodity prices and foreign exchange currency rates risk and transacting with creditworthy counterparties;
- Ensuring strong third-party operators for non-operated properties;
- Adhering to NuVista's safety program and keeping abreast of current operating best practices;
- Keeping informed of proposed changes in regulations and laws to properly respond to and plan for the effects that these changes may have on our operations;
- Carrying industry standard insurance to cover losses;
- Establishing and maintaining adequate cash resources to fund future abandonment and site restoration costs;
- Closely monitoring commodity prices and capital programs to manage financial leverage; and
- Monitoring the bank and equity markets to understand how changes in the capital market may impact NuVista's business plan.

Information regarding risk factors associated with the business of NuVista and how NuVista seeks to mitigate these risks will be contained in our Annual Information Form under the Risk Factors Section for the year ended December 31, 2014.

OUTLOOK

Fourth Quarter 2015 Guidance and Outlook

We are pleased to announce that we are maintaining our fourth quarter 2015 production guidance range at 23,250 - 24,000 Boe/d, and our 2015 capital budget in the range of $270 to $290 million. This is despite recently being informed that the previously reported Nova/TCPL takeaway reductions are now expected to extend through November, and the occurrence of an unplanned Pembina Pipelines liquids take-away outage which impacted October volumes for 12 days. In addition, we have accounted for uncertainty in our natural gas takeaway on the Alliance pipeline due to CREC pricing exposure which, due to the nature of our long term contracts, affects the month of November only. We have elected to shut in some November volumes rather than incur a significant pricing discount. The overall impact of these outages upon the fourth quarter has been imputed to be approximately -1,750 Boe/d. This exposure is not expected to continue past November, as changes to our long term contracts take effect in December. This additional firm service is expected to allow us to bring on stream a number of completed pad wells which are being tied in through November, rendering December production significantly higher than the average of the fourth quarter of 2015.

2016 Budget Guidance and Outlook

Commodity prices have continued to remain low and volatile. As we move into 2016, our primary goal is to maintain balance sheet strength and flexibility, and to remain flexible to act on any additional opportunities that may become available throughout the year. We have continued to experience wells outperforming our typecurve. We have finished building a significant amount of facility capacity which can be utilized at will, so the 2016 capital budget will be directed predominantly to drilling development wells which continue to see improving capital efficiency and acceptable rates of return. As a result, overall corporate capital efficiencies are expected to continue to improve from $26,900/Boed in 2015 to under $14,000/Boed in 2016. Consequently, we are afforded the opportunity to reduce capital spending materially for the 2016 budget while maintaining healthy progress on our long term plans.

NuVista's Board of Directors has approved a capital spending budget for 2016 in the range of $140-$160 million, a decrease of approximately 50% from 2015 levels. Despite the significant reduction in spending, 2016 production is anticipated to grow to a range of 24,500 - 26,000 Boe/d. 2016 funds from operations is anticipated to be approximately $110 to $120 million using strip pricing of US$ 51.00/Bbl WTI oil, C$ 2.60/GJ AECO gas, and a USD/CAD exchange rate of 1.29. The 2016 capital program will be financed primarily with funds from operations, proceeds from minor asset dispositions, and our existing credit facility. Our 2016 year end net debt to funds from operations ratio is expected to be approximately 2.0, with a slight temporary increase during the 2016 winter drilling season due to capital phasing. Our annual borrowing base redetermination is ongoing with completion planned in November of 2015. We do not anticipate that the result of this review will have any material impact on our 2016 spending plans. We possess significant ability to tune our pace of spending upwards or downwards appropriately to the rapidly changing commodity price environment.

Our 2016 plans continue to deliver reasonable growth, even though the budget was not established in pursuit of it. The 2016 budget has been put in place to ensure our balance sheet remains strong while slowing our spending pace to the minimum required to comfortably utilize and preserve our flexible midstream and downstream take-away capacity which provides for significant future growth and value addition. Despite reduced spending in this environment, our long term plans for 2016 and beyond remain solid and intact due to our high quality asset base.

Given the inexorably improving success experienced in the Wapiti Montney play over the past few years, we are confident that we possess one of the most profitable liquids rich natural gas plays in North America and expect this to lead to years of continued profitable growth and value creation. We will remain agile and will weather this low commodity price environment with strength and patience. We are fortunate that the Wapiti Montney play is among the most prolific and economic in North America, and this may prove even more important during poor commodity price periods than in favorable periods. We would like to take this opportunity to thank our shareholders, our Board, and our staff for their support and dedication as we continue to build an ever more valuable future for NuVista. Please visit our website at www.nuvistaenergy.com to view our recently updated corporate presentation.