

INFORMATION CIRCULAR – PROXY STATEMENT

DATED MARCH 24, 2016



www.nuvistaenergy.com

WHO WE ARE

NuVista is an oil and natural gas company actively engaged in the exploration for, and the development and production of, oil and natural gas reserves in Western Canadian Sedimentary Basin. Our primary focus is on the scalable and repeatable condensate-rich Montney formation in the Wapiti area of the Alberta Deep Basin.

We are publicly traded on the Toronto Stock Exchange (TSX: NVA). Find out more on our website www.nuvistaenergy.com , or contact us at inv_rel@nuvistaenergy.com.

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PROXY SUMMARY

The following summary highlights some of the important information you will find in this information circular – proxy statement. We recommend you read the entire information circular before voting.

Voting Matters	Board Vote Recommendation	For More Information See Pages
Election of 9 Directors	FOR each nominee	9
Appointment of KPMG LLP as Auditors	FOR	16
Approach to Executive Compensation Advisory Vote	FOR	16
Amendment to Stock Option Plan	FOR	17
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LETTER TO SHAREHOLDERS

March 24, 2016

Dear Fellow Shareholder,

On behalf of the Board of Directors and management of NuVista Energy Ltd., we hope you will join us at the Hyatt Regency Hotel on Wednesday, May 11, 2016 at 3:00 p.m. (Calgary time) for our annual and special shareholders meeting.

This meeting provides an opportunity for you to vote on the items of business, hear about our performance over the past year and learn more about our plans for tomorrow. The meeting also provides you with the opportunity to meet our board and staff.

The accompanying information circular – proxy statement describes the business that will be conducted at the meeting and provides information on our executive compensation and governance practices.

Your vote is important to us. If you are unable to attend the meeting, we encourage you to ensure your vote is recorded by returning the signed form of proxy or voting via our internet option. If your shares are not registered in your name and are held in the name of a nominee, you may wish to consult the information beginning on page 6 of the accompanying information circular – proxy statement for information on how to vote your shares.

We hope that you will join us at this year's meeting.

Sincerely,

(signed) "*Keith A. MacPhail*"

Keith A. MacPhail
Chair of the Board

NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE is hereby given that the annual and special meeting of the shareholders of NuVista Energy Ltd. will be held in the Stephen Room at the Hyatt Regency Hotel, 700 Centre Street S.E., Calgary, Alberta on Wednesday, May 11, 2016 at 3:00 p.m. (Calgary time) to:

1. receive and consider our financial statements for the year ended December 31, 2015, together with the report of the auditors;
2. fix the number of directors to be elected at the meeting at nine (9) members;
3. elect nine (9) directors of NuVista Energy Ltd.;
4. appoint the auditors and authorize our directors to fix their remuneration as such;
5. consider a non-binding advisory resolution on our approach to executive compensation;
6. consider and, if thought fit, approve an ordinary resolution to approve certain amendments to our stock option plan;
7. consider and, if thought fit, approve an ordinary resolution to approve our directors' deferred share unit plan; and
8. transact such other business as may properly be brought before the meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the meeting are set forth in the information circular – proxy statement accompanying this notice.

If you are a registered shareholder and are unable to attend the meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, our transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 3:00 p.m. (Calgary time) on May 10, 2016 or, if the meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjourned meeting. If you receive more than one proxy form because you own our common shares registered in different names or addresses, each proxy form should be completed and returned.



Only shareholders of record at the close of business on April 1, 2016, will be entitled to vote at the meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the meeting.

DATED at Calgary, Alberta this 24th day of March, 2016.

By order of the Board of Directors of NuVista Energy Ltd.

(signed) "*Ross Andreachuk*"

Vice President, Finance, Chief Financial Officer and
Corporate Secretary

INFORMATION CIRCULAR - PROXY STATEMENT DATED MARCH 24, 2016 FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF NUVISTA ENERGY LTD. TO BE HELD ON WEDNESDAY, MAY 11, 2016

VOTING MATTERS

Solicitation of Proxies

This information circular - proxy statement is furnished in connection with the solicitation of proxies for use at the annual and special meeting of the shareholders of NuVista Energy Ltd. to be held at 3:00 p.m. (Calgary time) on Wednesday, May 11, 2016, in the Stephen Room at the Hyatt Regency Hotel, 700 Centre Street S.E., Calgary, Alberta.

If you are a registered shareholder and are unable to attend the meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, our transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the Internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 3:00 p.m. (Calgary time) on May 10, 2016 or, if the meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjourned meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are our officers. **As a shareholder you have the right to appoint a person or company, who need not be a shareholder, to represent you at the meeting.** To exercise this right you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.

Only shareholders of record at the close of business on April 1, 2016, will be entitled to vote at the meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold your common shares in your own name. Only proxies deposited by shareholders whose names appear on our records as the registered holders of common shares can be recognized and acted upon at the meeting. If your common shares are listed in your account statement provided by your broker, then, in almost all cases, those common shares will not be registered in your name on our records. Such common shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to a mailing/tabulating agent who mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternatively, you can use their website or call their toll-free telephone number to instruct them how to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of shares to be represented at the meeting. **If you receive a voting instruction form from a mailing/tabulating agent, it cannot be used as a proxy to vote shares directly at the meeting as it must be returned to the mailing/tabulating agent well in advance of the meeting in order to have the shares voted.**

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person you give your proxy attends personally at the meeting, you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at our head office at any time up to and including the last business day before the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the meeting on the day of the meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual and special meeting and this information circular - proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy

The common shares represented by proxy in favour of management nominees will be voted or withheld from voting on any matter at the meeting. Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on the matter in accordance with the specification so made. If you do not provide instructions, your shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy, which we have furnished, are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of annual and special meeting and with respect to any other matters which may properly be brought before the meeting or any adjournment thereof. At the time of printing this information circular – proxy statement, we know of no such amendment, variation or other matter.

Notice-and-Access

We have elected to use the "notice-and-access" provisions under National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* for the meeting to those of you who do not hold your common shares in your own name. The notice-and-access provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing us to post our information circular in respect of our meeting and related materials online.

We have also elected to use procedures known as "stratification" in relation to our use of the notice-and-access provisions. Stratification occurs when we, while using the notice-and-access provisions, provide a paper copy of our notice of meeting and information circular and, if applicable, a paper copy of our financial statements and related management's discussion and analysis, to some but not all of our shareholders. In relation to the meeting, our registered shareholders will receive a paper copy of the notice of the meeting, this information circular, a form of proxy and our financial statements and related management's discussion and analysis whereas non-registered holders of our common shares will receive a notice-and-access notification and a voting instruction form. In addition, a paper copy of the notice of the meeting, this information circular, a form of proxy and our financial statements and related management's discussion and analysis will be mailed to those shareholders who do not hold their common shares in their own name but who have previously requested to receive paper copies of these materials.

We will be delivering proxy-related materials to non-objecting beneficial owners of our common shares directly with the assistance of Broadridge Investor Communications Solutions. We intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of our common shares.

Voting Shares and Principal Holders

We are authorized to issue an unlimited number of common shares without nominal or par value. As at March 24, 2016, there were 153,343,430 common shares issued and outstanding. As a holder of common shares you are entitled to one vote for each share you own.

To the knowledge of our directors and officers, as at March 24, 2016 no person or company beneficially owned, or controlled or directed, directly or indirectly, more than 10% of our common shares, other than as set forth below:

Name	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly	Percentage of Our Issued and Outstanding Common Shares
Franklin Templeton Investments Corp., on behalf of its operating division, Bissett Investment Management ⁽¹⁾	17,853,079	12%
Ontario Teachers' Pension Plan ⁽²⁾	21,466,249	14%

Notes:

- (1) Based on information provided to us from Bissett Investment Management as of February 19, 2016.
- (2) Based on information provided to us from the Ontario Teachers' Pension Plan as of March 3, 2016.

MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

Management is soliciting proxies, in the accompanying form of proxy, for an ordinary resolution in favour of fixing the board of directors at nine (9) members, and in favour of the election as directors of the nine (9) nominees set forth below:

Keith A. MacPhail W. Peter Comber Ronald J. Eckhardt Pentti O. Karkkainen Ronald J. Poelzer	Brian G. Shaw Sheldon B. Steeves Jonathan A. Wright Grant A. Zawalsky
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Each director will hold office until the next annual meeting of our shareholders or his successor is duly elected or appointed, unless his office is earlier vacated.

In the event that a vacancy among such nominees occurs because of death or for any reason prior to the meeting, the proxy will not be voted with respect to such vacancy.

Voting for Election of Directors

Our board has adopted an individual director voting policy which allows you to vote with respect to each individual director. The individual voting results will be published by news release and on www.sedar.com after the meeting. The individual voting results will be reviewed by our Governance and Nominating Committee and will be considered as part of the committee's overall review and assessment of the nominees recommended to shareholders at our next annual meeting of shareholders.


Our board of directors has also adopted a majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at a meeting of our shareholders, such nominee will offer his or her resignation as a director to our board of directors promptly following the meeting of shareholders at which the director was elected. The Governance and Nominating Committee will make a recommendation to the board after reviewing the matter, and the


board's decision to accept or reject the resignation offer will be disclosed to the public within 90 days of the applicable shareholders' meeting. Resignations are expected to be accepted except in situations where extenuating circumstances would warrant the applicable director to continue to serve as a board member. The nominee will not participate in any committee or board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.


Management recommends that shareholders vote FOR the election of each of these nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies authority to do so is withheld.


Biographies of our Directors


The following information relating to the director nominees is based partly on our records and partly on information received by us from the nominees, and sets forth the names, ages and cities of residence of the nominees, their committee memberships, the year each became a director of us (or a predecessor of us), the present occupations and brief biographies of such persons, and the number of our common shares beneficially owned, or controlled or directed, directly or indirectly by each and the number of stock options held:


Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	2015	2014
 <p>Keith A. MacPhail Calgary, Alberta, Canada</p> <p>Chairman of the Board and member of:</p> <ul style="list-style-type: none"> - Reserves Committee - Compensation Committee - Executive Committee 	59	2003	2,603,274	2,557,820	31,000	39,000	10,595,325	19,011,509
<p>Mr. MacPhail has 36 years of experience in the oil and gas industry and is currently Executive Chairman of Bonavista Energy Corporation. Prior thereto, Mr. MacPhail was the Chairman and CEO of Bonavista. Prior to joining Bonavista in 1997, Mr. MacPhail held progressively more responsible positions with Canadian Natural Resources Limited with his final position being Executive Vice President and COO. Prior thereto, he held the position of Production Manager with POCO Petroleum Ltd.</p> <p>Mr. MacPhail holds a Bachelor of Science (Honours) degree in Petroleum Engineering from the Montana College of Mineral Science, a diploma in Petroleum Technology (Honours) from SAIT and is a member of the Association of Professional Engineers, Geologists & Geophysicists of Alberta.</p> <p>Mr. MacPhail also serves on the board of directors of two other private companies and serves on the Board of Governors of SAIT Polytechnic.</p>								


Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
 <p>W. Peter Comber Toronto, Ontario, Canada Member of: - Audit Committee (Chair) - Compensation Committee</p>	73	2004	23,400	11,400	23,000	31,000	95,238	123,034
<p>Mr. Comber has more than 40 years experience in various aspects of the financial services industry. Mr. Comber is a Chartered Accountant and has worked in corporate finance and investment management both in Toronto and Calgary. From August 1999 until his retirement in May of 2015, Mr. Comber was a managing director of Barrantagh Investment Management Inc., investment counsellors based in Toronto, Ontario. Mr. Comber was the President of Newtonhouse Investment Management Ltd., investment counsellors located in Toronto, Ontario from May 1993 to August 1999. Between June 1989 and December 1991, Mr. Comber was Senior Vice-President, Thornmark Capital Corporation, an investment holding company, and principal officer of Thornmark Capital Funding Corporation, merchant bank. Prior thereto, Mr. Comber was Senior Vice-President and Managing Director of Prudential-Bache Securities Canada Limited, an investment dealer in Toronto, Ontario.</p> <p>Mr. Comber is a Chartered Accountant and holds a Bachelor of Arts degree from the University of Toronto and a Masters of Business Administration from York University.</p>								


Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
 <p>Ronald J. Eckhardt Calgary, Alberta, Canada Member of: - Reserves Committee (Chair)</p>	61	2013	145,649	133,500	39,000	39,000	592,791	1,035,555
<p>Mr. Eckhardt has more than 36 years experience in the oil and gas industry. Most recently, Mr. Eckhardt was the Executive Vice-President, North American Operations for Talisman Energy Inc., a public oil and gas company from 2003 to 2009. Mr. Eckhardt joined Talisman (then BP Canada) in 1986 as Chief Drilling Engineer and held positions of increasing responsibility in domestic operations until his retirement in 2009.</p> <p>Mr. Eckhardt holds a Bachelor of Science degree from the University of Manitoba.</p> <p>Mr. Eckhardt is also a member of the board of directors of Athabasca Oil Corporation.</p>								


Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
			2015	2014	2015	2014	2015	2014
 <p>Pentti O. Karkkainen Calgary, Alberta, Canada</p> <p>Member of:</p> <ul style="list-style-type: none"> - Audit Committee - Compensation Committee (Chair) - Lead Director 	61	2003	68,000	45,000	31,000	39,000	276,760	391,290
<p>Mr. Karkkainen has over 30 years of investment management, energy sector research and investment banking experience, as well as four years of industry experience with Gulf Canada Resources. Mr. Karkkainen was a Co-Founder and General Partner of KERN Partners, a leading Canadian based energy focused capital markets and private equity firm, from September 2000 to July 2014 and was the firm's Senior Strategy Advisor from July, 2014 until his retirement from the firm in August, 2015. Prior to establishing KERN Partners, Mr. Karkkainen was Managing Director and Head of Oil and Gas Equity Research at RBC Capital Markets.</p> <p>Mr. Karkkainen holds a Bachelor of Science (Honours) degree in Geology from Carleton University in Ottawa and a Masters of Business Administration degree from Queen's University in Kingston.</p>								

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
			2015	2014	2015	2014	2015	2014
 <p>Ronald J. Poelzer Calgary, Alberta, Canada</p> <p>Member of:</p> <ul style="list-style-type: none"> - Audit Committee - Governance and Nominating Committee - Executive Committee 	54	2003	3,486,277	3,006,277	31,000	39,000	14,189,147	22,334,353
<p>Mr. Poelzer has more than 30 years of experience in the oil and gas industry and is currently Executive Vice Chairman of Bonavista Energy Corporation. Prior thereto, Mr. Poelzer was Executive Vice President and Vice Chairman of Bonavista responsible for various strategic planning, business development, financial and capital market roles. Prior to joining Bonavista in 1997, Mr. Poelzer was with POCO Petroleum Ltd. as Vice President, Business Development. Prior thereto, Mr. Poelzer was in public accounting practice.</p> <p>Mr. Poelzer is a Chartered Accountant and holds a Bachelor of Commerce (Distinction) degree from the University of Saskatchewan.</p> <p>Mr. Poelzer is also a member of the board of directors of various private companies and a charitable foundation.</p>								

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
			2015	2014	2015	2014	2015	2014
 <p>Brian G. Shaw Toronto, Ontario, Canada</p> <p>Member of: - Audit Committee</p>	62	2014	64,301	31,180	15,000	15,000	261,705	231,044
<p>Mr. Shaw is an experienced financial industry executive with particular expertise in capital markets and investing activities. He is currently a director of Encana Corp., Manulife Bank of Canada and Manulife Trust Company.</p> <p>Mr. Shaw is an alumni of CIBC World Markets Inc. (and its predecessor firm Wood Gundy) where he was employed for 23 years. He was Chairman and Chief Executive Officer of CIBC World Markets Inc. from 2005 through 2008 and prior to that managed the Global Equities Division for a number of years. Mr. Shaw is a Chartered Financial Analyst and holds a Masters of Business Administration from the University of Alberta and a Bachelor of Commerce from the University of Alberta.</p>								

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
			2015	2014	2015	2014	2015	2014
 <p>Sheldon B. Steeves Calgary, Alberta, Canada</p> <p>Member of: - Reserves Committee - Governance and Nominating Committee</p>	62	2013	20,500	12,165	39,000	39,000	83,435	136,463
<p>Mr. Steeves has more than 35 years of experience in the North American oil and natural gas business. Mr. Steeves was most recently the CEO and Chairman of Echoex Ltd., a private oil and natural gas exploration and production company. Mr. Steeves started Echoex Ltd. in January of 2001 and monetized the company in April 2012. Prior to Echoex, Mr. Steeves was the Chief Operating Officer of Renaissance Energy Ltd.</p> <p>Mr. Steeves holds a Bachelor of Science degree in Geology from the University of Calgary and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists.</p> <p>Mr. Steeves is also a member of the board of directors of Enerplus Corporation and PrairieSky Royalty Ltd.</p>								

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾⁽²⁾	
			2015	2014	2015	2014	\$	
			2015	2014	2015	2014	2015	2014
 <p>Jonathan A. Wright Calgary, Alberta, Canada</p> <p>President & Chief Executive Officer Member of: - Executive Committee</p>	50	2011	238,197	205,148	876,164	933,579	1,108,424	2,612,059
<p>Mr. Wright has been our President and Chief Executive Officer since May 9, 2011. Mr. Wright has more than 27 years experience in the oil and gas industry.</p> <p>Prior to joining NuVista, Mr. Wright has held progressively more responsible roles both domestically and abroad with Talisman Energy Ltd., most recently as Senior Vice-President of Talisman's North American Conventional Production Division which produced approximately one-half of Talisman's North American production at the time. Prior to joining Talisman in 1995, Mr. Wright spent six years with Shell Canada Ltd. in various operations and business development roles.</p> <p>Mr. Wright possesses both a Masters and a Bachelor of Science Degree in Mechanical Engineering (with great distinction) from the University of Saskatchewan, where he earned, among other awards, the Canadian Governor General's Gold Medal for being the Outstanding University Post-Graduate for his pursuit in hydraulics and computer controls.</p> <p>In addition, Mr. Wright serves on the Board of Governors for CAPP, the Canadian Association of Petroleum Producers.</p>								

Nominee for Election as Director	Age	Director Since	Common Shares Owned, Controlled or Directed		Stock Options		Total Market Value of Common Shares and Stock Options ⁽¹⁾	
			2015	2014	2015	2014	\$	
			2015	2014	2015	2014	2015	2014
 <p>Grant A. Zawalsky Calgary, Alberta, Canada</p> <p>Member of: - Governance Committee (Chair) - Executive Committee</p>	56	2003	161,556	134,382	31,000	39,000	657,533	1,053,611
<p>Mr. Zawalsky is the Managing Partner of Burnet, Duckworth & Palmer LLP (Barristers and Solicitors) where he has been a Partner since 1994.</p> <p>Mr. Zawalsky holds a B.Comm and LL.B. from the University of Alberta and is a member of the Law Society of Alberta.</p> <p>Mr. Zawalsky currently sits on the board of directors of a number of private and public companies including PrairieSky Royalty Ltd., Whitecap Resources Inc. and Zargon Oil & Gas Ltd., and is Corporate Secretary of ARC Resources Ltd., Bonavista Energy Corporation and RMP Energy Inc. Mr. Zawalsky is also a Governor of the Calgary Petroleum Club.</p>								

Notes:

- (1) The "Total Market Value of Common Shares and Stock Options" is the sum of: (i) the number of common shares held by each nominee as of December 31, 2015, in respect of 2015 and as of December 31, 2014 in respect of 2014 multiplied by the closing price of our common shares on the Toronto Stock Exchange on each such date (\$4.07 and \$7.41 respectively); and (ii) the value of unexercised in-the-money options of each nominee based on the number of common shares issuable upon exercise of the stock options held by the nominee as of December 31, 2015, in respect of 2015 and as of December 31, 2014, in respect of 2014 multiplied by the difference between the closing price of our common shares on the Toronto Stock Exchange on each such date (\$4.07 and \$7.41 respectively) and the exercise price of the applicable stock option.
- (2) Mr. Wright's value includes the number of restricted share awards held by Mr. Wright as of December 31, 2015, in respect of 2014 and as of December 31, 2014 in respect of 2014 multiplied by the closing price of our common shares on the Toronto Stock Exchange on each such date (\$4.07 and \$7.41, respectively).
- (3) We have imposed share ownership guidelines for all of our directors and officers. See "*Ownership Guidelines*".

Additional Disclosure Relating to Proposed Directors

Except as otherwise disclosed herein, none of our directors (nor any personal holding company of any of such persons) is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including us), that was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as otherwise disclosed herein, none of our directors (nor any personal holding company of any of such persons) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. MacPhail who was formerly a director of The Resort at Copper Point Ltd. (a private real estate development company) which was placed in receivership in 2009. In addition, none of our directors (nor any personal holding company) or any such person has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

None of our directors (nor any personal holding company of any of such persons) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Appointment of Auditors

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of the firm of KPMG LLP, Chartered Accountants, as our auditors, to hold office until the next annual meeting of our shareholders and to authorize the directors to fix their remuneration as such. See "*Audit Committee Information*" in our annual information form for the year ended December 31, 2015, for additional information including a description of fees we paid to KPMG LLP during the past two years.

Advisory Vote on Executive Compensation

The underlying principle for executive compensation throughout NuVista is "pay-for-performance". We believe that this philosophy achieves the goal of attracting and retaining excellent employees and executive officers, while rewarding the demonstrated behaviors that reinforce our values and help us to deliver on our corporate objectives.

Our board believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles that guide the executive compensation-related decisions made by our Compensation Committee. Shareholders are encouraged to review the "Executive Compensation" section of this information circular - proxy statement, which discusses our compensation philosophy and approach to executive compensation, what our named executive officers are paid, and how their respective levels of compensation are determined.

As part of our ongoing commitment to corporate governance, our board of directors has approved a non-binding advisory vote on executive compensation at the meeting with the intention that this shareholder advisory vote will form an integral part of our ongoing process of engagement between our shareholders and our board of directors relating to executive compensation. We will disclose the results of the shareholder advisory vote as a part of our report on voting results for the meeting.

As this is an advisory vote, the results will not be binding upon our board of directors. Our board, and specifically the Compensation Committee, will not be obligated to take any compensation actions, or make any adjustments to executive compensation programs or plans, as a result of the vote. However, the Compensation Committee and our board of directors will take into account the results of the vote, together with feedback received from our shareholders, in considering our approach to compensation in the future.

In the event that the advisory resolution is not approved by a majority of the votes cast at the meeting, our board of directors will consult with shareholders (particularly those who are known to have voted against it) to understand their concerns and will review our approach to compensation in the context of those concerns. Results from this review, if necessary, will be discussed in our information circular - proxy statement for the annual meeting of shareholders to be held in 2017. Shareholders may contact our Corporate Secretary by mail at our head office at Suite 3500, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, if they wish to share their view on executive compensation with our board of directors.

At the meeting, shareholders will be asked to vote on the following resolution:

"BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the board of directors of NuVista Energy Ltd. (the "Corporation"), that the shareholders accept the approach to executive compensation disclosed in the information circular - proxy statement of the Corporation dated March 24, 2016."

The board of directors recommends that shareholders vote FOR the non-binding advisory resolution regarding our approach to executive compensation.

Matters Respecting our Stock Option Plan

Amendments to our Stock Option Plan

At the meeting, shareholders will be asked to vote on an ordinary resolution to approve an amendment to our stock option plan to increase the maximum number of common shares reserved for issuance under the plan from 5,000,000 to 8,900,000. Our board has approved this amendment, as well as certain other amendments which do not require shareholder approval.

Assuming approval of the 3,900,000 increase in the number of common shares available for stock option grants, the total number of common shares that will be available for stock option grants following the meeting will be 4,815,339 common shares (3.1% of our issued and outstanding common shares as at March 11, 2016).

The following table summarizes the activity in our plan since it was implemented in 2013:

	Stock Options Outstanding	Stock Options available for future grants	Maximum number of Common Shares Issuable
Opening Balance	-	5,000,000	5,000,000
Grant Activity:			
Granted	4,600,785	(4,600,785)	
Exercised	(53,991)	-	(53,991)
Cancelled/Expired	(516,124)	516,124	
Proposed Increase		3,900,000	3,900,000
Balance	<u>4,030,670</u>	<u>4,815,339</u>	<u>8,846,009</u>
% of Shares Outstanding	2.6%	3.1%	5.8%

The amendments to the plan that have been approved by our board that do not require shareholder approval include certain amendments to give effect to changes in our retirement policies and various other housekeeping and clerical amendments. With respect to the retirement amendments, we have implemented a retirement policy to assist our employees in planning for their retirement and to facilitate effective succession planning within our organization. As part of that process, we have amended the definition of "retirement" in the plan so that a retiring employee must meet an age plus service requirement. In addition, retiring employees must provide 12 months written notice of their planned

retirement date and must agree not to not work for a competitor or solicit personnel from us for two years from their retirement date. These requirements may be waived or varied at the discretion of our Chief Executive Officer.

We currently have 915,339 common shares available for grants of stock options under the stock option plan. If the resolution to approve the increase in the maximum number of common shares reserved for issuance under our stock option plan by 3,900,000 common shares is not passed by our shareholders, stock options previously granted under our plan will continue unaffected. In addition, after the 915,339 common shares available for grants have been granted, there can be no further grants under the plan except that previously granted stock options which are subsequently cancelled or terminated will be available for re-grant.

Our amended stock option plan has been approved by the Toronto Stock Exchange, subject to shareholder approval, as applicable. A summary of our amended stock option plan is provided below under "*Executive Compensation – Long-term Incentive Plans – Stock Option Plan*" and a copy of the plan will be filed on our profile on the SEDAR website at www.sedar.com on or about April 4, 2016 under the category "Other Securityholder Documents".

Text of Resolution

At the meeting, shareholders will be asked to consider and, if thought fit, pass an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED as an ordinary resolution that:

1. The amended stock option plan of NuVista Energy Ltd. (the "**Corporation**") WITH the maximum number of common shares reserved for issuance under the plan increased from 5,000,000 to 8,900,000 common shares and otherwise substantially in the form as described in the information circular - proxy statement of the Corporation dated March 24, 2016 with such other conforming changes as the board of directors of the Corporation considers necessary or appropriate, is hereby ratified, confirmed and approved; and
2. Any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute and deliver all such documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by shareholders at the meeting. **Management recommends that shareholders vote FOR the above resolution. The persons named in the enclosed form of proxy intend to vote FOR this resolution unless expressly directed to the contrary.**

Matters Respecting our Directors Deferred Share Unit Plan

Directors Deferred Share Unit Plan

At the meeting, shareholders will be asked to vote on an ordinary resolution to approve our deferred share unit plan or DSU plan for directors. Once implemented, the DSU plan will be our only form of long-term incentive for our non-management directors.

Directors are expected to receive an annual grant of deferred share units under the plan. Our directors will also be able to elect to take all or a portion of their annual board and committee retainers and meeting attendance fees in the form of deferred share units. Deferred share units will vest once they are credited to the director's deferred share unit account and may only be redeemed after the director ceases to be a director. If a dividend is paid on our common shares, each director's deferred share unit account will be allocated additional deferred share units equal in value to the dividend paid on an equivalent number of common shares.

When a director ceases to be a director, the director will be entitled to request redemption of the deferred share units following which the value of the redeemed deferred share units will be paid to the director.

All deferred share units will be redeemed for a cash payment except that, at our election, we may redeem deferred share units issued as compensation for annual board and committee retainers and meeting attendance fees, in cash or through the issuance of common shares from treasury or purchased on the market and any combination of these. The maximum number of common shares that can be issued pursuant to the DSU plan is 500,000 common shares.

The value of the deferred share units on any particular date will be calculated by multiplying the number of deferred share units in the director's deferred share unit account by the then market value of our common shares.

No deferred share units have been granted to date under the DSU plan.

Pursuant to the requirements of the Toronto Stock Exchange, as a result of our limited election to pay for redeemed deferred share units in common shares issued from treasury, the DSU plan must be approved by our shareholders. If the resolution to approve the DSU plan is not passed by shareholders, we may not proceed with the DSU plan or we may amend it so that all deferred share units may only be redeemed for cash.

The DSU plan has been approved by the Toronto Stock Exchange, subject to shareholder approval, as applicable. A summary of the plan is provided below under "*Executive Compensation – Long-term Incentive Plans – Deferred Share Unit Plan*" and a copy of the DSU plan will be filed on our profile on the SEDAR website at www.sedar.com on or about April 4, 2016 under the category "Other Securityholder Documents".

Text of Resolution

At the meeting, shareholders will be asked to consider and, if thought fit, pass an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED as an ordinary resolution that:

1. The directors deferred share unit plan of NuVista Energy Ltd. (the "**Corporation**") with the maximum number of common shares reserved for issuance under the plan at 500,000 common shares and otherwise substantially in the form as described in the information circular - proxy statement of the Corporation dated March 24, 2016 with such other conforming changes as the board of directors of the Corporation considers necessary or appropriate, is hereby ratified, confirmed and approved; and
2. Any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute and deliver all such documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by shareholders at the meeting. **Management recommends that shareholders vote FOR the above resolution. The persons named in the enclosed form of proxy intend to vote FOR this resolution unless expressly directed to the contrary.**

BOARD OF DIRECTORS

Independence

Our Board Chairman is independent and the majority of our board of directors is independent. Our board of directors has determined that Messrs. Comber, Eckhardt, Karkkainen, MacPhail, Poelzer, Shaw, Steeves and Zawalsky are independent and that Mr. Wright is not independent.

Our board has determined that Mr. Wright is not independent as he is our President and Chief Executive Officer.

Mr. Zawalsky is the Managing Partner of Burnet, Duckworth & Palmer LLP who provide legal services to us. Our board has concluded that Mr. Zawalsky is independent and capable of exercising independent judgment after considering, among other things:

- That the fees charged by Burnet, Duckworth & Palmer LLP to us is less than 1% of Burnet, Duckworth & Palmers LLP's total income;
- His equity interest in Burnet, Duckworth & Palmer LLP;
- His common share ownership position and personal financial circumstances; and
- The statutory guidance with respect to the meaning of independence contained in National Instrument 58 101 – *Disclosure of Corporate Governance Practices*.

Our independent board members conduct "in-camera" sessions as part of the agenda of each regularly scheduled meeting, generally immediately following regularly scheduled board of directors or committee meetings. In 2015, we held 15 such in-camera sessions.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Names of Other Issuers
W. Peter Comber	None
Ronald J. Eckhardt	Athabasca Oil Corporation
Pentti O. Karkkainen	None
Keith A. MacPhail	Bonavista Energy Corporation
Ronald J. Poelzer	Bonavista Energy Corporation
Brian G. Shaw	Encana Corp.
Sheldon B. Steeves	Enerplus Corporation and PrairieSky Royalty Ltd.
Jonathan A. Wright	None
Grant A. Zawalsky	PrairieSky Royalty Ltd., Whitecap Resources Inc. and Zargon Oil & Gas Ltd.

Meeting Attendance

The following is a summary of attendance of our directors at meetings of our board and its committees (other than the Executive Committee) for 2015:

Name	Committee Meetings Attended					Total Board and Committee Meeting Attendance
	Board Meetings Attended	Audit	Reserves	Governance and Nominating	Compensation	
W. Peter Comber	7/7	4/4	2/2 ⁽¹⁾	2/2 ⁽¹⁾	3/3	100%
Ronald J. Eckhardt	7/7	4/4 ⁽¹⁾	2/2	2/2 ⁽¹⁾	3/3 ⁽¹⁾	100%
Pentti O. Karkkainen	7/7	4/4	2/2 ⁽¹⁾	2/2 ⁽¹⁾	3/3	100%
Keith A. MacPhail	7/7	4/4 ⁽¹⁾	2/2	2/2 ⁽¹⁾	3/3	100%
Ronald J. Poelzer	7/7	4/4	2/2 ⁽¹⁾	2/2	3/3 ⁽¹⁾	100%
Brian G. Shaw	7/7	4/4	2/2 ⁽¹⁾	2/2 ⁽¹⁾	3/3 ⁽¹⁾	100%
Sheldon B. Steeves	7/7	4/4 ⁽¹⁾	2/2	2/2	3/3 ⁽¹⁾	100%
Jonathan A. Wright	7/7	4/4 ⁽¹⁾	2/2 ⁽¹⁾	2/2 ⁽¹⁾	3/3 ⁽¹⁾	100%
Grant A. Zawalsky	7/7	4/4 ⁽¹⁾	2/2	2/2	3/3 ⁽¹⁾	100%

Note:

(1) Attendance by non-committee member.

Board of Directors Mandate

Our board of directors, either directly or through its committees, is responsible for the supervision of management of our business and affairs with the objective of enhancing shareholder value. The following is a summary of our board's written mandate.

The board is responsible for the stewardship of us, our subsidiaries, partnerships and other controlled entities. In discharging its responsibility, the board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to our best interests. In general terms, the board will:

- In consultation with our Chief Executive Officer, define our principal objectives;
- Supervise the management of our business and affairs with the goal of achieving our principal objectives as defined by our board;
- Discharge the duties imposed on our board by applicable laws; and
- For the purpose of carrying out the foregoing responsibilities, take all such actions as the board deems necessary or appropriate.

Without limiting the generality of the foregoing, our board will perform the following duties:

Strategic Direction and Capital and Financial Plans

- Require our Chief Executive Officer to present annually, a longer range strategic plan and a shorter range business plan for our business, which plans must:
 - Be designed to achieve our principal objectives;
 - Identify our principal strategic and operational opportunities and risks of our business; and
 - Be approved by the board as a pre-condition to the implementation of such plans.
- Review progress towards the achievement of the goals established in the strategic, operating and capital plans.
- Identify the principal risks of our business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks.
- Approve our annual operating and capital plans.
- Approve acquisitions and dispositions in excess of those which require approval pursuant to expenditure limits established by our board.
- Approve the establishment of credit facilities.
- Approve issuances of common shares or other instruments to the public.

Monitoring and Acting

- Monitor progress towards achieving our goals, and to revise and alter its direction through management in light of changing circumstances.
- Monitor our overall human resources policies and procedures, including compensation and succession planning.
- Approve a dividend policy.
- Appoint our Chief Executive Officer and determine the terms of our Chief Executive Officer's employment with us.
- Ensure systems are in place for the implementation and integrity of our internal control and management information systems.
- In consultation with our Chief Executive Officer, develop a position description for our Chief Executive Officer.
- Evaluate the performance of our Chief Executive Officer at least annually.
- In consultation with our Chief Executive Officer, establish the limits of management's authority and responsibility in conducting our business.

- In consultation with our Chief Executive Officer, appoint our officers and approve the terms of our officer's employment.
- Develop a system under which succession to senior management positions will occur in a timely manner.
- Approve any proposed significant change in our management organization structure.
- Approve all of our sponsored retirement plans for officers and employees.
- Generally provide advice and guidance to management.
- Approve all matters relating to a takeover bid for our securities.

Finances and Controls

- Review our systems to manage the risks of our business and, with the assistance of management, our auditors and others (as required), evaluate the appropriateness of such systems.
- Monitor the appropriateness of our capital structure.
- Ensure that our financial performance is properly reported to shareholders, other security holders and regulators on a timely and regular basis.
- In consultation with our Chief Executive Officer, establish the ethical standards to be observed by all of our officers and employees and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards.
- Require that our Chief Executive Officer institute and monitor processes and systems designed to ensure compliance with applicable laws by us and our officers and employees.
- Require that our Chief Executive Officer institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation.
- Approve material contracts to be entered into by us.
- Recommend to our shareholders a firm of chartered accountants to be appointed as our auditors.
- Ensure our oil and gas reserve report fairly represents the quantity and value of our reserves in accordance with generally accepted engineering principles and applicable securities laws.
- Take reasonable actions to gain reasonable assurance that all financial information made public by us (including our annual and quarterly financial statements) is accurate and complete and represents fairly our financial position and performance.

Governance

- In consultation with the chair of our board, develop a position description for the chair.
- Select nominees for election to our board.
- Facilitate the continuity, effectiveness and independence of our board by, amongst other things:
 - Appointing a chair of our board and a lead director;
 - Appointing from amongst the directors, an audit committee and such other committees of our board as our board deems appropriate;
 - Defining the mandate of each committee of our board; and
 - Ensuring that processes are in place and are utilized to assess the effectiveness of the chair of our board, the board as a whole, each committee of our board and each director.
- Establish a system to enable any director to engage an outside advisor at our expense.
- Review annually the composition of our board, and its committees and assess directors' performance on an ongoing basis, and propose new members to our board.
- Review annually the adequacy and form of the compensation of directors.

Delegation

- Our board may delegate its duties to, and receive reports and recommendations from, any committee of our board.

Composition

- Our board should be composed of at least five individuals elected by the shareholders at the annual meeting.
- A majority of the members of our board should be independent directors (within the meaning of National Instrument 58-101) and free from any business or other relationship that could impair the exercise of independent judgment.
- Members of our board should have or obtain sufficient knowledge of us and the oil and gas business to assist in providing advice and counsel on relevant issues.
- Members of our board should offer their resignation from the board to the Chair of the Governance and Nominating Committee following:
 - A change in personal circumstances which would reasonably interfere with the ability to serve as a director; and
 - A change in personal circumstances, which would reasonably reflect poorly on us (for example, finding by a Court of fraud, or conviction under Criminal Code or securities legislation).

Meetings

- Our board shall meet at least four times per year and/or as deemed appropriate by the Chair.
- Our board shall meet at the end of its regular quarterly meetings without members of management being present.
- Minutes of each meeting shall be prepared.
- Our Chief Executive Officer and Chief Financial Officer shall be available to attend all meetings of the board upon invitation by our board.
- Vice Presidents and such other staff as appropriate to provide information to our board shall attend meetings at the invitation of the board.

Authority

- The board has the authority to review any corporate report or material and to investigate our activities and to request any employees to cooperate as requested by the board.
- The board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at our expense.

Board Committees

Our board has five committees: the Audit Committee, Compensation Committee, Reserves Committee, Governance and Nominating Committee and Executive Committee. All of the members of these committees (other than the Executive Committee) are independent directors. Our board has accepted overall responsibility for health, safety and environment and no separate committee has been established to deal with these issues. The full text of the mandate of each committee is available on our website www.nuvistaenergy.com.

Committee Composition

The following table outlines the composition of our board committees as at December 31, 2015:

Name	Independent	Committee Composition				
		Governance and Nominating	Executive	Audit	Compensation	Reserves
Keith A. MacPhail	Yes	-	Chair	-	√	√
W. Peter Comber	Yes	-	-	Chair	√	-
Ronald J. Eckhardt	Yes	-	-	-	-	Chair
Pentti O. Karkkainen	Yes	-	-	√	Chair	-
Ronald J. Poelzer	Yes	√	√	√	-	-
Brian G. Shaw	Yes	-	-	√	-	-
Sheldon B. Steeves	Yes	√	-	-	-	√
Jonathan A. Wright ⁽¹⁾	No	-	√	-	-	-
Grant A. Zawalsky	Yes	Chair	√	-	-	-

Note:

(1) Mr. Wright is our President and CEO.

Audit Committee

The members of our Audit Committee are Mr. Comber (Chair), Mr. Karkkainen, Mr. Poelzer and Mr. Shaw. The committee's mandate includes:

- Reviewing our annual audited financial statements and the auditors' report thereon and related public disclosure documents prior to submission to the board for approval;
- Reviewing the quarterly financial statements prior to submission to the board for approval;
- Reviewing the scope of external and internal audits;
- Reviewing and discussing accounting and reporting policies and changes in accounting principles;
- Reviewing our internal control systems and procedures; and
- Overseeing the work of the external auditors and meeting with the external auditors independently of our management.

Compensation Committee

The members of our Compensation Committee are Mr. Karkkainen (Chair), Mr. Comber and Mr. MacPhail. The Compensation Committee's mandate includes:

- Determining compensation and terms of employment for executives, including the granting of common shares and incentive programs;
- Approving our compensation and variable pay plans; and
- Assessing, at least annually, the compensation and terms of employment of the President and Chief Executive Officer.

See "*Executive Compensation – Compensation Discussion and Analysis*".

Reserves Committee

The members of our Reserves Committee are Mr. Eckhardt (Chair), Mr. MacPhail and Mr. Steeves. The Reserves Committee's mandate with respect to reserves includes, in consultation with our senior engineering management:

- Reviewing management's recommendations for the appointment of the independent engineers;
- Reviewing the terms of the independent engineers' engagement and the appropriateness and reasonableness of the proposed fees;
- Reviewing the scope and methodology of the independent engineers' evaluation;
- Reviewing any significant new discoveries, additions, revisions and acquisitions;
- Reviewing assumptions and consistency with prior years;
- Reviewing any problems experienced by the independent engineer in preparing the reserve report, including any restrictions imposed by management or significant issues on which there was a disagreement with management; and
- Reviewing all public disclosure documents containing reserve information prior to its release, including, the annual report, the annual information form and management's discussion and analysis.

Governance and Nominating Committee

The members of our Governance and Nominating Committee are Mr. Zawalsky (Chair), Mr. Poelzer and Mr. Steeves. The Governance and Nominating Committee's mandate includes:

- Assessing our corporate governance practices and making recommendations to the board with respect to corporate governance practices;
- Establishing a nomination process and making recommendations to the board with respect to the nomination of directors; and
- Assessing, at least annually, the effectiveness of the board and its committees.

Executive Committee

The members of our Executive Committee are Mr. MacPhail, (Chair), Mr. Wright, Mr. Poelzer and Mr. Zawalsky. The Executive Committee's mandate includes:

- Assisting, as required by the Chief Executive Officer, in managing our affairs on a more frequent basis than the quarterly board meetings;
- Reviewing material items impacting our affairs and the energy industry, which may include relevant and material operational updates from time to time. The meeting topics concentrate on our strategic issues/decisions;
- Monitoring and influencing strategic direction by bringing its expertise to bear in dealing with value enhancement opportunities and/or challenges of our business; and
- Defining and resolving material business opportunities/issues as identified and required by our Chief Executive Officer or Chief Financial Officer.

Board Nomination

The Governance and Nominating Committee has the responsibility for establishing a nomination process and making recommendations to the board with respect to nomination of directors. See "*Board Committees – Governance and Nominating Committee*" for a summary of the committee's mandate. The Governance and Nominating Committee is composed entirely of independent directors. In accordance with the mandate of the Governance and Nominating Committee, the guidelines include considering what competencies and skills the board, as a whole, should possess, the competencies and skills the board considers each existing director to possess and the competencies and skills each proposed nominee will bring to the board as well as whether the new nominee can devote sufficient time and resources to his or her duties as a member of the board. In seeking nominees, the Governance and Nominating Committee encourages input from all members of the board and may use the services of professional recruiters if required.

In response to the capital markets' desire for more clarity and information, our board has adopted a policy regarding board diversity. Our board believes that board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the board at

the time. We are committed to a meritocracy and believe that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives, without reference to their age, gender, race, ethnicity or religion, is in our best interests and all of our stakeholders. Our board recognizes the benefits of diversity within the board and will encourage the consideration of women who have the necessary skills, knowledge, experience and character for nomination to the board. However, the board will not compromise the principles of a meritocracy by imposing quotas or targets regarding the representation of women on the board and as such no such quotas or targets have been imposed. We currently do not have any women directors although we will strive to add female representation to our board when considering future board appointments.

To ensure the effectiveness of the board diversity policy, our corporate governance and compensation committee will review the number of women considered or brought forward as potential nominees for board positions when the board is looking to add additional members or replace existing members and the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates.

The Governance and Nominating Committee is authorized under its mandate to retain experts to assist it in fulfilling its responsibilities. To the extent that the committee retains an expert to assist it in "board searches" for qualified candidates, the committee will provide direction to such experts to proactively seek out women candidates alongside any male candidates for consideration as nominees to the board.

Board Assessment

We have a formal process of assessing our board and its committees or the individual directors, under the direction of the Governance and Nominating Committee. Our process consists of an annual written director self assessment completed by all directors as well as one-on-one personal interviews conducted by our Chairman with each member of the board. The board has satisfied itself that the board, its committees and individual directors are performing effectively through this process. The most recent board effectiveness survey was conducted in May of 2015 and our board of directors has determined that the required skills are well represented by the current slate of director nominees for election at the meeting.

Our Governance and Nominating committee has established the following "skills matrix" outlining the skills and experience which they believe are required by the members of our board of directors. This skills matrix is reviewed annually by the committee and updated as necessary. The committee also annually reviews the skills and experience of our current directors. The committee also assesses the knowledge and character of all nominees to our board of directors to ensure general compliance with the skills matrix.

Skills Matrix	
<i>Executive Leadership</i>	Experience as a CEO or equivalent.
<i>Enterprise Risk Assessment</i>	Board or executive experience in evaluating and managing risks in the oil and natural gas business.
<i>Value Creation</i>	Board or executive experience in evaluating, and executing on, value creation opportunities through acquisitions, divestiture, mergers or developmental opportunities.
<i>Health, Safety & Environment</i>	Board or management experience with environmental compliance and workplace health and safety in the oil and gas industry.
<i>Operations</i>	Management experience with oil and natural gas operations.
<i>Reserves and Resource Evaluation</i>	Board experience with, or management responsibility for, oil and natural gas reserve and resource evaluation and reporting.
<i>Compensation and Human Resources</i>	Management experience in human resources and executive compensation.
<i>Accounting & Finance</i>	Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience.
<i>Legal, Regulatory and Governmental</i>	Broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, incentive and taxation policies usually through management experience or a legal background.
<i>Corporate Governance</i>	Broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer.

The following outlines the experience and background of, but not necessarily the technical expertise of, our outside directors based on information provided by such individuals:

Name	Executive Leadership	Enterprise Risk Assessment	Value Creation	Health, Safety & Environment	Operations	Reserves and Resource Evaluation	Compensation and Human Resources	Accounting & Finance	Legal, Regulatory and Governmental	Corporate Governance
W. Peter Comber	√	√	√	√	-	√	√	√	√	√
Ronald J. Eckhardt	√	√	√	√	√	√	√	-	√	√
Pentti O. Karkkainen	√	√	√	√	-	√	√	√	-	√
Keith A. MacPhail	√	√	√	√	√	√	√	-	-	√
Ronald J. Poelzer	√	√	√	√	-	√	-	√	-	√
Brian G. Shaw	√	-	√	√	-	-	√	√	-	√
Sheldon B. Steeves	√	√	√	√	√	√	√	-	-	√
Grant A. Zawalsky	√	√	√	√	-	-	√	-	√	√

Director Orientation and Continuing Education

Upon joining our board, a new director is provided with a directors' information binder which includes a copy of all board and committee mandates, corporate policies, relevant position descriptions, organizational structure, the structure of the board and its committees, by-laws as well as agendas and minutes for board and committee meetings for the preceding 12 months. In addition, any new director will receive presentations with respect to our operations. As part of continuing education, our board receives management presentations with respect to the operations and risks of our business at least 4 times per year, with a more significant presentation provided in conjunction with the annual budgeting process and annual strategic planning meeting with all directors and officers in attendance. In addition, the individual directors identify their continuing education needs through a variety of means, including discussions with management and at board and committee meetings.

Ethical Business Conduct

Our board has adopted a Code of Business Conduct and Ethics, a copy of which is available to review at www.sedar.com and on our website at www.nuvistaenergy.com. Each employee, officer and director confirms annually that he or she has read, understood and complied with the code. Any reports of variance from the code are reported to the board.

Our board has also adopted a whistleblower policy which provides employees with the ability to report, on a confidential and anonymous basis, any violations within our organization including (but not limited to), falsification of financial records, unethical conduct, harassment or theft. Our board believes that providing a forum for employees, officers and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

Position Descriptions

Our board has developed position descriptions for each of the Chairman, the Lead Director, the President and Chief Executive Officer and the chairman of each committee of our board.

Succession Planning

Our board has developed a formal succession plan process for each of the executive officers, including the President and Chief Executive Officer. Our process includes:

- The presentation of formal written succession plans to the Compensation Committee and board of directors;
- The succession plans include details around each possible successor's competencies and areas requiring development, as well as a timeline and development plan;
- These plans are reviewed by the board annually with the Chief Executive Officer; and
- The board reviews the Chief Executive Officer's plan in an in-camera meeting of the independent directors.

Our board receives regular updates on the status of the succession plans and the professional development of individuals within our organization. We do not consider the level of representation of women in executive officer positions when making executive officer appointments. Consistent with our board diversity policy, our board believes that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates. We are committed to a meritocracy and believe that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives, without reference to their age, gender, race, ethnicity or religion, is in our best interests and all of our stakeholders and as such no such quotas or targets have been imposed. We currently do not have any women serving in an executive officer position, although we have three women in management positions, which represent approximately 17% of our management positions. We will strive to add female representation to our executive when considering female appointments. This will be affected in part by ensuring that qualified female candidates are proactively sought out for consideration alongside any male candidates.

Director Term Limits

Our board of directors does not believe that fixed term limits are in the best interests of NuVista. Our Governance and Nominating committee considers both the term of service of individual directors, the average term of the board as a whole and turnover of directors over prior three years when proposing a slate of nominees. The committee considers the benefits of regular renewal in the context of the needs of the board at the time and the benefits of the institutional knowledge of the board members.

Director Compensation

Our board, through the Governance and Nominating Committee, is responsible for the development and implementation of a compensation plan for our directors who are not also officers. We do not pay any compensation to officers for acting as a director. For information concerning the compensation paid to Mr. Wright who is also our President and Executive Officer, see "*Executive Compensation*".

The main objectives of our compensation plan for directors are to attract and retain the services of the most qualified individuals and to compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in board and committee membership and at a level that is similar to the compensation paid to directors of a peer group of oil and gas companies. In addition, our philosophy of using compensation to foster a culture of ownership also extends to our director compensation policies.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2015, information concerning the compensation paid to our outside directors:

Name	Fees earned (1) (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Keith A. MacPhail ⁽²⁾	-	-	-	-	-	-	-
Ronald J. Eckhardt	81,000	-	-	-	-	-	81,000
W. Peter Comber	100,500	-	-	-	-	-	100,500
Pentti O. Karkkainen	100,500	-	-	-	-	-	100,500
Ronald J. Poelzer ⁽²⁾	-	-	-	-	-	-	-
Brian G. Shaw	80,250	-	-	-	-	-	80,250
Sheldon B. Steeves	82,000	-	-	-	-	-	82,000
Grant A. Zawalsky ⁽³⁾	82,500	-	-	-	-	-	82,500

Notes:

- (1) Represents fees earned during the year, regardless of when paid.
- (2) Mr. MacPhail and Mr. Poelzer have requested that they not receive any retainer or meeting fees.
- (3) Mr. Zawalsky is the Managing Partner Burnet, Duckworth & Palmer LLP who provide legal services to us.

We currently pay our outside directors annual retainers and meeting fees for their roles on our board and board committees and outside directors are also reimbursed for their out-of-pocket expenses incurred in carrying out their duties as directors.

The following table sets forth the principal elements of the cash compensation plan for our directors for the years ended December 31, 2015 and 2016:

Compensation Element	2015 Amount (\$)	2016 Amount ⁽¹⁾ (\$)
Board Retainer – Annual	50,000	40,000
Additional Chair Retainers - Annual		
Chair Retainer – Board	-	-
Lead Director Retainer	7,500	7,000
Chair Retainer – Audit	15,000	14,000
Member Retainer – Audit	6,000	5,600
Member Retainer – Other ⁽²⁾⁽³⁾	4,000	3,750
Per Meeting Attendance Fee ⁽³⁾		
Board Meeting	1,500	1,400
Committee Meeting	750	750

Notes:

- (1) For 2016, our Board approved a reduction in their annual retainers and fees.
- (2) Retainers for our Reserves Committee, Nominating and Governance Committee and Compensation Committee.
- (3) We do not pay retainers or meeting fees for our Executive Committee.

Historically, we have granted stock options to our directors. The maximum number of stock options granted to outside directors was limited to 0.25% of our issued and outstanding common shares. In addition, the value of stock options granted to any one non-management director during a calendar year, as calculated on the date of grant, could not exceed \$100,000.

We did not grant any of our non-management directors any stock options in 2015. As at December 31, 2015, our outside directors held an aggregate of 240,000 options, which represented less than 1% of our issued and outstanding common shares as at such date. For information regarding the outstanding options held by the independent directors, see "*Outstanding Option-Based and Share-based Awards*" and "*Incentive Plan Awards – Value Vested or Earned during the Year*" below.

Non-management directors are not eligible to participate in our restricted award plan, restricted stock unit incentive plan or employee stock savings plan. In conjunction with the implementation of our deferred share unit plan we amended our stock option plan to provide that non-management directors will no longer be eligible to participate in our stock option plan.

In 2016, we adopted a deferred share unit plan or DSU plan for our non-management directors, which is subject to approval by our shareholders at this meeting. Once implemented, the DSU Plan will be the only form of long-term incentive for our non-management directors. See "*Matters to be Acted Upon at the Meeting – Matters Respecting our Deferred Share Unit Plan*" for further information on our directors' deferred share unit plan.

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all option-based awards outstanding at the end of the year ended December 31, 2015 for each of our outside directors. Such directors did not have any share-based awards in 2015.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Keith A. MacPhail	16,000	5.00	(2)	-
	15,000	8.79	(4)	-
W. Peter Comber	8,000	5.00	(6)	-
	15,000	8.79	(4)	-
Ronald J. Eckhardt	24,000	5.48	(3)	-
	15,000	8.79	(4)	-
Pentti O. Karkkainen	16,000	5.00	(2)	-
	15,000	8.79	(4)	-
Ronald J. Poelzer	16,000	5.00	(2)	-
	15,000	8.79	(4)	-
Brian G. Shaw	15,000	9.57	(5)	-
Sheldon B. Steeves	24,000	5.48	(3)	-
	15,000	8.79	(4)	-
Grant A. Zawalsky	16,000	5.00	(2)	-
	15,000	8.79	(4)	-

Notes:

- (1) Calculated based on the difference between the market price of our common shares at December 31, 2015 of \$4.07 and the exercise price of the options.
- (2) 50% of the options expire on May 21, 2016 and May 20, 2017 respectively.
- (3) 33% of the options expire on September 14, 2016, September 14, 2017 and September 13, 2018 respectively.
- (4) 33% of the options expire on September 17, 2017, September 17, 2018 and September 16, 2019 respectively.
- (5) 33% of the options expire on May 10, 2018, May 10, 2019 and May 9, 2020 respectively.
- (6) All of these options expire May 20, 2017.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Keith A. MacPhail	-	-	-
W. Peter Comber	-	-	-
Ronald J. Eckhardt	14,480	-	-
Pentti O. Karkkainen	-	-	-
Ronald J. Poelzer	-	-	-
Brian G. Shaw	-	-	-
Sheldon B. Steeves	14,480	-	-
Grant A. Zawalsky	-	-	-

Note:

- (1) Calculated based on the difference between the market price of our common shares on the vesting date and the exercise price of the options.

EXECUTIVE COMPENSATION

Identification of Named Executive Officers

We are required to disclose the compensation paid to our Chief Executive Officer, Chief Financial Officer, and each of the three other most highly compensated executive officers whose total annual compensation was more than \$150,000. For the year ended December 31, 2015 our named executive officers or NEOs were Jonathan Wright our President and Chief Executive Officer, Ross Andreachuk our Vice President, Finance, Chief Financial Officer and Corporate Secretary, Chris McDavid our Vice President, Operations, Michael Lawford our Vice President, Development and Kevin Asman our Vice President, Marketing.

Compensation Governance

We have developed an executive compensation strategy built on offering a competitive compensation package, which is oriented toward developing a culture of ownership by providing long-term equity-based incentives. As a result, the awarding of stock options is a significant component of our executive compensation. This approach is based on the assumption that our common share price performance over the long-term is an important indicator of long-term performance.

Our compensation philosophy is based on the following fundamental principles:

- Our compensation programs must be aligned with shareholder interests by aligning the goals of executives with maximizing long term shareholder value.
- Our compensation to NEOs must be performance sensitive by linking compensation to our operating and market performance.
- Our compensation programs must be market competitive in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

Compensation Risk

In establishing our executive compensation program our Compensation Committee considers the implication of the risks associated with our compensation program, including:

- The risk of executives taking inappropriate or excessive risks;
- The risk of inappropriate focus on achieving short term goals at the expense of long term return to shareholders;
- The risk of encouraging aggressive accounting practises; and
- The risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety.

While no program can fully mitigate these risks we believe that many of these risks are mitigated by:

- Weighting our long term incentives towards share ownership and vesting our long term incentives over a number of years;
- Establishing uniform incentive programs for all executive officers and employees;
- Avoiding narrowly focused performance goals which may encourage loss of focus on providing long term shareholder return and retaining adequate discretion to insure that Compensation Committee and board retain their business judgment in assessing actual performance;
- Establishing a formal recoupment or "clawback" policy pursuant to which some or all incentive awards made to executives are subject to recoupment in the event of an accounting restatement resulting from misconduct;
- Establishing share ownership guidelines and imposing short selling and restrictions; and
- Establishing a strong "tone at the top" for accounting, regulatory, environmental and health and safety compliance.

Incentive Plan Design

The ability of our Compensation Committee to consider factors such as personal contributions to corporate performance and non-financial, non-production or non-reserves based elements of corporate performance allows the Compensation Committee to consider whether executive officers have attempted to bolster short-term results at the expense of our long term success in determining executive compensation. In addition, as the compensation program consists of fixed (base salary) and variable (annual cash variable pay and long term incentive plan grants), the incentive for short-term risk taking is balanced with the incentive to focus on generating long-term sustainable value for shareholders. Stock options and restricted share awards which make up a significant portion of an executive officer's total compensation, generally vest over a period of time, which acts to further mitigate against the potential and inappropriate short-term risk taking. There are no compensation policies and practices that are structured significantly different for any named executive officers. Our Compensation Committee and board of directors will continue to monitor compensation risk assessment practices on an ongoing basis to ensure that our compensation program is appropriately structured.

Clawback Policy

We have implemented a formal recoupment or "clawback" policy on executive incentive compensation, including, without limitation, variable pay, stock options, restricted awards and restricted stock units, that may be awarded to our Chief Executive Officer and any of our Vice-President's including our named executive officers when (i) any of these executives engages in willful misconduct or fraud which causes or significantly contributes to a restatement of our financial statements due to our material noncompliance with any applicable financial reporting requirement under securities laws, (ii) the executive receives incentive compensation calculated on the achievement of those financial results, and (iii) the incentive compensation received would have been lower had the financial statements been properly reported. The policy provides that when a clawback is triggered, our board may, in its sole discretion and to the extent that it determines it is in our best interests to do so, require the executive to repay the amount of incentive compensation relating to the year(s) subject to the restatement (or received upon exercise or payment of incentive compensation in or following the year(s) subject to the restatement that is in excess of the incentive compensation the executive would have received if the incentive compensation had been computed in accordance with the results as restated, calculated on an after tax basis. In addition, the executive is required to repay any profits realized from the sale of our securities during a 12 month period from the date that the original financial statements that are subsequently restated were filed.

Short Selling Restrictions

Our directors and officers are not permitted to knowingly sell, directly or indirectly, any of our securities that he or she does not own or has not fully paid for. Directors and officers may not: (i) sell a call option or buy a put option in respect of our common shares or any other of our securities; (ii) enter into any financial instrument or other transaction designed to hedge or offset a decrease in the market value of our common shares; or (iii) enter into any other derivative instruments, agreements, arrangements or understanding (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's or officer's economic interest in our securities, or the director's or officer's economic exposure to us.

Notwithstanding these prohibitions, solely in connection with the administration of our compensation plans, our directors and officers are permitted to sell through our compensation agent, currently Solium Capital Inc., common shares that are not yet owned by such director or officer provided that he or she holds stock options or other compensation related rights to acquire an equivalent number of our common shares and such director or officer has provided a notice of exercise for such stock options or other compensation rights to our compensation agent in order to facilitate the orderly settlement of such options or rights.

Share Ownership Requirements

Our executive officers are required to maintain a significant equity investment in us to align their interests with those of our shareholders and mitigate against the likelihood of undue risk taking. Our share ownership guidelines establish minimum share ownership levels for executives based on a multiple of their salary and executive level. See "*Ownership Guidelines*".

Compensation Governance

The purpose of our Compensation Committee is to assist our board in fulfilling its responsibilities by monitoring our compensation plans and practices and ensuring their congruence with our objectives and goals by assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention. The compensation packages awarded to our executives is substantively the same as that provided to the rest of our employees, varying only with respect to the level of compensation provided in order to remain competitive within our industry. This is intended to ensure that the interests of all of our employees are aligned internally, and with the long term interests of our shareholders. Our Compensation Committee is currently composed of three independent directors, Mr. Karkkainen (Chair), Mr. Comber and Mr. MacPhail. As described under "Election of Directors" above each member of our Compensation Committee has direct experience in establishing and operating executive and corporate compensation programs.

Our Chief Executive Officer presents recommendations to the Compensation Committee regarding the total budget for salary adjustments, variable pay and long-term incentives for all non-executive employees. Specific salary, variable pay and long-term incentive recommendations for each of our executive members are presented by our Chief Executive Officer to the Compensation Committee and recommendations are made to our board. The Compensation Committee also makes specific recommendations to our board on our Chief Executive Officer's salary, variable pay and long-term incentive awards. Our board reviews all recommendations of the Compensation Committee before final approval. Any director who is also an officer is excused from the directors' meeting during any discussion of their compensation. Recommendations and approvals regarding executive salary, variable pay and long-term incentive awards are made at the same time to all of our employees.

Performance

In establishing overall compensation levels, the Compensation Committee uses current levels of compensation as the starting point and adjusts this based on certain factors. Our Compensation Committee reviews an internal scorecard which covers key aspects of our overall corporate performance. These aspects include, but are not limited to, safety (lost time incidents), production per share growth targets, cash flow per share growth targets, reserve growth per share targets as well as finding and developments costs on a per barrel of oil equivalence (boe) basis.

Our Compensation Committee does not apply numerical weightings to any of the individual scorecard categories. Emphasis is placed upon "per share" or "per boe" metrics in preference to absolute numbers, although absolute numbers are also considered versus public guidance to ensure focus upon delivery on our guidance. In addition to the scorecard, the Compensation Committee considers our annual share price performance both on a standalone basis and compared to our peers, the development and execution of our long term business strategies and other subjective elements. The Compensation Committee then assesses the individual performance of our President and Chief Executive Officer and each of our other officers. Our President and Chief Executive Officer assists the Compensation Committee with the performance assessment of the other officers. This assessment considers both performance against the corporate scorecard described above and performance against specific departmental and personal goals. There is no specific weighting between the NEO's performance against the corporate goals and individual goals.

The Committee's evaluation of performance also involves the use of informed judgement and consideration of circumstances such as the macroeconomic environment, other external factors and internal constraints in determining overall performance.

Analysis of Compensation Practices of Competitors

Aggregate compensation for each NEO is designed to be competitive. In order to assess the market competitiveness of our executive compensation programs and assist the Compensation Committee in its evaluation of compensation, we participate in the annual Mercer Total Compensation Survey for the Petroleum Industry and compare to companies with production rates of between 10,000 and 100,000 barrels of oil equivalent per day. In addition, we review specific compensation data from selected peer companies. For the purpose of compensation comparisons, we select peer oil and gas companies from the Toronto Stock Exchange with market capitalization which range in size from 0.5 to 3.0 times of ours. In 2015, we considered data from for the following 19 publicly traded companies:

Advantage Oil & Gas Ltd.	Painted Pony Petroleum Ltd.
Bellatrix Exploration Ltd.	Pengrowth Energy Corporation
Birchcliff Energy Ltd.	Raging River Exploration Inc.
Bonavista Energy Corporation	Seven Generations Energy Ltd.
Bonterra Energy Corp.	Spartan Energy Corp.
Cardinal Energy Ltd.	Surge Energy Inc
Crew Energy Inc.	TORC Oil & Gas Ltd.
Enerplus Corporation	Trilogy Energy Corp.
Kelt Exploration Ltd.	Whitecap Resources Inc.
Northern Blizzard Resources Inc.	

The purpose of reviewing the Mercer and peer company data was to:

- Understand the competitiveness of current salary and variable pay levels for each executive position relative to companies of similar size;
- Identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- Establish as a basis for developing salary adjustments and short and long term incentive awards.

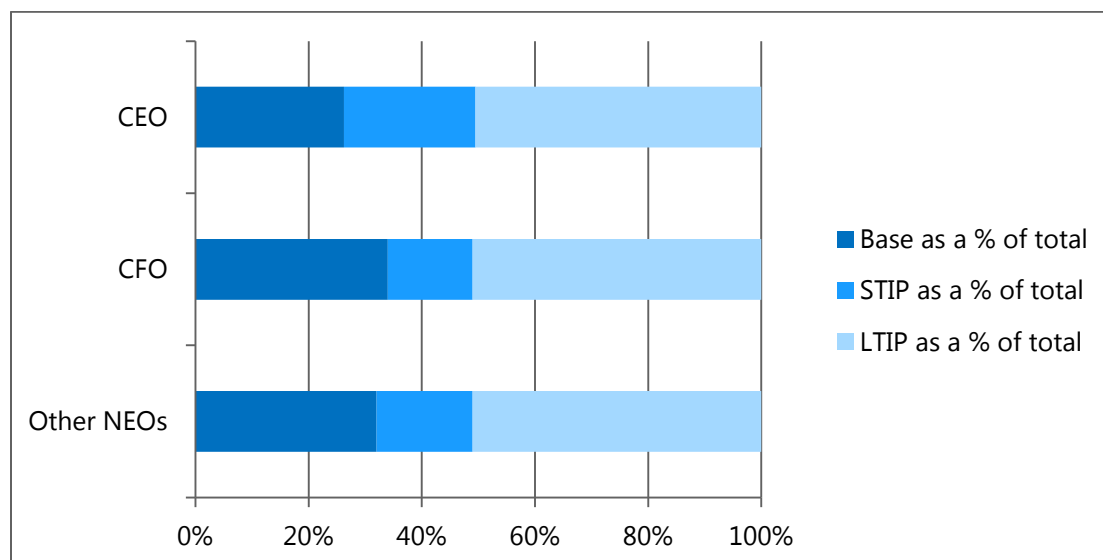
Components of Compensation Plan

Our current executive compensation consists of essentially four components: (1) base salary; (2) variable pay; (3) long-term incentive compensation; and (4) other benefits, as described below:

	Not at Risk Compensation		At Risk Compensation	
	Base Salary	Other Benefits	Variable Pay	Long Term Incentives
Description	Fixed amount of pay for day to day work	Includes health benefits, insurance, Employee Stock Saving Plan and parking	Lump sum cash payment for prior calendar year	Long-term incentives are split with 75% from stock options and 25% from restricted share awards (RSAs)
Purpose	Compensates for executive's role, experience and performance	To assist in NVA share ownership, the health and the well-being of the executives and their families	To recognize achievement of corporate and individual performance targets	To align compensation with long term strategy and overall corporate performance
Determination	Based on peer market data (Mercer), performance and scope of duties	Components are based primarily on industry norms and value determined as a percentage of base salary	Amount of variable pay primarily based on individual performance and achievement of corporate and individual targets	Size of award based on individual performance and achievement of corporate and individual targets
Timing of Payment	Bi-monthly	Bi-monthly	Annually	Options – vest in thirds over 3 years, expire 2.5 years after vesting RSA – cliff vest two years after grant anniversary

"At risk" refers to the fact that the payment is not guaranteed. A significant percentage of each of our executive's total compensation is comprised of variable pay and long term incentives which are directly linked to corporate and individual performance. The salary component provides a base of secure compensation necessary to attract and retain executive talent and targets the median of the Mercer data for executives. The "at risk" components, variable pay and long-term incentives are designed to balance short-term performance with our long-term interests and motivate the superior performance of both. The long-term incentive plan also aligns NEOs with shareholders and helps retain executive talent. Our employee stock savings plan further aligns NEOs with shareholders and allows NEOs to accumulate savings for retirement or other purposes. In line with our overall compensation philosophy that promotes ownership among our executives, a higher proportion of our NEO total compensation is at-risk and tied to our long-term performance.

The following chart depicts 2015 at-risk target total direct compensation among our NEOs.



Note:

- (1) STIP represents short-term incentives and LTIP represents long-term incentives (long term incentive plan awards).

Summary Compensation of NEOs

The following table sets forth for the years ended December 31, 2015, December 31, 2014 and December 31, 2013 information concerning the actual compensation paid to our NEOs:

Name and principal position	Year	Salary (\$)	Share-based awards ⁽¹⁾⁽²⁾ (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁴⁾ (\$)	Long-term incentive plans (\$)			
Jonathan Wright President and Chief Executive Officer	2015	455,000	137,223	357,289	175,000	-	-	52,205	1,176,717
	2014	455,000	253,634	609,624	400,000	-	-	58,225	1,776,483
	2013	440,000	191,250	395,982	350,000	-	-	48,755	1,425,987
Ross Andreachuk ⁽⁵⁾ Vice President, Finance, Chief Financial Officer and Corporate Secretary	2015	264,800	83,752	218,036	70,000	-	-	35,346	672,934
	2014	244,066	105,450	260,017	110,000	-	-	29,666	749,199
	2013	224,700	63,564	131,668	88,000	-	-	27,708	535,640
Chris McDavid Vice President, Operations	2015	264,800	83,752	218,036	70,000	-	-	35,018	672,606
	2014	264,800	120,153	290,167	140,000	-	-	31,482	846,602
	2013	252,800	87,700	181,662	120,000	-	-	31,956	674,118

Name and principal position	Year	Salary (\$)	Share-based awards ⁽¹⁾⁽²⁾ (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁴⁾ (\$)	Long-term incentive plans (\$)			
Michael Lawford Vice President, Development	2015	265,200	83,752	218,036	70,000	-	-	35,098	673,086
	2014	265,200	123,837	297,704	140,000	-	-	31,068	857,809
	2013	253,200	87,700	181,662	120,000	-	-	30,920	673,482
Kevin Asman Vice President, Marketing	2015	231,500	68,941	179,963	58,000	-	-	32,110	571,390
	2014	231,500	107,212	257,151	115,000	-	-	37,835	748,677
	2013	219,000	76,500	158,393	100,000	-	-	27,695	581,088

Notes:

- (1) Includes restricted share awards and restricted stock units granted to our NEOs.
- (2) Based on the grant date fair value of the applicable awards on the date of the grant. These amounts are not necessarily reflective of actual amounts that may be realized on exercise. See "*Outstanding Share-Based Awards and Option-based Awards*" which reflect the value at December 31, 2015 and "*Performance Graph – Incentive Plan Awards – Value at Time of Grant versus Value Vested or Earned*".
- (3) Based on the grant date fair value of the applicable options on the date of grant. The fair value of each option granted is determined on the date of grant using the Black-Scholes option pricing model. During 2015, in the pricing model, the average risk free interest rate was 1.5%; volatility of 40%; an average expected life of 4.5 years; an estimated forfeiture rate of 10%; and dividends of \$nil per share. These amounts are not necessarily reflective of actual amounts that may be realized on exercise. See "*Outstanding Share-Based Awards and Option-based Awards*" which reflect the value at December 31, 2015 and "*Performance Graph – Incentive Plan Awards – Value at Time of Grant versus Value Vested or Earned*".
- (4) This represents annual cash variable payments to our NEOs.
- (5) Mr. Andreachuk was appointed as our Vice-President, Finance, Chief Financial Officer and Corporate Secretary effective September 1, 2014.

Base Salary

In setting base salaries, our Compensation Committee reviews executive compensation of comparable organizations in the oil and gas industry. Salaries of senior executive officers reflect market conditions and levels of responsibility and are determined utilizing salary survey information from our peer group. Our policy is that salaries for our NEOs shall be targeted at the median of salaries paid among our peers.

Typically, salary increases are determined for all employees, including executives in December of each year. The determination of 2015 executive salary increases was made in December, 2014 and implemented effective January 1, 2015. In light of the macro-environment and significantly lower commodity prices, base salaries for all NEOs in 2015 were frozen other than one increase due to an internal promotion.

Variable Pay

Our Compensation Committee recommends to the board an annual variable pay amount for all employees and specific variable pay amounts for officers (including NEOs). The total amount of the annual variable pay pool is approved by our board and is based on our performance, current market conditions and other factors considered relevant by our board. Based on these factors and highly driven by the challenging market conditions, our board approved an overall 2015 company variable pay pool amount of 14.8% of 2015 annual salaries paid or \$1.6 million. This amount is well below the long term intended average.

Variable pay is intended to reward performance by our executive officers in the achievement of our strategic goals and objectives and are consistent with our compensation philosophy where a significant component of executive compensation is variable. Our variable pay targets for our NEOs, excluding our CEO, range between zero and 80% of base salary. Our variable pay target for our CEO ranges between zero and 133% of base salary. Both the CEO and other NEO targets are adjusted for corporate and individual performance.

Variable pay for each of our officers are performance based, and determined on both targeted individual and corporate performance-based measures which include safety performance, production, capital spending, operating costs, finding and development costs and general and administrative expenses. Emphasis is placed upon "per share" or "per boe" metrics in preference to absolute numbers, although absolute numbers are also considered versus public guidance to ensure focus upon delivery on our guidance. The Compensation Committee also considers the development and execution of our business strategy and other subjective elements. In addition to the scorecard, the Compensation Committee considers our annual share price performance both on a standalone basis and compared to our peers, the development and execution of our business strategies and other subjective elements.

The final determination of the annual variable pay amount is not based on a prescriptive formula or weighting as our board and the Compensation Committee are of the view that this may lead to unintended consequences and potentially foster "single minded" behaviors to the overall detriment of sustainable performance.

The success of each NEO in achieving their individual goals and objectives is also considered when determining variable pay amounts.

Long-term Incentive Plans

Our long-term incentive plans currently consist of our stock option plan, restricted share award plan, restricted stock unit plan, employee stock savings plan and directors' deferred share unit plan. Our long-term incentive plans are designed to align the interests of our employees with shareholders by linking a component of compensation to the long-term performance of our common shares. We are phasing out our restricted stock unit plan and did not make any grants under the plan in 2015. In 2016, we implemented a directors' deferred share unit plan which will be the only form of long-term incentive for our non-management directors.

Stock options and restricted share awards are granted to officers, employees and other service providers generally upon commencement of service based on the level of responsibility with us. Our current policy is that additional grants are generally made on a semi-annual basis.

Our Compensation Committee is responsible for determining the allocation of long-term incentive grants between stock options and restricted share awards. The percentage of stock options received relative to restricted share awards increases with greater levels of responsibility. Our long-term incentive targets for our NEOs, excluding our CEO, range between 50% and 175% of base salary. Our long-term incentive target for our CEO ranges between 50% and 200% of base salary. Both the CEO and other NEO targets are adjusted for corporate and individual performance.

We granted 268,036 restricted share awards and 1,562,655 stock options to our officers, employees and other service providers during 2015, of which 89,027 restricted share awards and 655,000 stock options were granted to officers. No restricted awards or stock options were granted to our non-management directors in 2015 and no deferred share units have been granted to date under the deferred share unit plan.

The following table details the restricted share awards and stock options granted to each of our NEOs during 2015.

Name	Number of Stock Options Granted	Number of Restricted Share Awards Granted
Jonathan Wright	172,000	23,392
Ross Andreachuk	105,000	14,282
Chris McDavid	105,000	14,282
Michael Lawford	105,000	14,282
Kevin Asman	86,000	11,665

The following is a summary of the terms of our long-term incentive plans.

Stock Option Plan

The principal purposes of stock option plan are: (i) to retain and attract qualified directors, officers, employees and other service providers that we require; (ii) to promote a proprietary interest in us by such persons and to encourage such persons to remain in our employ or service and put forth maximum efforts for the success of our business; and (iii) to focus management on operating and financial performance and long-term total shareholder return.

Incentive-based compensation such as our stock option plan is an integral component of our compensation. The attraction and retention of qualified employees has been identified as one of the key risks to our long-term strategic growth plan. Our stock option plan is intended to maintain our competitiveness within the Canadian oil and gas industry to facilitate the achievement of our long-term goals. In addition, this incentive-based compensation is intended to directly link a component of compensation to the performance of our common shares.

Our stock option plan is administered by our board and our board has the authority to appoint a committee of the board to administer the stock option plan. In addition, our board may delegate to one or more of its members, to our President and Chief Executive Officer or to one or more agents such administrative duties as it may deem advisable, and the board or any person to whom it has delegated

duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the board or such person may have under the stock option plan.

Under the terms of stock option plan, any of our directors, officers, employees and other service providers may be granted stock options. In determining the persons to whom stock options may be granted and the number of common shares to be granted, our board may take into account such factors as it shall determine in its sole discretion.

The exercise price of any stock option granted pursuant to the stock option plan must be fixed by our board when the stock option is granted, provided that such price shall not be less than the "market price" of our common shares on the date of the grant. "Market Price", on any date, is defined in the stock option plan, as the volume weighted average trading price of our common shares on the Toronto Stock Exchange for the five trading days prior to the date of grant (or, if our common shares are not then listed and posted for trading on the Toronto Stock Exchange, such price as is required by such stock exchange in Canada on which our common shares are listed and posted for trading as may be selected for such purpose by our board) and provided that in the event that our common shares are not listed and posted for trading on any stock exchange in Canada, the exercise price shall be determined by the board in its sole discretion. Notwithstanding the foregoing, in certain circumstances, such as when a stock option is offered to an individual as an inducement to secure employment, the exercise price may be otherwise determined, but only with the prior consent of all stock exchanges on which our common shares are at that time listed.

Our stock option plan currently provides that the maximum number of common shares reserved for issuance from time to time pursuant to outstanding stock options granted and outstanding under the current stock option plan may not exceed 5,000,000 common shares. We are seeking shareholder approval at this meeting to increase this maximum to 8,900,000 common shares. See "*Matters to be Acted Upon at the Meeting – Matters Respecting our Stock Option Plan*".

The aggregate number of common shares issuable pursuant to the stock option plan to any single holder of stock option plan may not exceed 5% of our outstanding common shares. In addition, in accordance with the rules of the Toronto Stock Exchange, the number of common shares issued to insiders within one year pursuant to the stock option plan, and issuable to insiders at any time, under the stock option plan or when combined with all of our other security based compensation arrangements, may not exceed 10% of our outstanding common shares. In determining the number of common shares issuable within one year for this purpose, the number of common shares will be determined on the basis of the number of common shares that are outstanding immediately prior to the common share issuance, excluding any common shares issued pursuant to share compensation arrangements over the preceding one-year period.

The number of common shares issuable pursuant to the stock option plan to all non-management directors is limited to a maximum of 0.25% of our outstanding common shares and the value of stock options granted to any one non-management directors during a calendar year, as calculated on grant date, shall not exceed \$100,000. If approved at this meeting, our deferred share unit plan is expected to be our only form of long-term incentive for our non-management directors going forward. See "*Matters to be Acted Upon at the Meeting – Matters Respecting our Directors Deferred Share Unit Plan*".

Our plan provides that if any stock option granted under the stock option plan expires, terminates or is cancelled for any reason without the common shares issuable thereunder having been issued in full, such unissued common shares shall be available for the purposes of the granting of further stock options under the plan. In 2016, we amended our plan to make it clear that common shares issued upon exercise of stock options would not be made available for the purposes of the granting of further stock options under the plan.

Our board has the sole discretion to determine the time during which stock options will vest and the method of vesting, or that no vesting restriction shall exist either before or after the date of grant.

All stock options granted pursuant to the stock option plan will expire on a date determined by our board at the time of the grant provided that no stock option may be exercised beyond six years from the time of the grant. Any stock options which have not been exercised by the applicable expiry date will expire and become null and void.

If the expiry date of any stock option falls within any blackout period imposed by our board, then the expiry date of such stock options will be extended to the date that is ten business days, following the end of such blackout period and if that date is not a business day, such date will be further extended by that number of days required such that the period ends on a business day. Unless approved by the board, no stock options may be exercised by a holder of stock options during a blackout period.

Holders of stock options may exercise stock options from time to time by delivering a written notice of exercise specifying the number of common shares with respect to which the stock option is being exercised and accompanied by payment in full of the exercise price of the common shares then being purchased. In addition, holders of stock options have the right (the "**Put Right**") to request that we purchase each of their vested stock options for a price equal to the difference, if positive, between the market price of our common shares on the day prior to date of notice of exercise of the Put Right and the exercise price of the option. We have the discretion to not accept any exercise of the Put Right. In addition, each holder of stock options that exercises the Put Right may purchase common shares from treasury with the proceeds of the exercise of the Put Right at the market price of our common shares. In certain circumstances as set forth in the stock option plan, a holder of stock options that exercises the Put Right may purchase common shares from us, which may, at our election, be issued on a flow-through basis under the *Income Tax Act* (Canada). The maximum number of common shares available under the Put Right is currently set at 700,000 common shares. To date, we have not issued any common shares pursuant to the exercise of this Put Right.

Our stock option plan does not contain any provisions for financial assistance by us in respect of any stock options granted thereunder.

In the event of a "change of control" of us, the expiry date(s) applicable to all stock options will be accelerated to the effective date of the change of control. Under the stock option plan, a "change of control" means:

- (a) a successful "take-over bid" as defined in Multilateral Instrument 62-104 or any replacement or successor provisions ("MI 62-104"), which is not exempt from the take-over bid requirements of MI 62-104, pursuant to which the "offeror" as a result of such take-over bid, beneficially owns, directly or indirectly, in excess of 50% of our outstanding common shares;

- (b) the issuance to or acquisition by any person, or group of persons acting in concert, of directly, or indirectly, including through an arrangement, merger or other form of reorganization of us, of our common shares which in the aggregate total 50% or more of the then issued and outstanding common shares;
- (c) the winding up or termination of us or the sale, lease or transfer of all or substantially all of our directly or indirectly held assets to any other person or persons (other than pursuant to an internal reorganization or in circumstances where our business is continued,

provided that notwithstanding the application of any of the foregoing, a "change of control" shall be deemed to not have occurred:

- (d) pursuant to an arrangement, merger or other form of reorganization of us where the holders of our outstanding voting securities or interests immediately prior to the completion of the reorganization will hold more than 50% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or
- (e) if a majority of our board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a change of control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the stock option plan.

The stock option plan contains anti-dilution provisions which allow our board to make such adjustments to the plan, to any stock option as our board of directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to employees thereunder.

In 2016, we amended our plan to give effect to changes in our retirement policies. Our plan currently provides that, unless otherwise determined by our board or unless otherwise provided in an option agreement pertaining to a particular award or any written employment or consulting agreement, the following provisions shall apply in the event that a holder ceases to be a director, officer, employee or other service provider:

- (a) *Involuntary Termination for Cause* – Upon the termination of a holder for cause, all stock options held by such person on the cessation date (whether vested or not) shall immediately terminate and become null and void and all rights to receive common shares thereunder shall be forfeited effective on the cessation date.
- (b) *Termination Upon Retirement or Death* – Upon the retirement or death of a holder, the holder or the holder's personal representative, as applicable, may, within six months from the cessation date and prior to the expiry date, exercise stock options which are vested within such period, after which time any remaining stock options held by such person (whether vested or not) shall terminate and become null and void and all rights to receive common shares thereunder shall be forfeited. Retirement is defined as either the voluntary termination at or after the age of 55 with the approval of our President and CEO or the voluntary termination of employment on or after the age of 65.
- (c) *Other Termination* – If a holder ceases to be a director, officer, employee or other service provider for any reason whatsoever, other than the termination for cause, or the death or retirement of

such holder: (i) all stock options held by the holder which have vested as of the cessation date shall be forfeited effective on the earlier of: (a) the expiry date; and (b) the date that is 30 days from the cessation date; and (ii) all stock options held by the holder which have not vested as of the cessation date shall immediately terminate and become null and void and all rights to receive common shares thereunder shall be forfeited.

Except in the case of death, the right to receive common shares pursuant to a stock option may only be exercised by a holder personally. Except as otherwise provided in the stock option plan, no assignment, sale, transfer, pledge or charge of a stock option, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such stock option whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such stock option shall terminate and be of no further force or effect.

Our stock option plan and any stock options granted pursuant thereto may, subject to any required approval of the Toronto Stock Exchange, be amended, modified or terminated without the approval of our shareholders. Notwithstanding the foregoing, the stock option plan or any stock options may not be amended without shareholder approval to:

- (a) make any amendment to the stock option plan to increase the number of common shares issuable on exercise of outstanding stock options above the plan limit;
- (b) extend the expiry date of any outstanding stock options;
- (c) make any reduction in the exercise price of a stock option or permit a reduction in the exercise price of a stock option by the cancellation and immediate re-issue of stock options or other entitlements;
- (d) change participants eligible to receive stock options under the plan to permit the introduction or re-introduction of non-employee directors on a discretionary basis;
- (e) make any amendment to the stock option plan that would permit a holder to transfer or assign stock options to a new beneficial holder other than in the case of death of the holder;
- (f) any amendment to increase the number of common shares that may be issued to a single holder above the restriction contained in the stock option plan;
- (g) any amendment to the limit on non-employee directors;
- (h) any amendment to increase the number of common shares that may be issued to an; or
- (i) an amendment to amend the amending provision of the stock option plan.

In addition, no amendment to the stock option plan or stock options granted pursuant to the stock option plan may be made without the consent of the holder, if it adversely alters or impairs any stock option previously granted to such holder under the stock option plan.

At December 31, 2015, we had 6,213,614 stock options outstanding, 4,030,670 of which were granted under our current plan and 2,016,277 of which were granted under a prior plan that expired in 2013. In

2015 we granted a total of 1,608,305 stock options to employees of NuVista. All stock option grants vest over a three year period, with a vesting of one third of the grants at each anniversary date.

A copy of our amended stock option plan will be filed on our profile on the SEDAR website at www.sedar.com on or about April 4, 2016 under the category "Other Securityholder Documents".

Restricted Share Award Plan

Our long-term incentive plans are designed to align the interests of our employees with shareholders by linking a component of compensation to the long-term performance of our common shares. Our restricted share award plan was put in place to provide the flexibility to grant restricted share awards in lieu of restricted stock units. The restricted share award program allows grantees the opportunity to retain some or all of the underlying shares rather than simply receive a cash payout as provided under the restricted stock unit plan. Restricted share awards also allow us to conserve cash for the operation of our business.

Our restricted share award plan is administered by our board, provided that our board shall have the authority to appoint a committee of the board to administer the plan. In the event that the board appoints a committee of the board to administer the plan, all references in the plan to our board will be deemed to be references to such other committee.

Our board has the full power and sole responsibility to interpret the provisions of the plan, to administer the plan and to exercise all the powers and authorities either specifically granted to it under the plan or necessary or advisable in the administration of the plan.

The number of common shares reserved for issuance from time to time pursuant to outstanding restricted share awards granted and outstanding under the plan is currently limited to 1,650,000 common shares.

If any restricted share awards granted under the plan expire, terminate or are cancelled for any reason without the common shares issued thereunder having been issued in full, any unissued common shares to which such restricted share awards relate shall be awardable for the purposes of granting of further restricted share awards under the plan. Non-management directors are not eligible to participate in the plan.

Restricted share awards may be granted under the plan to our officers, employees, consultants and other service providers and any of our controlled entities such as a subsidiary, partnership or trust provided that the aggregate number of restricted share awards granted to any single holder shall not exceed 1% of our issued and outstanding common shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares). In accordance with the rules of the Toronto Stock Exchange, the number of common shares issued to insiders within one year pursuant to the plan, and issuable to insiders at any time, under the plan or when combined with all of our other security based compensation arrangements, shall not exceed 10% of our issued and outstanding shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares).

Vesting arrangements are within the discretion of our board, and our Chief Executive Officer, in certain circumstances, although each restricted share award will typically vest on the second anniversary of the

grant date. In the event of a change of control (as defined in the plan), all outstanding restricted share awards will fully vest on the date that the change of control is completed. The expiry date of restricted share awards issued pursuant to the plan will typically be the next business day following the applicable vesting date(s) unless otherwise determined by our board or our Chief Executive Officer, in certain circumstances, provided however that in the event of a blackout period imposed upon a grantee, the expiry date will be extended to the date which is ten business days from the date that the blackout period ends and any expiry date that falls on a non-business day will be extended to the next business day.

Restricted share awards will be settled through the issuance of common shares from treasury or acquired by us on the Toronto Stock Exchange, or a combination thereof, at our discretion. In addition, in certain circumstances, a holder may request that we settle a restricted share award in cash in an amount equal to the aggregate current market value of the common shares to be issued. We may, but are not obligated to accept such election.

Unless otherwise determined by our board or our Chief Executive Officer, in certain circumstances or unless otherwise provided in a restricted share award agreement pertaining to a particular grant or any written employment agreement, upon the termination of a grantee for cause, all restricted share awards held by the grantee on the cessation date shall immediately terminate. If a grantee voluntarily ceases employment for any reason whatsoever, other than retirement, all outstanding restricted share awards which have not vested shall terminate and all vested restricted share awards will terminate on their expiry date. In the case of retirement or involuntary termination not for cause or death, a certain number of unvested restricted awards will vest in accordance with the provisions of the plan and all awards held by the grantee will expire on the earlier of their expiry date or 30 days following the cessation of employment. In the case of death of the grantee, a certain number of restricted share awards will vest in accordance with the provisions of the plan and all restricted share awards held by the grantee will expire on the earlier of their expiry date or six months following cessation of employment.

No assignment, sale, transfer, pledge or charge of a restricted share award, whether voluntary, involuntary, by operation of law or otherwise (except by will or the laws of descent and distribution), vests any interest or right in a restricted share award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such restricted share award will terminate and be of no further force or effect.

We have the right to amend the terms and conditions of the plan and any restricted share awards granted under the plan, without shareholder approval. However, the plan and any restricted share award granted thereunder may not be amended without shareholder approval to: (a) increase the number of common shares issuable on exercise of restricted share awards; (b) extend the expiry date of any outstanding restricted share awards held by insiders; (c) permit a grantee to transfer or assign restricted share awards to a new beneficial holder other than in the case of death; (d) any amendment to the limits on non-management directors contained in the plan; (e) any amendment to increase the number of common shares that may be issued to insiders above the restrictions contained in the plan or (f) amend the amendment provisions of the plan.

The plan contains anti-dilution provisions which allow our board to make such adjustments to the plan, to any restricted share awards as our board of directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to employees thereunder.

In 2015 we granted a total of 275,850 restricted share awards all of which vest two years from the date of grant. At December 31, 2015, there were 385,142 restricted share awards outstanding.

A copy of our restricted share award plan has been filed on our profile on the SEDAR website at www.sedar.com on May 21, 2015 under the category "Other Securityholder Documents".

Restricted Stock Unit Incentive Plan

We are phasing out our restricted stock unit incentive plan. No restricted stock unit grants were made in 2015 and as at December 31, 2015, there were 145,665 restricted stock units outstanding.

Our restricted stock unit incentive plan is designed to motivate all employees to focus on our long-term growth and success. The plan also provides employees with a compensation component that is linked to share performance but has less leverage to our share price than stock options. We believe that restricted stock units enhance our ability to attract and retain employees and complement the other components in our compensation program. The mix of restricted stock units, restricted share awards and stock options received by an employee is based on their level in the organization and their role. Generally the long-term incentive awards for more senior employees are weighted towards stock options and awards for other employees are weighted towards restricted stock units and restricted share awards.

All of our employees participate in the restricted stock unit incentive plan. Our outside directors are not eligible to participate in the restricted stock unit incentive plan. The terms and conditions of restricted stock units awarded under the restricted stock unit incentive plan are determined by our board based on recommendations from the Compensation Committee. Restricted stock unit awards are approved for each executive with the award value based on percentage of salary, adjusted for individual performance and other factors.

Each restricted stock unit entitles an employee to a cash payment equal to the fair market value of our underlying common shares on the date that the restricted stock unit matures. For this purpose, fair market value means the volume weighted average of the prices at which our common shares traded on the Toronto Stock Exchange for the five trading days prior to the maturity date. Unless otherwise determined by our Compensation Committee, each restricted stock unit granted pursuant to the restricted stock unit incentive plan has a fixed term of not more than 36 months less a day. All restricted stock units expire at the end of the term.

Unless otherwise provided in the grant agreement or the participant's employment contract: (i) if a holder ceases to be an employee "for cause", all restricted stock units shall be forfeited; (ii) if a holder voluntarily ceases to be an employee, all unpaid and matured restricted stock units shall be paid in full and all unmatured restricted stock units shall be forfeited; and (iii) if a holder ceases to be an employee as a result of the death or retirement or involuntary termination without cause, all unpaid and matured restricted stock units shall be payable in full and the holder shall be entitled to a proportionate share of unmatured restricted stock units. If there is a "change of control" as defined in the restricted stock unit incentive Plan, all outstanding restricted stock units are payable in full prior to the date of the change of control. All restricted stock units granted pursuant to the plan are not assignable.

Our board may amend or discontinue the restricted stock unit incentive plan or any restricted stock units granted thereunder at any time without shareholder approval; provided any amendment to the restricted stock unit incentive plan that requires approval of any stock exchange may not be made without approval

of such stock exchange. In addition, no amendment to the restricted stock unit incentive plan or restricted stock units granted thereunder may be made without the consent of the participant, if it adversely alters or impairs any restricted stock units previously granted to such participant.

Employee Stock Savings Plan

We have an employee savings plan whereby all employees, including executive officers, are encouraged to contribute up to a maximum of 6% of their salary to the employee stock savings plan. Employees can choose to direct this money into a registered or non-registered savings plan. For each dollar contributed by the employee to the plan, we contribute 1.5 dollars. The funds are used to purchase our common shares in the open market. Both the employee and the employer contributions are subject to a one-year restriction on removal from the plan. Since the plan is available to all employees, it has been successful in encouraging employees to become shareholders of us and promoting the principle of alignment with shareholder interests. The Compensation Committee considers this program to be competitive. There is no other form of retirement or savings program. All NEOs participated in the program in 2015. These amounts are included in the "All Other Compensation" on the Summary Compensation Table above.

Deferred Share Unit Plan

In March of 2016, our board approved the adoption of a new directors' deferred share unit plan. The deferred share unit plan allows our board to grant deferred share units to members of our board of directors, who are not also a full time employee of us or one of our subsidiaries, partnerships, trusts or other controlled entities. Each deferred share unit represents the right to receive a cash payment equivalent to the fair market value of our common shares, or in the case of a deferred share issued in lieu of board and committee retainers and meeting fees only, at our election, a common share issued from treasury.

The purposes of the deferred share unit plan are to: (i) promote greater alignment of the interests between our directors and our shareholders by providing a means to accumulate a financial interest in us that corresponds to the risk, responsibility and commitment of directors; (ii) support compensation that is competitive and rewards our long-term success as measured in total shareholder return; and (iii) attract and retain qualified individuals with the experience and ability to serve as directors.

The deferred share unit plan will be administered by our Compensation Committee. Subject to the Compensation Committee's reporting to and obtaining approval from our board on all matters relating to the deferred share unit plan, the Compensation Committee has sole and absolute discretion to administer the plan.

The Compensation Committee authorizes the amount of deferred share units to be granted to each of the participants for each calendar year, and the date that the grant becomes effective. In cases where a participant becomes a board member after the deferred share units for that calendar year have been granted, deferred share units may be granted as of the date of the appointment to our board and in such amount as determined by the Compensation Committee. The Compensation Committee may also from time to time determine that special circumstances justify the approval of a grant of deferred share units in addition to the other compensation to which the participant is entitled.

Participants may also elect to receive all or part of their annual remuneration in the form of deferred share units. In order to do so, participants must complete a written election form by no later than December 1

of the calendar year preceding the year in which the participant earns the deferred remuneration. For individuals who become participants after the commencement of a calendar year, and for the year in which the plan is established, participants may make an election within 30 days of becoming a director or the establishment of the plan. A participant's election for the latest calendar year will continue to apply to subsequent calendar years until the participant submits another election in respect of a calendar year. Participants may only file one election in respect of a calendar year, and that election is irrevocable for that calendar year.

Deferred share units are not transferable or assignable.

Subject to an extension for blackouts, we will credit deferred share units in respect of an election to a participant's deferred share unit account on the date that the remuneration would otherwise be payable. The number of deferred share units credited is determined by dividing the amount of the participant's deferred remuneration by the fair market value (as defined in the plan) of our common shares on the date the deferred share units are credited.

The number of common shares reserved for issuance from time to time pursuant to outstanding deferred share units granted and outstanding under the plan is currently limited to 500,000 common shares. If any deferred share units granted under the plan expire, terminate or are cancelled for any reason without the common shares issued thereunder having been issued in full, any unissued common shares to which such deferred share units relate shall be awardable for the purposes of granting of further restricted deferred share units.

The aggregate number of deferred share units granted to any single holder shall not exceed 1% of our issued and outstanding common shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares). In accordance with the rules of the Toronto Stock Exchange, the number of common shares issued to insiders within one year pursuant to the plan, and issuable to insiders at any time, under the plan or when combined with all of our other security based compensation arrangements, shall not exceed 10% of our issued and outstanding shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares).

Dividends paid on our common shares before the maturity date of the deferred share units will be credited as deferred share units to the participant's account as of the dividend payment date.

Deferred share units vest immediately upon being credited to a participant's account.

Following the date on which the participant ceases to hold all positions with us and our subsidiaries, partnerships, trusts or other controlled entities (the "**Termination Date**"), except as a result of death, all deferred share units credited to a participant's account will be redeemed as of the maturity date. The maturity date for US taxpayers is the Termination Date.

For directors who are not US taxpayers, the maturity date is December 1st of the calendar year immediately following the year of the Termination Date. Directors may file an irrevocable maturity date acceleration election subsequent to the Termination Date. Subject to the exceptions below, the elected maturity date must be no earlier than 180 days after the Termination Date and no later than December 1st of the calendar year following the Termination Date. The elected maturity date may be any time between

the Termination Date and December 1st of the following calendar year, if one of the following exceptions apply: (i) the director resigns pursuant to the "majority voting" or similar policy; (ii) the director fails to be elected as a director at a shareholder meeting after being included as a nominee in our information circular; or (iii) the director is removed from office by a vote of shareholders.

Following a participant's Termination Date except as a result of death, the participant will have the right to have the deferred share units credited to their account redeemed by us. All deferred share units and dividend entitlements thereon (if any) will be redeemed for a cash payment except that, at our election, we may redeem deferred share units and dividend entitlements thereon (if any) issued as compensation for annual board and committee retainers and meeting attendance fees, in cash or through the issuance of common shares from treasury or purchased on the market and any combination of these. The cash payment will be equal to the number of deferred share units and dividend entitlements thereon (if any) in the participant's account as of the Termination Date, multiplied by the fair market value of our common shares determined at the maturity date.

If a participant dies while in office, or after ceasing to hold any position with us and our subsidiaries, partnerships, trusts or other controlled entities but before the Maturity Date, we must make a lump sum cash payment to the participant's legal representative within 90 days of the participant's death. The cash payment will be equal to the number of deferred share units in the participant's account as of the date of the participant's death, multiplied by the fair market value of our common shares determined at the date of death.

Participants have no further rights respecting any redeemed deferred share units. Deferred share units are deemed cancelled upon redemption.

The deferred share unit plan may be amended, modified or terminated by our board of directors without shareholder approval, subject to any required approval of the Toronto Stock Exchange. Notwithstanding the foregoing, the deferred share unit plan and any deferred share units granted under the plan may not be amended without shareholder approval to: (a) increase the fixed number of common shares available to be issued under outstanding deferred share units at any time; (b) extend the term of any outstanding deferred share units; (c) permit a holder to transfer or assign deferred share units to a new beneficial holder other than in the case of death of the holder; (d) increase the number of common shares that may be issued to participants above the restriction in the deferred share unit plan; (e) increase the number of common shares that may be issued to insiders above the restriction contained in the deferred share unit plan; or (g) amend the amendment provision.

In addition, no amendment to the deferred share unit plan or deferred share units granted pursuant to the plan may be made without the consent of the holder, if it adversely alters or impairs any right previously granted to such holder under the deferred share unit plan.

The deferred share unit plan also contains anti-dilution provisions which allow our board of directors to make such adjustments to the plan and to any deferred share units as our board of directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to participants thereunder.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each NEO, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2015:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jonathan Wright	166,667	9.96	(4)	-	47,810	194,587	-
	50,000	5.00	(9)				
	75,497	4.53	(11)				
	90,000	5.41	(12)				
	75,000	8.04	(13)				
	75,000	7.03	(14)				
	82,000	10.79	(15)				
	90,000	9.57	(16)				
	82,000	8.10	(5)				
	90,000	4.25	(6)				
Ross Andreachuk	5,667	8.96	(7)	-	24,538	99,870	-
	8,667	9.41	(8)				
	18,000	5.00	(9)				
	34,603	4.53	(11)				
	28,000	5.41	(12)				
	24,000	8.04	(13)				
	26,000	7.03	(14)				
	30,000	10.79	(15)				
	44,000	9.57	(16)				
	50,000	8.10	(5)				
55,000	4.25	(6)					

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Chris McDavid	6,667	8.96	⁽⁷⁾	-	25,871	105,295	-
	8,000	9.41	⁽⁸⁾				
	17,334	5.00	⁽⁹⁾				
	40,098	4.53	⁽¹¹⁾				
	40,000	5.41	⁽¹²⁾				
	33,000	8.04	⁽¹³⁾				
	36,000	7.03	⁽¹⁴⁾				
	38,000	10.79	⁽¹⁵⁾				
	44,000	9.57	⁽¹⁶⁾				
	50,000	8.10	⁽⁵⁾				
55,000	4.25	⁽⁶⁾					
Michael Lawford	90,000	4.31	⁽¹⁰⁾	-	26,205	106,654	-
	26,424	4.53	⁽¹¹⁾				
	40,000	5.41	⁽¹²⁾				
	33,000	8.04	⁽¹³⁾				
	36,000	7.03	⁽¹⁴⁾				
	40,000	10.79	⁽¹⁵⁾				
	44,000	9.57	⁽¹⁶⁾				
	50,000	8.10	⁽⁵⁾				
	55,000	4.25	⁽⁶⁾				
	Kevin Asman	5,167	8.96	⁽⁷⁾			
8,000		9.41	⁽⁸⁾				
17,334		5.00	⁽⁹⁾				
34,603		4.53	⁽¹¹⁾				
30,000		5.41	⁽¹²⁾				
30,000		8.04	⁽¹³⁾				
30,000		7.03	⁽¹⁴⁾				
35,000		10.79	⁽¹⁵⁾				
37,500		9.57	⁽¹⁶⁾				
42,000		8.10	⁽⁵⁾				
44,000		4.25	⁽⁶⁾				

Notes:

- (1) Calculated based on the difference between the market price of our common shares at December 31, 2015 (\$4.07) and the exercise price of the options.

- (2) Includes restricted share awards granted under our restricted share award incentive plan as well as restricted stock units granted under our restricted stock unit incentive plan.
- (3) Calculated based on the value of our common shares at December 31, 2015 (\$4.07).
- (4) All of these options expire on September 30, 2016.
- (5) 33% of the options expire on November 21, 2018, November 21, 2019 and November 20, 2020 respectively.
- (6) 33% of the options expire on May 18, 2019, May 18, 2020 and May 17, 2021 respectively.
- (7) All of these options expire on May 18, 2016.
- (8) All of these options expire on December 2, 2016.
- (9) 50% of the options expire on May 21, 2016 and May 20, 2017 respectively.
- (10) 50% of the options expire on July 31, 2016 and July 30, 2017 respectively.
- (11) 50% of the options expire on December 1, 2016 and November 30, 2017 respectively.
- (12) 33% of the options expire on May 27, 2016, May 27, 2017 and May 26, 2018 respectively.
- (13) 33% of the options expire on December 1, 2016, December 1, 2017 and November 30, 2018 respectively.
- (14) 33% of the options expire on June 20, 2017, June 20, 2018 and June 19, 2019 respectively.
- (15) 33% of the options expire on November 27, 2017, November 27, 2018 and November 26, 2019 respectively.
- (16) 33% of the options expire on May 10, 2018, May 10, 2019 and May 9, 2020 respectively.

Incentive Plan Awards – Value Vested or Earned During the Year

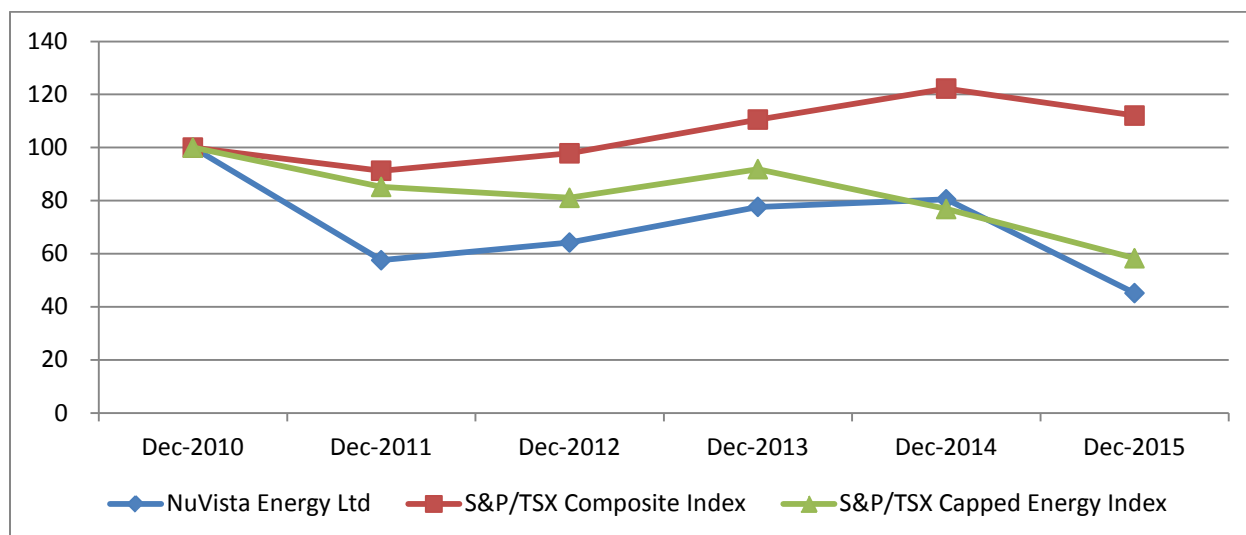
The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended December 31, 2015, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jonathan Wright	28,689	183,446	175,000
Ross Andreachuk	13,149	65,910	70,000
Chris McDavid	15,237	86,974	70,000
Michael Lawford	154,737	78,876	70,000
Kevin Asman	13,149	75,928	58,000

Notes:

- (1) Calculated based on the difference between the market price of our common shares on the vesting date and the exercise price of the options on the vesting date.
- (2) Calculated based on the five day volume weighted average share price for the five trading days prior to the vesting date.

Performance Graph



	2010/12	2011/12	2012/12	2013/12	2014/12	2015/12
NuVista Energy Ltd.	100	58	64	78	81	45
S&P/TSX Composite Index ⁽¹⁾	100	91	98	111	122	112
S&P/TSX Capped Energy Index ⁽²⁾	100	85	81	92	77	58

Notes:

- (1) The S&P/TSX was previously called the TSE 300 Index.
- (2) The S&P/TSX Capped Energy Index.

Our cumulative shareholder return performance reflects both operational and financial performance within our control as well as volatile commodity prices and economic and market conditions beyond our control with the impact of the decline in the global economy and more recently with the collapse of North American natural gas prices and world oil prices.

Salaries and variable pay for our executive officers are based on peer company salary levels and the board's assessment of annual corporate and individual performance based on financial and operating performance metrics and other pertinent considerations. The variable pay amounts awarded do not necessarily track the annual change in the market value of our common shares.

Our long-term incentive plans are designed to align the interests of employees, including NEOs, with shareholders by linking a component of compensation to our common share performance. The mix of stock options and restricted stock units in our NEOs compensation is more heavily weighted towards stock options.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders:			
Stock Option Plan ⁽¹⁾	4,030,670	\$7.89	915,339
Prior Stock Option Plan ⁽²⁾	2,016,277	\$5.41	-
Share Award Plan ⁽³⁾	385,142	N/A	873,048
Equity compensation plans not approved by securityholders:			
Inducement Options ⁽⁴⁾	166,667	\$9.96	N/A
Total ⁽⁵⁾⁽⁶⁾	6,175,098		1,778,387

Notes:

- (1) As at December 31, 2015, an aggregate of 4,030,670 stock options were outstanding under our current stock option plan. The maximum number of common shares available under our stock option plan is currently limited to 5,000,000 although we are seeking approval at this meeting to increase this limit to 8,900,000. In addition, if any option granted under this option plan expires, terminates or is cancelled without the underlying common shares having been issued, such common shares will be available for further option grants under the plan.
- (2) As at December 31, 2015, an aggregate of 2,016,277 stock options were outstanding under our prior stock option plan which expired on May 13, 2013 and was replaced by our current stock option plan.
- (3) Under our restricted share award incentive plan, the number of common shares reserved for issuance from time to time pursuant to outstanding share awards granted and outstanding under the plan shall not exceed 1,650,000 common shares. In addition, if any share award granted under the share award plan expires, terminates or is cancelled without the underlying common shares having been issued, such common shares will be available for further grants under the plan.
- (4) Represents inducement options granted to our President and Chief Executive Officer effective March 30, 2011.
- (5) Does not include 500,000 common shares that will be reserved for issuance under our deferred share unit plan if the plan is approved at the meeting.
- (6) During the year ended December 31, 2015, we issued 609,538 common shares pursuant to stock options exercised during the year and 14,779 common shares pursuant to share awards settled during the year.

Pension Plan Benefits

We do not have any pension plans for our employees. We have established a savings plan to assist employees in meeting their savings goals. See "*Compensation Discussion and Analysis – Employee Stock Savings Plan*".

Employment Agreements

We have entered into employment agreements with each of our current NEOs pursuant to which we have agreed to make certain payments to the executive in the event of termination without cause, a "change of control" without termination and a "change of control" with termination. The following is a description of payments or the nature of the vesting of long-term incentives due to the NEO's departure upon resignation, termination without cause, normal retirement, and change of control without termination and a change of control with termination. For the purpose of the employment agreements, termination includes constructive dismissal.

Resignation

- Retiring allowance – none.
- Stock options – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all stock options vested or vesting within such period.
- Restricted stock units – all unpaid and unmatured restricted stock units are forfeited as of the date of ceasing to be an employee.
- Restricted share awards – all unvested restricted share awards are forfeited as of the date of ceasing to be an employee.

Termination Without Cause

- Retiring allowance to be paid within five business days of termination consisting of:
 - One and one-half times the NEO's current base salary; and
 - 20% of such amounts in-lieu of employment benefits; and
 - One times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the variable pay amount paid to the NEO in the two years prior to termination. Mr. Wright's and Mr. Lawford's employment agreements provide for payment one and one-half times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the cash variable pay amount paid to the NEO in the two years prior to termination.
- Stock options – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all stock options vesting within one and one-half years of the date of ceasing to be an employee.

- Restricted stock units – payment is received for all unpaid and matured restricted stock units and a proportionate share of unmatured restricted stock units.
- Restricted share awards – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all restricted share awards that have vested on the date of ceasing to be an employee plus a proportionate number of restricted share awards that had not yet vested.

Normal Retirement

- Retiring allowance – none.
- Stock options – within six months of ceasing to be an employee, the NEO can exercise all stock options vested or vesting within six months of the date of ceasing to be an employee.
- Restricted stock units – payment is received for all unpaid and matured restricted stock units and a proportionate share of unmatured restricted stock units.
- Restricted share awards – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all restricted share awards that have vested on the date of ceasing to be an employee plus a proportionate number of restricted share awards that had not yet vested.
- At the discretion of the CEO, stock options granted under our 2010 and 2013 stock option plans that would have vested had the eligible retiring employee continued employment for two years after the retirement date, will vest on the retirement date, and with respect to options under the 2013 plan the retiring employee will have 6 months after the retirement date to exercise the vested options and with respect to options under the 2010 plan the retiring employee will have 30 days after the retirement date to exercise the vested options.

Change of Control Without Termination

- Retiring allowance – none.
- Stock options – all stock options outstanding vest prior to the change of control in accordance with the stock option agreement.
- Restricted stock units – all unpaid and matured or unmatured restricted stock units are payable.
- Restricted share awards – all outstanding restricted share awards vest on the change of control and the underlying common shares are issued.

Change of Control With Termination

- Retiring allowance to be paid within five business days of termination consisting of:
 - One and one-half times the NEO's current base salary;

- 20% of such amounts of employment benefits; and
- One times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the cash variable pay amounts paid to the NEO in the two years prior to termination. Mr. Wright's and Mr. Lawford's employment agreements provide for payment of one and one-half times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the cash variable pay amounts paid to the NEO in the two years prior to termination.
- Stock options – all stock options outstanding vest prior to the change of control in accordance with the stock option agreement.
- Restricted stock units – all unpaid and matured or unmatured restricted stock units are payable.
- Restricted share awards – all outstanding restricted share awards vest on the change of control and the underlying common shares are issued.

Other key terms of the employment agreements:

- We are entitled to terminate a NEO's employment for just cause at any time without notice and without any payment to the NEO whatsoever, save and except only for payment of the pro-rata salary earned for services rendered up to and including the termination date, plus any outstanding vacation pay and expenses.
- The NEO may resign by providing us with two months advance written notice of the resignation date.
- Should there be a change of control and an event that constitutes constructive dismissal within six months of the change of control, the NEO has the right, for a period of ninety days following the event or events that constituted the change of control, to elect to terminate his employment upon providing us with one week advance written notice.
- In the event of a change of control and the NEO elects to terminate his employment, the NEO will be required, at our option, to continue his employment with us for a period of up to two months at the NEO's then existing compensation package, to assist us in an orderly transition of management.

The following table summarizes the estimated payments and benefits to each of our current NEOs as if the employment events listed above had occurred on December 31, 2015:

Name	Resignation (\$)	Termination (without cause) (\$)	Normal Retirement (\$)	Change of Control without Termination (\$) ⁽¹⁾	Change of Control with Termination (\$)
Jonathan Wright	-	1,219,077	171,485	194,587	1,230,587
Ross Andreachuk	-	614,697	36,207	99,870	836,041
Chris McDavid	-	620,122	40,501	105,295	851,357
Michael Lawford	-	657,161	41,579	106,654	1,000,738
Kevin Asman	-	536,859	35,759	89,450	732,618

Note:

- (1) Mr. Wright's contract was amended subsequent to year end to include a double trigger so that he will only be entitled to a retiring allowance on a change of control with termination. Mr. Wright's amounts reflect this amendment.

EQUITY OWNERSHIP

The following table summarizes the common shares and other securities beneficially owned, controlled or directed (directly or indirectly) by each of our named executive officers and all of our directors as of March 11, 2016 based on information provided by such individuals.

	Common Shares ⁽¹⁾		Stock Options ⁽²⁾		Share-based awards ⁽³⁾		Total Value (\$)
	Amount (#)	Value (\$)	Amount (#)	Value (\$)	Amount (#)	Value (\$)	
Jonathan Wright	241,887	1,187,665	876,164	88,089	34,143	167,642	1,443,396
Ross Andreachuk	33,119	162,614	323,937	49,449	19,538	95,932	307,995
Chris McDavid	74,599	366,281	368,099	51,537	19,538	95,932	513,750
Michael Lawford	82,394	404,555	414,424	100,341	19,538	95,932	600,827
Kevin Asman	56,876	279,261	313,604	42,189	16,145	79,272	400,722
Total Named Executive Officers	488,875	2,400,376	2,296,228	331,605	108,902	534,709	3,266,690

	Common Shares ⁽¹⁾		Stock Options ⁽²⁾		Share-based awards ⁽³⁾		Total Value (\$)
	Amount (#)	Value (\$)	Amount (#)	Value (\$)	Amount (#)	Value (\$)	
Keith A. MacPhail	2,603,274	12,782,075	31,000	-	-	-	12,782,075
W. Peter Comber	23,400	114,894	23,000	-	-	-	114,894
Ronald J. Eckhardt	145,649	715,137	39,000	-	-	-	715,137
Pentti O. Karkkainen	68,000	333,880	31,000	-	-	-	333,880
Ronald J. Poelzer	3,486,277	17,117,620	31,000	-	-	-	17,117,620
Brian G. Shaw	64,301	315,718	15,000	-	-	-	315,718
Sheldon B. Steeves	20,500	100,655	39,000	-	-	-	100,655
Grant A. Zawalsky	161,556	793,240	31,000	-	-	-	793,240
Total Outside Directors	6,572,957	32,273,219	240,000	-	-	-	32,273,219
Total Directors and NEOs	7,061,832	34,673,595	2,296,208	331,605	108,902	534,709	35,539,909

Notes:

- (1) The value of the common shares was based on the closing price of our common shares on the Toronto Stock Exchange on March 11, 2016 (\$4.91).
- (2) The value of the stock options was calculated based on the difference between the closing price of our common shares on the Toronto Stock Exchange on March 11, 2016 and the exercise price of the stock options.
- (3) Includes restricted share awards, as applicable. The value of the restricted share awards was based on the closing price of our common shares on the Toronto Stock Exchange on March 11, 2016.

OWNERSHIP GUIDELINES

Our board believes it is important that our directors and our senior officers demonstrate their commitment to our stewardship through common share ownership.

We have established an equity ownership policy that non-management directors must have an equity ownership interest in our common shares within six months of joining our board of at least three times their annual board retainer. Following the phase-in period, directors are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.

In 2016, following a review of our executive compensation governance practices, we amended our equity ownership policy to include our Chief Executive Officer, Chief Financial Officer and all of our Vice Presidents, although our Chief Executive Officer has always had ownership requirements under his employment contract.

The policy requires our CEO to maintain an equity ownership interest in our common shares equal to at least three times his annual base salary within five years from the later of the commencement of employment or December 31, 2015. Our other officers are required to maintain an equity ownership interest in our common shares equal to at least two times their annual base salary within five years from the later of the commencement of employment or December 31, 2015. Officers are expected to work towards this goal and will be required to meet one-fifth of this requirement cumulatively for each year of the phase-in period. Following the phase-in period, these officers are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.

The following table sets out the total ownership level of our named executive officers and each of our non-management directors as at March 11, 2016, relative to our equity ownership policy:

Name	Amount of Annual Salary/Retainer (\$)	Ownership Value Guideline (\$)	Ownership Value (\$) ⁽¹⁾	Guideline Met (Y) or Not Met (N) ⁽²⁾⁽³⁾
Named Executive Officers:				
Jonathan Wright	455,000	1,365,000	1,187,665	Y
Ross Andreachuk	264,800	529,600	162,614	N
Chris McDavid	264,800	529,600	366,281	N
Michael Lawford	265,200	530,400	404,555	N
Kevin Asman	231,500	463,000	279,261	Y
Directors:				
Keith A. MacPhail ⁽⁵⁾	-	-	12,782,075	Y
W. Peter Comber	50,000	150,000	114,894	Y
Ronald J. Eckhardt	50,000	150,000	715,137	Y
Pentti O. Karkkainen	50,000	150,000	333,880	Y
Ronald J. Poelzer ⁽⁵⁾	-	-	17,117,620	Y
Brian G. Shaw	50,000	150,000	315,718	Y
Sheldon B. Steeves	50,000	150,000	100,655	Y
Grant A. Zawalsky	50,000	150,000	793,240	Y

Notes:

- (1) Based on the closing price of the common shares on the Toronto Stock Exchange on March 11, 2016 (being \$4.91).
- (2) For the purposes of compliance with the policy, the value of holdings is based on the higher of average cost base or the current market price. As a result, the value presented may be less than the required multiple although the guideline has been met.

- (3) Officers that do not meet the ownership guideline have until December 31, 2020 to meet the ownership guideline.
- (4) Does not include our Vice President, Land who currently holds common shares which were valued at \$186,030 as of March 11, 2016 based on the closing price of our common shares on that date.
- (5) Mr. MacPhail and Mr. Poelzer have requested that they not receive any retainer or meeting fees. If they received the annual retainer paid to our other directors their ownership value guideline would be \$150,000.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

For the year ended December 31, 2015, we purchased directors' and officers' liability insurance with an annual aggregate limit of \$30 million. The premium expensed in the fiscal year ended December 31, 2015, for the liability insurance was \$97,000. The program carries a deductible of \$200,000 which would be our responsibility.

In addition, we have entered into indemnity agreements with each of our directors and officers pursuant to which we have agreed to indemnify such directors and officers from liability arising in connection with the performance of their duties. Such indemnity agreements conform to the provisions of the *Business Corporations Act* (Alberta).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the most recently completed fiscal period was there any indebtedness of any executive officer, director, employee or any former executive officer, director or employee, or any associate of any of the foregoing to us or to any other entity which is, or at any time since the beginning of the most recently completed financial period, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or as set forth below, there were no material interests, direct or indirect, of our insiders, proposed nominees for election as directors, or any associate or affiliate of such insiders or nominees since January 1, 2015 or in any proposed transaction, which has affected or would materially affect us or any of our subsidiaries.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Our management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of our last financial year, any proposed nominee for election as a director, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the meeting, save as is disclosed herein.

ADDITIONAL INFORMATION

Upon request, we will provide securityholders with a copy of our 2015 annual financial statements and associated management's discussion and analysis of financial condition and results of operations, as well as a copy of our annual information form, subsequent interim financial statements and management's discussion and analysis and this information circular - proxy statement. Our annual information form also contains disclosure relating to our audit committee and the fees paid to KPMG LLP in 2015.

Copies of these documents may be obtained on request without charge from our Vice President, Finance and Chief Financial Officer at 3500, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, telephone (403) 538-8500 or by accessing the disclosure documents available through the Internet on SEDAR website at www.sedar.com.

OTHER MATTERS

Our management knows of no amendment, variation or other matter to come before the meeting other than the matters referred to in the notice of annual and special meeting. However, if any other matter properly comes before the meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

The contents and the sending of this information circular - proxy statement have been approved by our directors.

Dated: March 24, 2016

TSX: NVA

NUVISTA ENERGY LTD.

3500, 700 2ND STREET S.W.

CALGARY, ALBERTA

T2P 2W2

www.nuvistaenergy.com