NUVISTA ENERGY LTD

ANNOUNCES Q1 2008 RESULTS

Press Release May 8, 2008

Calgary – NuVista Energy Ltd. is pleased to announce its financial and operating results for the three months ended March 31, 2008 as follows:

Corporate Highlights

	Three Months ended March 31,		
	2008	**2007**	**% Change**
Financial			
($ thousands, except per share)			
Production revenue	97,064	54,822	77
Funds from operations (1)	53,434	27,811	92
Per share – basic	0.88	0.57	54
Per share – diluted	0.87	0.56	55
Net earnings	7,150	4,832	48
Per share – basic	0.12	0.10	20
Per share – diluted	0.12	0.10	20
Total assets	1,355,671	612,993	121
Long-term debt, net of working capital	423,208	178,036	138
Shareholders' equity	720,033	303,172	137
Net capital expenditures	50,908	35,948	42
Corporate acquisition (non-cash)	594,944	-	-
Weighted average common shares outstanding (thousands):			
Basic	60,678	49,023	24
Diluted	61,137	49,799	23
Operating			
(boe conversion – 6:1 basis)			
Production:			
Natural gas (mcf/d)	85.5	66.2	29
Natural gas liquids (bbls/d)	1,105	208	431
Oil (bbls/d)	3,985	2,162	84
Total oil equivalent (boe/d)	19,339	13,409	44
Product prices: (2)			
Natural gas ($/mcf)	7.83	7.50	4
Natural gas liquids ($/bbl)	77.74	55.22	41
Oil ($/bbl)	76.69	50.84	51
Operating expenses:			
Natural gas and natural gas liquids ($/mcfe)	1.14	1.01	13
Oil ($/bbl)	10.53	15.84	(34)
Total oil equivalent ($/boe)	7.62	7.64	-
General and administrative expenses ($/boe)	1.25	0.88	42
Funds from operations netback ($/boe) (1)	30.37	23.05	32

NOTES:

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

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

MESSAGE TO SHAREHOLDERS

NuVista Energy Ltd. (“NuVista”) is pleased to report to shareholders the financial and operating results for the three months ended March 31, 2008. On March 4, 2009 NuVista completed the most significant transaction in its history, the business combination with Rider Resources Ltd. (“Rider”) and the associated financing with the Ontario Teachers’ Pension Plan (“OTPP”). The business combination solidifies NuVista’s position as a premium intermediate oil and gas company with a five year track record of adding value to shareholders, and adds a high impact deep gas exploration component to existing shallow gas and heavy oil opportunity inventory. NuVista’s Board of Directors and management are pleased with how NuVista completed the acquisition of Rider and the progress made on the integration of the two companies.

The accretion resulting from this business combination, coupled with increasing commodity prices, has resulted in record production levels of 19,339 boe/d for the first quarter with a 74% natural gas weighting, and the highest reported funds from operations per share in the Company’s history. As the first quarter results only include results from the Rider operations effective March 4, 2008, production volumes are expected to increase further in the second quarter and NuVista expects to realize additional accretion on a per share basis. Over the past three months, the outlook for commodity prices has increased dramatically with netbacks now forecast to increase by a further 15% for the remainder of 2008. NuVista’s production for March and April 2008 was approximately 27,000 boe/d. NuVista has positioned itself to continue to grow profitably in the future.

NUVISTA-RIDER BUSINESS COMBINATION

The business combination with Rider has resulted in NuVista becoming an intermediate natural gas focused company with an asset base and technical teams in place to continue to create shareholder value through production per share and reserves per share growth. The Rider asset base is well suited to NuVista’s existing business strategy which emphasizes long-term sustainability and growth based upon an acquire and develop business model in multi-zone areas with a focus on low operating costs and high working interests. The business combination added three new core areas in liquid rich, natural gas prone regions of Alberta that are characterized by high netbacks and longer reserve life production. The Rider assets also added a high impact deep natural gas drilling inventory to the existing exploration and development program consisting primarily of shallow gas and heavy oil.

NuVista’s production is now balanced between the west of the third and fourth meridian (“W3/4M”), and the west of the fifth and sixth meridian (“W5/6M”) producing regions. The Company is now poised for growth in these regions, both organically and through acquisitions. With the business combination, NuVista increased its undeveloped land inventory to over 750,000 acres while maintaining a high working interest of 77% in the undeveloped lands and top quartile operating costs targeting $7.50/boe. The asset base remains highly concentrated with only 300 boe/d of production outside existing core areas. The combination was completed at attractive acquisition metrics, at a time when natural gas was out of favour, and is accretive to NuVista on net asset value, reserves, production, and funds from operations on a per share basis.

FIRST QUARTER CAPITAL PROGRAM

NuVista completed a capital expenditure program of $50.9 million during the first quarter of 2008. Approximately half of these expenditures were spent on a property acquisition in the Provost Core area. The acquired properties are currently producing over 700 boe/d net to NuVista and the asset acquisition is forecast to result in recycle ratios in excess of 3:1. NuVista reduced its exploration and development capital expenditures during the quarter in order to maintain its financial flexibility following the business combination with Rider. Exploration and development expenditures within NuVista totaled $25.5 million, and included participation in 19 wells resulting in 7 gas wells, 7 oil wells and 5 dry wells. Prior to closing the business combination, Rider spent approximately $24 million in 2008 primarily in the Wapiti and Waskahigan areas. During this period Rider drilled 9 wells that resulted in 5 natural gas wells, 3 dry holes and 1 standing well. A significant portion of the combined capital program was spent on tie-ins and facilities to connect behind pipe volumes.

For the remainder of 2008, NuVista has currently budgeted capital expenditures of $115 million to $125 million, with all of the expenditures focused on exploration and development activities. Approximately 40% of capital will be spent in the W5/6M region which will result in participation in approximately 20 wells, and the remaining 60% of capital expenditures will be focused in the W3/4M region which is expected to result in participation in about 100 wells.

PRO FORMA RESERVES DISCLOSURE

NuVista's stand-alone reserves at December 31, 2007 were previously released in the press release dated March 6, 2008 and in the Annual Information Form dated March 28, 2008. As a result of the Rider business combination, along with the Provost acquisition and the changing business outlook for commodity prices, NuVista has provided additional pro forma reserves data disclosure with respect to:

1. Pro forma reserves estimates from a third party reserve evaluator, GLJ Petroleum Consultants Ltd. ("GLJ") for the sum of NuVista, Rider and the Provost acquisition as at December 31, 2007.
2. The impact of rising commodity prices on valuation for the pro forma total company.
3. The impact of the Alberta New Royalty Framework (the "NRF"), particularly in light of higher commodity prices.

The following observations are apparent from a review of the pro forma reserves data:

- NuVista continues to adopt a conservative booking philosophy as it pertains to reserves. Proven reserves represent over 71% of total reserves and 78% of total present value, and the majority of the probable reserves relate to producing wells. On a relative basis the reserve report contains a small amount of future capital.
- On a stand-alone basis the Rider business combination and Provost acquisition were highly accretive to NuVista shareholders, with pro forma accretion of 23% in proven plus probable reserves net present value per share at a discount rate of 10% based upon GLJ's January 1, 2008 price forecast. On a debt adjusted basis, accretion of approximately 19% was achieved with April 14, 2008 market strip prices.
- The impact of commodity price increases over the past three months has a significant impact on NuVista's present value. Average prices forecasted by GLJ on January 1, 2008 in the 5 year period from 2008 to 2012 were US $85.60/bbl for WTI oil and CDN $7.42/mmbtu for AECO natural gas. By April 14, 2008 the market strip prices had climbed to US $104.75/bbl for WTI oil and CDN $8.77/mmbtu for AECO natural gas. The net present value of NuVista's existing pro forma reserve base utilizing the April 14, 2008 market strip prices, resulted in a 29% increase in net present value per share (approximately $4.60/share).
- The impact of the proposed NRF on NuVista remains unclear at this time due to the lack of formal legislation on the deep gas royalty adjustment as it pertains to wells which are in existence prior to January 1, 2009. It is NuVista's current view, based on communication with Government of Alberta representatives, that wells existing prior to 2009 and deeper than 2,000 metres will receive a deep gas adjustment to royalties (high case scenario). The overall impact of the NRF on the net present value of reserves is not significant in the high case scenario where grandfathering of the existing deep wells is adopted and less than a 5% reduction in the less likely low case scenario where the deep gas royalty adjustment applies only to wells drilled after 2009.
- Based on the April 14, 2008 market strip prices, the impact of the NRF on 2009 funds from operations for NuVista is estimated to be approximately $15 million in the high case scenario and approximately $35 million in the low case scenario.

FINANCIAL FLEXIBILITY

The maintenance of financial flexibility and the prudent stewardship of capital have become hallmarks of NuVista's business plan over the past four and one half years. At the time of announcing the Rider business combination, the outlook for natural gas prices was uncertain. On January 7, 2008, NuVista announced the business combination with Rider through a plan of arrangement. This transaction featured the issuance of equity to reduce debt levels in the combined entity through a private placement of units consisting of common shares and warrants with the OTPP, for proceeds of $84 million. OTPP has become a significant shareholder in NuVista and the Company looks forward to further developing the relationship with this strategic long-term equity partner.

On March 4, 2008, concurrent with the closing of the business combination, NuVista increased the maximum borrowing commitment of its credit facilities to $450 million, and expanded its lending syndicate from four to seven financial institutions. On March 5, 2008, NuVista repaid the US $99.5 million second lien term loan assumed from the Rider acquisition and terminated the related cross-currency interest rate swap, replacing this higher cost debt with bank borrowings.

NuVista took advantage of the rising natural gas price environment in February and March to hedge a significant portion of its natural gas production from April to October 2008, at a level which would allow NuVista to return financial flexibility to the balance sheet by the fourth quarter of 2008. In addition, NuVista entered into crude oil hedges as part of its ongoing price risk management program. Subsequent to entering into these hedges, natural gas and crude oil prices have increased and while NuVista expects to achieve its debt reduction target earlier than anticipated, it will also experience price and risk management losses.

Based on current commodity price forecasts and the current capital budget, NuVista forecasts the ratio of year end debt to fourth quarter annualized funds from operations to be less than 1.0:1. NuVista is forecasting to exit 2008 with over $150 million of available debt capacity on existing credit lines and the anticipated exercise of the warrants prior to

March 5, 2009 will result in net proceeds of $46.6 million. This creates significant financial flexibility to expand NuVista's business plan through increased exploration and development activities or strategic acquisitions.

PRO FORMA RESERVES DATA

NuVista closed the acquisition of Rider on March 4, 2008 and closed the acquisition of heavy oil assets in the Provost core area on January 8, 2008. Reserves data disclosure included in the Annual Information Form dated March 28, 2008 was as of December 31, 2007 and therefore did not include the reserves associated with these acquisitions. The Annual Information Form is available on SEDAR at www.sedar.com.

The pro forma reserves data set forth below is based on a compilation of GLJ's evaluation of NuVista's reserves, Rider's reserves, and the reserves associated with the Provost acquisition, all with an effective date of December 31, 2007 ("GLJ Report"). The pro forma reserves data summarizes crude oil, natural gas liquids and natural gas reserves and the net present values of future net revenue for these reserves using forecast prices and costs, not including the impact of any hedging activities. The GLJ Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation ("COGE") Handbook and the reserve definitions contained in NI 51-101.

All evaluations of future net revenue are after the deduction of royalties, development costs, production costs and well abandonment costs but before consideration of future income taxes, indirect costs such as administrative overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of NuVista's reserves. There is no assurance that the forecast price and cost assumptions contained in the GLJ Report or the market strip prices on April 14, 2008 will be attained and variations could be material. Other assumptions and qualifications relating to costs and other matters are summarized in the notes to or following the tables below. Readers should review the definitions and information contained in "Definitions and Notes to Reserves Data Tables" included in the Annual Information Form in conjunction with the following tables and notes. The recovery and reserve estimates on the properties described herein are estimates only. The actual reserves on the properties may be greater or less than those calculated.

Due to uncertainties and lack of sufficient details to determine royalties for some product types under the proposed NRF, the pro forma reserves data set forth below has been prepared using the existing royalties. However, a high and low sensitivity calculation with respect to the potential impact of the NRF is provided in certain of the reserves data tables set forth below. Readers should review "Industry Conditions – Provincial Royalties and Incentives – Alberta" and "Risk Factors – New Alberta Royalty Regime" in the Annual Information Form.

The term "Boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A Boe conversion ratio of six thousand cubic feet per barrel (6 Mcf: 1 Bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Pro Forma Total Company Interest Reserves Data (Before Tax and at Forecast Prices and Costs)

SUMMARY OF OIL AND NATURAL GAS PRO FORMA TOTAL COMPANY INTEREST RESERVES AND NET PRESENT VALUES OF FUTURE NET REVENUE AS OF DECEMBER 31, 2007 GLJ FORECAST PRICES AND COSTS AS AT JANUARY 1, 2008

RESERVES [1] [2] [3]

RESERVES CATEGORY	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	Total Company Interest[1] (Mbbls)	Net (Mbbls)	Total Company Interest[1] (Mbbls)	Net (Mbbls)	Total Company Interest[1] (MMcf)	Net (MMcf)	Total Company Interest[1] (Mbbls)	Net (Mbbls)
PROVED:								
Developed Producing	3,306	2,923	4,198	3,796	201,085	157,954	4,565	3,204
Developed Non-Producing	84	77	526	448	24,459	19,373	674	471
Undeveloped	40	36	566	481	7,744	6,325	84	53
TOTAL PROVED	3,430	3,036	5,291	4,725	233,288	183,652	5,323	3,728
PROBABLE	1,012	902	1,886	1,671	98,879	79,262	2,202	1,542
TOTAL PROVED PLUS PROBABLE	4,442	3,938	7,177	6,396	332,167	262,914	7,525	5,270

NET PRESENT VALUES OF FUTURE NET REVENUE BEFORE INCOME TAXES DISCOUNTED AT (%/year) [1] [2] [3]

RESERVES CATEGORY	0% ($000s)	5% ($000s)	8% ($000s)	10% ($000s)	15% ($000s)
PROVED:					
Developed Producing	1,324,850	1,031,220	919,160	859,770	746,018
Developed Non-Producing	144,728	110,931	97,981	91,092	77,832
Undeveloped	45,210	33,974	29,397	26,873	21,819
TOTAL PROVED	1,514,789	1,176,126	1,046,538	977,735	845,670
PROBABLE	668,267	395,580	314,139	275,420	209,034
TOTAL PROVED PLUS PROBABLE	2,183,055	1,571,706	1,360,678	1,253,155	1,054,703

Notes:

(1) Total Company Interest reserves means total working interest and/or royalty interest share before deducting the amounts attributable to royalties owned by others.

(2) Undiscounted future development costs included in the evaluation for total proved reserves were $35.0 million and for total proved plus probable were $80.1 million.

(3) Numbers may not add due to rounding.

SUMMARY OF PRO FORMA TOTAL COMPANY INTEREST RESERVES AND OPERATING DATA AS OF DECEMBER 31, 2007

FORECAST PRICES AND COSTS

	GLJ January 1, 2008	GLJ April 1, 2008	Market Strip at April 14, 2008	Market Strip at April 14, 2008 NRF High [2]	Market Strip at April 14, 2008 NRF Low [2]
PRO FORMA TOTAL COMPANY INTEREST RESERVES [1] (MMBoe):					
Total Proved	52.9	53.1	53.3	53.3	53.2
Total Proved plus Probable	74.5	74.8	75.1	75.0	75.0
NET PRESENT VALUES OF FUTURE REVENUE BEFORE TAX AND DISCOUNTED AT 10% ($ million):					
Total Proved	978	1,089	1,268	1,270	1,222
Total Proved plus Probable	1,253	1,391	1,615	1,609	1,548
FORECAST PRODUCT PRICES:					
WTI Crude Oil (US$/Bbl)					
2007	72.39	72.39	72.39	72.39	72.39
2008	92.00	97.41	110.68	110.68	110.68
2009	88.00	90.00	105.93	105.93	105.93
AECO Natural Gas ($/mmbtu)					
2007	6.65	6.65	6.65	6.65	6.65
2008	6.75	8.11	9.57	9.57	9.57
2009	7.55	8.20	9.04	9.04	9.04
OPERATING NETBACKS [3] ($/Boe)					
2007 Actual	25.43	25.43	25.43	25.43	25.43
2008 Forecast (before hedging activities)	29.77	36.02	42.19	42.19	42.19
2009 Forecast (before hedging activities)	31.66	33.88	39.31	37.61	35.97

Notes:

(1) Total Company Interest reserves means total working interest and/or royalty interest share before deducting the amounts attributable to royalties owned by others.

(2) The methodology used to calculate the new royalties for the net present value of future net revenue amounts was based on the following criteria: (i) in the case of heavy oil, a heavy oil par price was used for the high case and for the low case the light oil par price was used; (ii) since we do not

have a substantial volume of solution gas, application of the new conventional gas royalty formula on solution gas production will not be material to our overall net percent value so no changes were made; and (iii) in the case of deep gas, GLJ assumed that the deep gas royalty adjustment applies to all existing and future wells in the high case and for the low case GLJ assumed that the deep gas royalty adjustment only applies to wells drilled after 2008.

(3) Operating netbacks are equal to revenues less royalties and operating costs.

Pricing Assumptions

(a) GLJ January 1, 2008 Pricing and Cost Assumptions

As stated in our Annual Information Form.

(b) GLJ April 1, 2008 Pricing and Cost Assumptions

SUMMARY OF FORECAST PRICE AND COST ASSUMPTIONS
GLJ FORECAST AS AT APRIL 1, 2008

	OIL				NATURAL GAS	NATURAL GAS LIQUIDS	NATURAL GAS LIQUIDS		
Year	WTI Cushing Oklahoma ($US/Bbl)	Edmonton Par Price 40° API ($Cdn/ Bbl)	Hardisty Heavy 12° API ($Cdn/ Bbl)	Cromer Medium 29. 3° API ($Cdn/ Bbl)	AECO Gas Price ($Cdn/ MMBtu)	Edmonton Propane ($Cdn/Bbl)	Edmonton Butane ($Cdn/Bbl)	INFLATION RATES % / Year (1)	EXCHANGE RATE ($US/$Cdn)(2)
Forecast									
2008	97.41	96.93	59.04	83.53	8.11	60.41	78.42	2.0	0.998
2009	90.00	89.10	52.82	76.63	8.20	56.13	71.28	2.0	1.000
2010	86.00	85.10	50.40	73.19	8.10	53.61	68.08	2.0	1.000
2011	85.00	84.10	49.80	72.33	7.95	52.98	67.28	2.0	1.000
2012	85.00	84.10	49.80	72.33	8.01	52.98	67.28	2.0	1.000
2013	85.00	84.10	50.89	72.33	8.18	52.98	67.28	2.0	1.000
2014	85.00	84.10	51.98	72.33	8.36	52.98	67.28	2.0	1.000
2015	86.15	85.25	53.82	73.32	8.54	53.71	68.20	2.0	1.000
2016	87.87	86.97	56.05	74.79	8.72	54.79	69.58	2.0	1.000
2017	89.63	88.73	57.21	76.31	8.91	55.90	70.98	2.0	1.000
2018+	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr		

(c) NuVista April 14, 2008 Market Strip Pricing and Cost Assumptions

SUMMARY OF FORECAST PRICE AND COST ASSUMPTIONS
NUVISTA MARKET STRIP AS AT APRIL 14, 2008

	OIL				NATURAL GAS	NATURAL GAS LIQUIDS	NATURAL GAS LIQUIDS		
Year	WTI Cushing Oklahoma ($US/Bbl)	Edmonton Par Price 40° API ($Cdn/ Bbl)	Hardisty Heavy 12° API ($Cdn/ Bbl)	Cromer Medium 29. 3° API ($Cdn/ Bbl)	AECO Gas Price ($Cdn/ MMBtu)	Edmonton Propane ($Cdn/Bbl)	Edmonton Butane ($Cdn/Bbl)	INFLATION RATES % / Year (1)	EXCHANGE RATE ($US/$Cdn) (2)
Forecast									
2008	110.68	108.99	65.78	93.73	9.57	68.66	87.19	2.0	0.980
2009	105.93	107.96	64.21	92.85	9.04	68.02	86.37	2.0	0.974
2010	103.19	105.77	62.89	90.96	8.53	66.64	84.62	2.0	0.969
2011	102.16	104.91	62.37	90.22	8.36	66.09	83.93	2.0	0.967
2012	101.79	104.24	61.96	89.65	8.35	65.67	83.39	2.0	0.969
2013	103.83	106.32	64.60	91.44	8.52	66.98	85.06	2.0	0.969
2014	105.90	108.45	67.32	93.27	8.69	68.32	86.76	2.0	0.969
2015	108.02	110.62	70.13	95.13	8.86	69.69	88.50	2.0	0.969
2016	110.18	112.83	73.02	97.03	9.04	71.08	90.26	2.0	0.969
2017	112.38	115.09	74.50	98.98	9.22	72.51	92.07	2.0	0.969
2018	114.63	117.39	75.99	100.96	9.41	73.96	93.91	2.0	0.969
2019	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr		

Notes:

(1) Inflation rate for costs.

(2) Exchange rate used to generate the benchmark reference prices in this table.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") of financial conditions and results of operations should be read in conjunction with NuVista's interim consolidated financial statements for the three months ended March 31, 2008 and the audited consolidated financial statements for the year ended December 31, 2007. The following MD&A of financial condition and results of operations was prepared at and is dated, May 8, 2008. Our audited consolidated financial statements, Annual Report, Annual Information Form and other disclosure documents for 2007 are available through our filings on SEDAR at **www.sedar.com** or can be obtained from our website at **www.nuvistaenergy.com**.

Basis of presentation - *The financial data presented below has been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The reporting and the measurement currency is the Canadian dollar. For the purpose of calculating unit costs, natural gas is converted to a barrel of oil equivalent ("boe") using six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. In certain circumstances natural gas liquid volumes have been converted to thousand cubic feet equivalent ("mcfe") on the basis of one barrel of natural gas liquids to six thousand cubic feet. Boe's and mcfe's may be misleading, particularly if used in isolation. A conversion ratio of one barrel to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

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

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

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

	For the three months ended March 31,	
($ thousands)	2008	2007
Cash provided by operating activities	35,166	16,998
Add back:		
Asset retirement expenditures	54	310
Change in non-cash working capital	18,214	10,503
Funds from operations	53,434	27,811

Change in presentation of MD&A disclosure – natural gas liquids - *Historically, in our MD&A disclosures we have combined crude oil volumes and natural gas liquid volumes, as natural gas liquid volumes have not been significant. With the Rider Acquisition, Nuvista has significantly increased its production of natural gas liquids and has determined that it is more appropriate in certain circumstances to include these volumes with natural gas volumes on a mcfe basis. Comparative MD&A disclosure has been restated to reflect this change. This change only impacts the classification of natural gas liquids and does not impact reported results.*

Plan of arrangement with Rider Resources Ltd.

On March 4, 2008, NuVista closed a business combination with Rider Resources Ltd. ("Rider") (the "Rider Acquisition") and a private placement financing with the Ontario Teachers' Pension Plan Board ("OTPP"). The Rider Acquisition resulted in the combination of NuVista and Rider, pursuant to which all of the issued and outstanding Rider shares were exchanged for common shares of NuVista. Rider shareholders received, for each Rider share held, 0.3540 of a NuVista share. The results of operations from the Rider assets have been included effective March 4, 2008.

In connection with the Rider Acquisition, OTPP subscribed by way of private placement for 6,000,000 units of NuVista ("Unit") at a price of $14.00 per Unit for gross proceeds of $84,000,000. Each Unit consists of one NuVista share and one-half of a warrant of NuVista ("NuVista Warrant"). Each NuVista Warrant entitles the holder thereof to acquire, subject to adjustment, one NuVista share for $15.50, prior to March 5, 2009.

***Operating activities* -** For the three months ended March 31, 2008, NuVista drilled 19 (13.8 net) wells, resulting in 7 natural gas wells, 7 oil wells, and 5 dry holes, for an overall success rate of 74%. NuVista operated 16 of the wells drilled. During the first quarter, NuVista drilled 6 wells in our Northwest Saskatchewan core area, 6 wells in our West Central Saskatchewan core area and 4 gas wells in our Oyen core area. NuVista's exploration and development activities were lower than the first quarter of 2007 due to the Rider Acquisition and the acquisition of heavy oil properties in our Provost core area totaling approximately $25 million. NuVista expects to drill approximately 20 wells in the second quarter of 2008.

In 2008, prior to the Rider Acquisition effective date of March 4, 2008, Rider drilled 9 (8.75 net) wells, resulting in 5 natural gas wells, 3 dry holes and 1 standing well.

Production	For the three months ended March 31,		
	2008	2007	% Change
Natural gas (mcf/d)	85,498	66,238	29
Liquids (bbls/d)	1,105	208	431
Oil (bbls/d)	3,985	2,162	84
Total oil equivalent (boe/d)	19,339	13,409	44

For the three months ended March 31, 2008 NuVista's average production was 19,339 boe/d, comprised of 85.5 mmcf/d of natural gas, 1,105 bbls/d of natural gas liquids ("liquids") and 3,985 bbls/d of oil, which represents a 44% increase over the same period in 2007. The 44% increase is due primarily to the completion of the Rider Acquisition effective March 4, 2008, the completion of the acquisition of approximately 650 bbls/d of heavy oil production in our Provost core effective January 8, 2008 and the success of our drilling program, offset by normal production declines.

Oil production increased 84% compared to the same period in 2007 primarily due to increased production in heavy oil production at our Auburndale property and the acquisition of heavy oil properties in our Provost core area and heavy oil production in our West Central Saskatchewan core area. Liquids production increased 431% due to liquids associated with our Fir property and Rider liquids production. Our oil and liquids production weighting increased to 26% in the first three months of 2008 compared to 18% for the same period in 2007.

Revenues	For the three months ended March 31,					
($ thousands)	2008		2007		% Change	
Natural gas:	$	$/mcf	$	$/mcf	$	$/mcf
Production revenue	60,898	7.83	44,043	7.39	38	6
Realized gains on commodity derivatives	-	-	642	0.11	-	-
Total	60,898	7.83	44,685	7.50	36	4

	For the three months ended March 31,					
($ thousands)	2008		2007		% Change	
Oil:	$	$/bbl	$	$/bbl	$	$/bbl
Production revenue	28,350	78.18	9,748	50.10	191	56
Realized gains (losses) on commodity derivatives	(540)	(1.49)	145	0.74	(472)	(300)
Total	27,810	76.69	9,893	50.84	181	51

	For the three months ended March 31,					
($ thousands)	2008		2007		% Change	
Liquids:	$	$/bbl	$	$/bbl	$	$/bbl
Production revenue	7,816	77.74	1,031	55.22	658	41
Total	7,816	77.74	1,031	55.22	658	41

For the three months ended March 31, 2008, revenues, before transportation costs were $97.1 million, a 77% increase from $54.8 million, for the same period in 2007. The increase in revenues for the three months ended March 31, 2008 compared to the same period of 2007, is primarily due to the 44% increase in production. These revenues were comprised of $60.9 million of natural gas revenue, $7.8 million of liquids revenue, and $28.4 million of oil revenue. The increase in average realized commodity prices is comprised of a 4% increase in the natural gas price to $7.83/mcf from $7.50/mcf, an increase of 41% in the liquids price to $77.74/bbl from $55.22/bbl, and a 51% increase in the oil price to $76.69/bbl from $50.84/bbl. The increase in the average realized oil price was due to both an increase in Edmonton par oil prices and a lower heavy oil differential.

Commodity price risk management

	For the three months ended March 31,					
	2008			2007		
($ thousands)	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Gains (Losses)	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Gains (Losses)
Natural gas	-	(3,884)	(3,884)	642	125	767
Oil	(540)	(5,860)	(6,400)	145	(200)	(55)
Total gains (losses)	(540)	(9,744)	(10,284)	787	(75)	712

As part of our financial management strategy, NuVista has adopted a disciplined commodity price risk management program. The purpose of this program is to reduce volatility in the financial results, protect acquisition economics and stabilize cash flow against the unpredictable commodity price environment. NuVista's Board of Directors has approved a price risk management limit of up to 60% of forecast production, net of royalties, using fixed price and costless collar contracts. To achieve NuVista's price risk management objectives, we enter into both commodity derivative and physical sale contracts. NuVista's Board of Directors has approved an increase to the limit of 60% for the period April 2008 to October 2008. For this period the Board has approved natural gas hedges in the amount of 70,000 gj/day.

For the three months ended March 31, 2008, the commodity derivative price risk management program resulted in a loss of $10.3 million consisting of realized losses of $0.5 million and unrealized losses of $9.7 million. The gain of $0.7 million for 2007 consisted of $0.8 million of realized gains and $0.1 million of unrealized losses. The unrealized losses only include losses related to our financial derivative price risk management program and do not include mark-to-market losses related to physical sale price risk management activities.

The following is a summary of commodity price risk management contracts in place as at March 31, 2008:

a) Financial instruments

As at March 31, 2008, NuVista has entered into the following crude oil price risk management contracts:

Volume	Average Price (Cdn$/bbl)	Term
500 bbls/d	CDN. $66.50 – Bow River	April 1, 2008 – December 31, 2008
1,000 bbls/d	CDN. $70.47 – CDN. $90.61 – WTI	April 1, 2008 – June 30, 2008
750 bbls/d	CDN. $70.01 – CDN. $86.68 – WTI	July 1, 2008 – December 31, 2008
1,000 bbls/d	CDN. $64.00 – Bow River	January 1, 2009 – December 31, 2009

As at March 31, 2008, NuVista has entered into the following natural gas price risk management contracts:

Volume	Average Price (Cdn$/gj)	Term
20,000 gj/d	CDN. $7.50 – $8.42 – AECO	April 1, 2008 – October 31, 2008
5,000 gj/d	CDN. $7.50 – $9.25 – AECO	November 1, 2008 – March 31, 2009

As at March 31, 2008, the mark-to-market value of the financial instruments was a loss of approximately $11.5 million.

(b) Physical sale contracts

As at March 31, 2008, NuVista has entered into direct sale costless collars to sell natural gas as follows:

Volume	Average Price (Cdn$/gj)	Term
50,000 gj/d	CDN. $7.27 – $7.43 – AECO	April 1, 2008 – October 31, 2008
25,000 gj/d	CDN. $7.85 – $9.81 – AECO	November 1, 2008 – March 31, 2009

Royalties

	For the three months ended March 31,	
Royalty rates (%)	2008	2007
Natural gas and liquids	26	29
Oil	14	13
Weighted average rate	23	26

Royalties of $22.2 million for the three months ended March 31, 2008 were 54% higher than the $14.4 million for the same period of 2007. The increase in royalties for the three months ended March 31, 2008 resulted from revenues that were 77% higher compared to the same period of 2007. Royalty rates by product for the three months ended March 31, 2008 were 26% for natural gas and liquids and 14% for oil compared to 29% for natural gas and 13% for oil and liquids for the same period in 2007.

Netbacks - The following table summarizes field netbacks by product for the three months ended March 31, 2008:

	Natural gas and liquids		Oil		Total	
	92,127 mmcfe/d		3,985 bbls/d		19,339 boe/d	
($ thousands)	$	$/mcfe	$	$/bbl	$	$/boe
Production revenue	68,714	8.20	28,350	78.18	97,064	55.16
Realized losses on commodity derivatives	-	-	(540)	(1.49)	(540)	(0.31)
	68,714	8.20	27,810	76.69	96,524	54.85
Royalties	(18,171)	(2.17)	(4,056)	(11.18)	(22,227)	(12.63)
Transportation costs	(940)	(0.11)	(500)	(1.38)	(1,440)	(0.82)
Operating expenses	(9,599)	(1.14)	(3,818)	(10.53)	(13,417)	(7.62)
Field netbacks	40,004	4.78	19,436	53.60	59,440	33.78

The following table summarizes funds from operations netbacks for the three months ended March 31, 2008, compared to the three months ended March 31, 2007:

	For the three months ended March 31,					
($ thousands)	2008		2007		% Change	
	$	$/boe	$	$/boe	$	$/boe
Production revenues	97,064	55.16	54,822	45.43	77	21
Realized gains (losses) on commodity derivatives	(540)	(0.31)	787	0.65	(169)	(147)
	96,524	54.85	55,609	46.08	74	19
Royalties	(22,227)	(12.63)	(14,420)	(11.95)	54	6
Transportation costs	(1,440)	(0.82)	(1,084)	(0.90)	33	(9)
Operating costs	(13,417)	(7.62)	(9,223)	(7.64)	45	-
Field netbacks	59,440	33.78	30,882	25.59	92	32
General and administrative	(2,205)	(1.25)	(1,065)	(0.88)	107	42
Restricted stock units	(254)	(0.14)	-	-	-	-
Interest	(3,547)	(2.02)	(2,006)	(1.66)	77	22
Funds from operations netbacks	53,434	30.37	27,811	23.05	92	32

Field netbacks for the three months ended March 31, 2008 increased 32% to $33.78/boe from $25.59/boe compared to the same period in 2007. This increase was primarily due to higher realized oil prices and the increased weighting of oil production in our production mix.

Transportation - For the three months ended March 31, 2008, transportation costs were $1.4 million ($0.82/boe) compared to $1.1 million ($0.90/boe) for the same period in 2007. The increase in transportation costs in 2008 compared to 2007 is primarily due to the 44% increase in production volumes.

Operating - Operating expenses were $13.4 million for the three months ended March 31, 2008 compared to $9.2 million for the same period in 2007, an increase of 45%. This increase resulted from 44% higher production volumes offset by a slight decrease in per unit costs in 2008 compared to 2007. For the three months ended March 31, 2008, natural gas and liquids operating expenses averaged $1.14/mcfe and oil operating expenses were $10.53/bbl compared to $1.01/mcfe and $15.84/bbl respectively for the same period of 2007. On a boe basis, operating costs decreased slightly to $7.62/boe for the year ended March 31, 2008 as compared to $7.64/boe for the same period of 2007. Operating costs are typically higher in the first quarter of the year due to weather related costs. NuVista is forecasting 2008 operating costs to average approximately $7.50/boe.

General and administrative - General and administrative expenses, net of overhead recoveries, for the three months ended March 31, 2008 were $2.2 million ($1.25/boe), an increase of 107% over the $1.1 million ($0.88/boe) for the same period in 2007. This increase is primarily attributable to the higher production base in NuVista and increased staffing levels. General and administrative expenses increased on a boe basis due to increased compensation related costs and general cost increases experienced by the energy industry.

	For the three months ended March 31,	
($ thousands)	2008	2007
Gross general and administrative expenses	3,827	2,466
Overhead recoveries	(1,622)	(1,401)
Net general and administrative expenses	2,205	1,065
Per boe	$1.25	$0.88

Stock-based compensation - NuVista recorded a stock-based compensation charge of $1.3 million for the three months ended March 31, 2008 compared to $0.7 million for the same period in 2007. The increase in the expense in 2008 relates primarily to stock options granted in the year and the increase in the cumulative number of stock options outstanding, and the institution of the Restricted Stock Unit ("RSU") Incentive Plan. NuVista's Board of Directors approved a RSU Incentive Plan in January, 2008. Each RSU entitles participants to receive cash equal to the market value of the equivalent number of shares of NuVista. The RSU's become payable as they vest, typically over three years. For the three months ended March 31, 2008, the RSU related stock-based compensation expense was $0.3 million.

Interest - Interest expense for the three months ended March 31, 2008 was $3.5 million ($2.02/boe) compared to $2.0 million ($1.66/boe) for the same period of 2007, primarily due to higher average debt levels associated with the Rider Acquisition. Cash paid for interest during the three months ended March 31, 2008 was $2.2 million compared to $2.0 million for the same period in 2007. Currently, NuVista's borrowing rate is 5%.

Depreciation, depletion and accretion - Depreciation, depletion and accretion expenses for the three months ended March 31, 2008, were $32.7 million, an increase of 68% over the $19.4 million for the three months ended March, 31, 2007. This increase is attributable to a 44% increase in production volumes and higher per unit costs. The average cost per unit was $18.58/boe for the three months ended March 31, 2008 compared to $16.11/boe in the same period in 2007. Per unit costs have increased in the first quarter of 2008 compared to the same period in 2007, due to the cost of the Rider acquisition completed in March 2008 coupled with higher industry exploration and development costs.

Income taxes - For the three months ended March 31, 2008 income taxes were $2.8 million as compared to $2.7 million for the same period in 2007. This increase reflects higher earnings that were partially offset by lower corporate tax rates. The effective tax rate for the three months ended March 31, 2008 was 28% compared to 33% in the same period of 2007.

Capital expenditures - Capital expenditures were $50.9 million for the three months ended March 31, 2008 consisting of exploration and development spending of $25.2 million and $25.7 million of acquisitions. This compares to $35.9 million spent on exploration and development activities for the three months ended March 31, 2007. 2008 acquisitions included the purchase of properties in our Provost core area.

	For the three months ended March 31,	
($ thousands)	2008	2007
Exploration and development:		
Land and retention costs	672	1,888
Seismic	2,601	5,572
Drilling and completion	11,712	17,877
Facilities and equipment	10,108	10,229
Corporate and other	152	382
Subtotal	25,245	35,948
Acquisitions:		
Property(1)	25,663	-
Subtotal	25,663	-
Total capital expenditures	50,908	35,948
Corporate acquisition – non-cash	594,944	-

(1) Includes a $2.6 million deposit paid in the fourth quarter of 2007

Funds from operations and net earnings - For the three months ended March 31, 2008, NuVista's funds from operations were $53.4 million ($0.88/share, basic), a 92% increase from $27.8 million ($0.57/share, basic) for the three months ended March 31, 2007. Funds from operations for the three months ended March 31, 2008 were higher than the same period in 2007 primarily due to the acquisition of Rider and higher commodity prices.

For the three months ended March 31, 2008, net earnings increased 48% to $7.1 million ($0.12/share, basic) from $4.8 million ($0.10 share, basic) for the same period in 2007. 2008 net earnings were higher when compared to 2007 net earnings due to the acquisition of Rider and higher commodity prices as well higher depletion, depreciation and accretion costs and unrealized losses on commodity derivatives.

Liquidity and capital resources - As at March 31, 2008, bank debt (including working capital) was $423.2 million, resulting in a debt to annualized first quarter funds from operations ratio of 1.98:1. At March 31, 2008, NuVista had a working capital deficiency of $7.9 million. This deficiency is due to increased accounts payable and accrued liabilities and will be funded through available bank lines. At March 31, 2008, NuVista had approximately $35 million of unused bank borrowing capability based on the current line of credit of $450 million.

On March 4, 2008, NuVista completed the business combination with Rider and the private placement of units for proceeds of $84.0 million. On March 5, 2008, Nuvista repaid the US $99.5 million second lien term loan that Rider had outstanding with bank borrowings. NuVista also terminated the cross-currency interest swap related to the second lien term loan.

NuVista anticipates that 2008 funds from operations will provide NuVista with the flexibility to fund its planned 2008 capital program and provide for debt reduction. NuVista is targeting a year end 2008 debt to annualized fourth quarter funds from operations of less than 1.0 times. NuVista's capital program and debt reduction targets will be monitored and adjusted based on the outlook for commodity prices and funds from operations.

As at March 31, 2008, there were 78.7 million common shares and 3.0 million common share purchase warrants outstanding. In addition, there were 5.6 million stock options outstanding, with an average exercise price of $14.07 per share.

Subsequent events

(a) Commodity price risk management

Subsequent to March 31, 2008, the following commodity contracts have been entered into:

(i) Financial instruments – natural gas

Volume	Average Price (Cdn$/gj)	Term
5,000 gj/d	CDN. $7.50 – $9.25 – AECO	November 1, 2008 – March 31, 2009

(ii) Physical sale contracts – natural gas

Volume	Average Price (Cdn$/gj)	Term
10,000 gj/d	CDN. $9.25 – $11.50 – AECO	November 1, 2008 – March 31, 2009

(b) Office lease

In April 2008, the Company entered into a 4.5 year lease commitment for office space in downtown Calgary. The offices of NuVista and Rider will both relocate to this new office space in June 2008. Annual lease obligations are estimated to be $2.1 million per year. The lease expires in October 2012.

Related party activities **-** In 2003, as part of the Plan of Arrangement with Bonavista Petroleum Ltd. ("Bonavista"), NuVista entered into a Technical Services Agreement ("TSA"). Under the TSA, Bonavista received payment for certain services provided by it to NuVista. Effective January 1, 2007, the terms of the TSA were amended to reflect the reduced level of services provided by Bonavista. On August 31, 2007, the TSA was terminated and replaced with a new services agreement that reflects the remaining ongoing services that will be provided by Bonavista. NuVista and Bonavista are considered related as two directors of NuVista, one of whom is NuVista's chairman, are also directors and officers of Bonavista and a director and an officer of NuVista are also officers of Bonavista. For the three months ending March 31, 2008, NuVista paid Bonavista $0.4 million (2007 - $0.3 million) in fees relating to general and administrative services provided by Bonavista. In 2008, NuVista charged Bonavista management fees for jointly owned partnerships totaling $0.3 million (2007 - $0.3 million). In addition, during, in the first quarter of 2008, Bonavista charged NuVista $8,500 (2007 - $62,500) for costs that are outside of the new services agreement relating to NuVista's share of direct charges from third parties. As at March 31, 2008, the amount receivable from Bonavista was $5.6 million.

Contractual obligations and commitments **-** NuVista enters into many contractual obligations as part of conducting day-to-day business. As NuVista continues to spend money as part of its capital program we will draw on our bank facility and will have the related contractual obligation. In the event that NuVista's credit facility is not extended at any time before the maturity date, the loan balance of $415.3 million will become payable on the maturity date which is March 4, 2010.

Quarterly financial information **-** The following table highlights NuVista's performance for the eight quarterly reporting periods from June 30, 2006 to March 31, 2008:

	2008	**2007**				**2006**		
	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
Production (boe/d)	19,339	14,251	13,590	14,147	13,409	12,612	12,577	11,357
($ thousands, except per share amounts)								
Production revenue	97,064	53,790	48,138	56,832	54,822	49,195	47,530	45,375
Net earnings	7,150	11,063	754	9,678	4,832	5,765	4,082	15,986
Net earnings per share:								
Basic	0.12	0.21	0.01	0.19	0.10	0.12	0.08	0.33
Diluted	0.12	0.21	0.01	0.18	0.10	0.12	0.08	0.32

NuVista has seen growth in quarterly production volumes over the prior eight quarters except for a slight decline experienced in the quarter ended September 30, 2007. This decline was primarily due to plant turnarounds that occurred during the summer months. Over the prior eight quarters, quarterly revenue has been in a range of $45 million to $97 million with revenue influenced by production volumes and natural gas prices in the quarter. Production volumes and revenues increased significantly in the quarter ended March 31, 2008 primarily due to increased production volumes associated with the Rider Acquisition. Net earnings have been in a range of $1 million to $16 million primarily influenced by production volumes and natural gas prices but also higher operating costs, depletion, depreciation and accretion and unrealized losses on commodity derivatives. Net earnings were higher in the second quarters of 2006 and 2007, and the fourth quarter of 2007 due to the recognition of reductions in corporate income tax rates.

Critical accounting estimates **-** The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Certain accounting policies are critical to understanding the financial condition and results of operations of NuVista.

(a) ***Proved oil and natural gas reserves -*** Proved oil and natural gas reserves, as defined by the Canadian Securities Administrators in National Instrument 51-101 with reference to the Canadian Oil and Natural Gas Evaluation Handbook, are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

An independent reserve evaluator using all available geological and reservoir data as well as historical production data has prepared NuVista's oil and natural gas reserve estimates. Estimates are reviewed and revised as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes, reservoir performance or a change in the Company's development plans. The effect of changes in proved oil and natural gas reserves on the financial results and position of the Company is described below.

(b) ***Depreciation and depletion expense*** **-** NuVista uses the full cost method of accounting for exploration and development activities whereby all costs associated with these activities are capitalized, whether successful or not. The aggregate of capitalized costs, net of certain costs related to unproved properties, and estimated future development costs is amortized using the unit-of-production method based on estimated proved reserves. Changes in estimated proved reserves or future development costs have a direct impact on depreciation and depletion expense.

Certain costs related to unproved properties and major development projects may be excluded from costs subject to depletion until proved reserves have been determined or their value is impaired. These properties are reviewed quarterly to determine if proved reserves should be assigned, at which point they would be included in the depletion calculation, or for impairment, for which any writedown would be charged to depreciation and depletion expense.

(c) ***Full cost accounting ceiling test*** **-** The carrying value of property, plant and equipment is reviewed at least annually for impairment. Impairment occurs when the carrying value of the assets is not recoverable by the future undiscounted cash flows. The cost recovery ceiling test is based on estimates of proved reserves, production rates, petroleum and natural gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements could be material. Any impairment would be charged as additional depletion and depreciation expense.

(d) ***Asset retirement obligation*** **-** The asset retirement obligations are estimated based on existing laws, contracts or other policies. The fair value of the obligation is based on estimated future costs for abandonments and reclamations discounted at a credit adjusted risk free rate. The costs are included in property, plant and equipment and amortized over its useful life. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to earnings and for revisions to the estimated future cash flows. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements could be material.

(e) ***Income taxes*** **-** The determination of income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded.

Update on regulatory matters

(a) On October 25, 2007, the Government of Alberta announced the New Alberta Royalty Framework ("NRF") which proposes changes to the current royalty regime in Alberta effective January 1, 2009. The proposed NRF includes new royalty formulas for conventional oil and natural gas that will operate on sliding scales that are determined by commodity prices and well productivity. On April 10, 2008, the Government of Alberta provided some further clarification on the NRF and introduced two new royalty programs related to the development of deep oil and natural gas reserves. Substantial legislative, regulatory and systems updates will be introduced before the changes become fully effective in 2009. NuVista continues to monitor the impact of the NRF on its business plan and does not expect a significant impact at this time.

(b) On April 18, 2008, the Canadian Securities Administrators published the notice and request for comments for the proposed repeal and replacement of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. The proposed changes would include the requirement to provide certification of the effectiveness of internal controls over financial reporting for years ending after December 15, 2008.

Update on financial reporting matters

(a) ***Capital disclosures -*** Effective January 1, 2008, the Company adopted the new CICA accounting standard Section 1535, Capital Disclosures. Section 1535 specifies the disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what it manages as capital, any externally imposed capital requirements, and the consequences of non-compliance. Refer to note 7 of the consolidated financial statements.

(b) ***Financial instruments -*** Effective January 1, 2008, the Company adopted the new CICA accounting standard Section 3862, Financial Instruments Disclosures and Section 3863, Financial Instrument Presentation. These Sections require the Company to increase disclosure on the nature, extent and risk arising from the financial instruments and how the entity manages those risks. Refer to note 8 of the consolidated financial statements.

(c) ***Goodwill -*** The CICA issued the new accounting standard; Section 3064 Goodwill and Intangible Assets replacing Section 3062, Goodwill and Other Intangible Assets. This new Section will be effective on January 1, 2009. This Section applies to goodwill subsequent to initial recognition and establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new standard is not expected to have a material impact on NuVista's consolidated financial statements.

(d) ***International financial reporting standards ("IFRS") -*** In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the effective date for the requirement to report under IFRS with comparative periods 2010 converted as well. Canadian generally accepted accounting principles as we currently know them, will cease to exist for all publicly reporting entities. Currently, the application of IFRS to the oil and gas industry in Canada requires considerable clarification. The Canadian Securities Administrators are in the process of examining changes to securities rules as a result of this initiative. We have not yet determined the effect of IFRS on our accounting policies and reporting standards.

Internal control reporting

NuVista's President and Chief Executive Officer ("CEO") and Vice President, Finance and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as defined in Multilateral Instrument 52-109. NuVista's CEO and CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that information to be disclosed by NuVista is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. The CEO and CFO have also designed internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. During the quarter ended March 31, 2008 there have been no changes to NuVista's internal controls over financial reporting that have materially, or are reasonably likely to, materially affect the internal controls over financial reporting. During the quarter, management began to integrate Rider's internal controls over financial reporting into NuVista's internal control environment.

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

Assessment of business risks

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

Operational risk associated with the production of oil and natural gas:

- Reserve risk with respect to the quantity and quality of recoverable reserves;
- Market risk relating to the availability of transportation systems to move the product to market;
- Commodity risk as crude oil and natural gas prices fluctuate due to market forces;

- Financial risk such as volatility of the Canadian/US dollar exchange rate, interest rates and debt service obligations;
- Environmental and safety risk associated with well operations and production facilities;
- Changing government regulations relating to royalty legislation, income tax laws, incentive programs, operating practices and environmental protection relating to the oil and natural gas industry; and
- Continued participation of NuVista's lenders.

NuVista seeks to mitigate these risks by:

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

OUTLOOK

NuVista continues to believe in the long term favourable outlook for natural gas prices due to the improving supply and demand fundamentals and the relative valuation of natural gas compared to crude oil, although this will be offset by higher royalties in 2009 and beyond. The current market strip pricing, should it materialize, will result in an increase of 40% to 50% in funds from operations netbacks in 2009, compared to 2007, even after giving effect to the NRF.

The completion of the business combination with Rider on March 4, 2008 creates a premium intermediate natural gas focused company with a track record of meeting expectations, prudent capital management and profitable per share growth. NuVista will continue to employ the same disciplined approach to its business in 2008 as it has over the past four and one half years. With the successful integration of the Rider assets, NuVista now has eight core areas with shallow natural gas, deep natural gas and heavy oil and high working interest multi-horizon opportunities. NuVista will continue to pursue growth through its exploration and development program and complementary acquisitions that meet its criteria.

For 2008, NuVista's Board of Directors has approved a capital program, in addition to the business combination with Rider, ranging from $155 million to $175 million. With the recent increase in commodity prices, the acquisition market has become increasingly competitive. As a result, NuVista has reallocated the remaining $30 million of acquisition capital budgeted for 2008 to exploration and development activities, increasing exploration and development capital by approximately 25%. For the balance of 2008, the exploration and development program will see the Company participating in 20 wells in the W5/6M core region and over 100 wells in the W3/4M core region. In light of the current commodity price environment and increased financial flexibility in its business model, NuVista may consider expanding its capital program.

NuVista's financial and operating results for 2008 include the business combination of Rider effective March 4, 2008. NuVista is currently forecasting 2008 average production of 24,300 boe/d to 24,800 boe/d and is forecasting combined production of 26,500 boe/d for the remainder of the year. Production for the second quarter of 2008 will be reduced by approximately 1,000 boe/d due to known scheduled turnarounds in June at the Wapiti and Nordegg facilities. Based on current commodity price assumptions of CDN $8.90/mcf AECO for natural gas and US $105.00/bbl for WTI, and incorporating price risk management contracts, NuVista is forecasting funds from operations of $290 million to $310 million for 2008 ($3.90/share to $4.15/share). NuVista is targeting operating costs to average approximately $7.50/boe. With the increase in natural gas prices and funds from operations, and lower capital expenditures during spring break-up, NuVista forecasts absolute debt levels to decrease throughout the remainder of 2008. NuVista is forecasting to exit 2008 with a year end ratio of debt to fourth quarter annualized funds from operation of less than 1.0:1.

The results are due to a team effort and NuVista wants to express its appreciation for the extraordinary commitment received from the entire NuVista team. NuVista will continue to focus on its core strategy of cost control and applying the expertise of its technical staff to its current operating regions, through both the exploration and development program and strategic acquisitions. The execution of these strategies will enable NuVista to continue to grow its production and funds from operations on a per share basis consistently and profitably. NuVista has the team, land base and prospect generation ability to continue to create value for shareholders. The Company is poised for continued growth and is well positioned to post strong operational and financial results for the balance of 2008 and beyond. NuVista remains unwavering in its commitment to enhance shareholder value over the long-term in a diligent and prudent manner by accessing the broad depth and expertise of its team.

Sincerely,

Alex G. Verge
President & CEO
May 8, 2008

Robert F. Froese
Vice-President, Finance & CFO

NUVISTA ENERGY LTD.

Consolidated Balance Sheets

($ thousands)	March 31, 2008	December 31, 2007
(unaudited)		
Assets		
Current assets		
Cash and cash equivalents	$ 885	$ -
Accounts receivable and prepaids	66,877	30,463
	67,762	30,463
Oil and natural gas properties and equipment	1,212,684	598,263
Goodwill	75,225	54,439
	$ 1,355,671	$ 683,165
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 64,208	$ 31,972
Commodity derivative financial instruments (note 8)	11,473	1,704
	75,681	33,676
Bank loan (note 5)	415,289	177,109
Other liabilities (note 6)	174	-
Asset retirement obligations (note 4)	38,256	26,574
Future income taxes	106,238	75,514
Shareholders' equity		
Share capital (note 6)	578,337	240,245
Warrants (note 6)	3,454	-
Contributed surplus (note 6)	6,029	4,967
Accumulated other comprehensive income (note 6)	-	17
Retained earnings	132,213	125,063
Subsequent events (note 11)	720,033	370,292
	$ 1,355,671	$ 683,165

See accompanying notes to consolidated financial statements.

NUVISTA ENERGY LTD.

Consolidated Statements of Earnings and Retained Earnings

($ thousands, except per share amounts)	Three Months ended March 31, 2008	2007
(unaudited)		
Revenues		
Production	**$ 97,064**	$ 54,822
Royalties	**(22,227)**	(14,420)
Realized and unrealized gains (losses) on commodity derivatives (note 8)	**(10,284)**	712
	64,553	41,114
Expenses		
Operating	**13,417**	9,223
Transportation	**1,440**	1,084
General and administrative	**2,205**	1,065
Interest	**3,547**	2,006
Stock-based compensation (note 6)	**1,259**	724
Depreciation, depletion and accretion	**32,701**	19,439
	54,569	33,541
Earnings before income and other taxes	**9,984**	7,573
Future income taxes	**2,834**	2,741
Net earnings	**7,150**	4,832
Other comprehensive income		
Amortization of fair value of financial instruments (note 6)	**(17)**	-
Comprehensive income	**7,133**	4,832
Retained earnings, beginning of period	**125,063**	98,736
Retained earnings, end of period	**$ 132,213**	$ 103,568
Net earnings per share – basic	**$ 0.12**	$ 0.10
Net earnings per share – diluted	**$ 0.12**	$ 0.10

See accompanying notes to the consolidated financial statements.

NUVISTA ENERGY LTD.

Consolidated Statements of Cash Flows

($ thousands)	Three Months ended March 31, 2008	2007
(unaudited)		
Cash provided by (used in)		
Operating Activities		
Net earnings	**$ 7,150**	$ 4,832
Items not requiring cash from operations		
Depreciation, depletion and accretion	**32,701**	19,439
Stock-based compensation	**1,005**	724
Unrealized losses on commodity derivatives (note 8)	**9,744**	75
Future income taxes	**2,834**	2,741
Asset retirement expenditures	**(54)**	(310)
Decrease (increase) in non-cash working capital items	**(18,214)**	(10,503)
	35,166	16,998
Financing Activities		
Issue of share capital and warrants, net of share issuance costs	**84,814**	710
Increase in long-term debt	**236,134**	20,381
Repayment of long-term debt	**(303,538)**	-
	17,410	21,091
Investing Activities		
Oil and natural gas properties and equipment	**(25,238)**	(35,709)
Transaction costs on Rider acquisition	**(4,130)**	-
Property acquisition	**(23,063)**	-
Deposit on capital acquisition	**-**	(3,608)
Decrease (increase) in non-cash working capital items	**740**	1,228
	(51,691)	(38,089)
Change in cash and cash equivalents	**885**	-
Cash and cash equivalents, beginning of period	**-**	-
Cash and cash equivalents, end of period	**$ 885**	$ -

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2008.

The unaudited consolidated financial statements of NuVista Energy Ltd. ("Nuvista" or "the Company") have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), using the same accounting policies as those set out in note 1 to the consolidated financial statements for the year ended December 31, 2007, except as noted below. The consolidated financial statements for the three months ended March 31, 2008 should be read in conjunction with the consolidated financial statements for the year ended December 31, 2007. Certain amounts have been reclassified to conform with the current year's presentation. All tabular amounts are in thousands, except per share amounts unless otherwise stated.

1. Adoption of new accounting policies

(a) Capital disclosures

Effective January 1, 2008, the Company adopted the new CICA accounting standard Section 1535, Capital Disclosures. Section 1535 specifies the disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what it manages as capital, any externally imposed capital requirements, and the consequences of non-compliance. Refer to note 7, Capital risk management.

(b) Financial instruments

Effective January 1, 2008, the Company adopted the new CICA accounting standard Section 3862, Financial Instruments Disclosures and Section 3863, Financial Instrument Presentation. These Sections require the Company to increase disclosure on the nature, extent and risk arising from the financial instruments and how the entity manages those risks. Refer to note 8, Risk management activities.

(c) Restricted stock units

The Company has established a Restricted Stock Unit ("RSU") Incentive Plan for employees, and officers. Compensation expense associated with the RSU is determined based on the intrinsic value, considered to be the market value, at each reporting period which is recognized in earnings over the vesting period with a corresponding increase or decrease in liabilities.

2. Future accounting changes

(a) The CICA issued the new accounting standard, Section 3064 Goodwill and Intangible Assets replacing Section 3062, Goodwill and Other Intangible Assets. This new Section will be effective on January 1, 2009. This Section applies to goodwill subsequent to initial recognition and establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This new standard is not expected to have a material impact on the Company's consolidated financial statements.

(b) International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the effective date for the requirement to report under International Financial Reporting Standards ("IFRS") with comparative 2010 periods converted as well. Canadian generally accepted accounting principles as we currently know them, will cease to exist for all public reporting entities. Currently, the application of IFRS to the oil and gas industry in Canada requires considerable clarification. The Canadian Securities Administrators are in the process of examining changes to securities rules as a result of this initiative. The Company has not yet determined the effect of IRFS on accounting policies and reporting standards.

3. Acquisitions

Business combination

In March 2008, the Company completed the acquisition of all of the issued and outstanding common shares of Rider Resources Ltd. ("Rider") for net consideration of $260.3 million. The purchase price was based on Rider shareholders receiving 0.3540 common shares of the Company for each Rider share owned. The Company issued approximately 19.8 million common shares in exchange for 56.0 million common shares of Rider. The acquisition was accounted for using the purchase method. Operating results for Rider have been consolidated with the results of the Company effective from March 4, 2008, the date of acquisition. The preliminary allocation of the net purchase price is subject to change as actual amounts are determined. The preliminary allocation of the net purchase price to assets acquired and liabilities assumed based on their fair values was as follows:

		Amount
Purchase price:		
19.8 million NuVista common shares issued	$	256,195
Transaction costs		4,130
		260,325
Allocation of purchase price:		
Property, plant and equipment		594,944
Working capital (deficiency)		(10,803)
Bank loan		(288,901)
Financial instrument		(19,251)
Asset retirement obligation		(8,505)
Future income taxes		(27,945)
Goodwill		20,786
	$	260,325

4. Asset retirement obligations

Total asset retirement obligations are based on estimated costs to reclaim and abandon ownership interests in oil and natural gas assets including well sites, gathering systems and processing facilities. At March 31, 2008, the estimated total undiscounted amount of cash flows required to settle its asset retirement obligations is $148.5 million (2007 - $127.4 million), which will be incurred over the next 51 years. The majority of the costs will be incurred between 2010 and 2036. A credit-adjusted risk-free rate of 8% (2007 - 8%) and an inflation rate of 2% (2007 - 2%) were used to calculate the fair value of the asset retirement obligations.

A reconciliation of the asset retirement obligations is provided below:

March 31,		2008		2007
Balance, beginning of period	$	26,574	$	22,683
Accretion expense		551		438
Liabilities incurred		2,680		828
Liabilities acquired (see note 3)		8,505		-
Liabilities settled		(54)		(310)
Balance, end of period	$	38,256	$	23,639

5. Bank loan

On March 4, 2008, the Company increased the revolving credit facility to $450 million (2007 - $210 million). Borrowing under the credit facility may be made by prime loans, bankers' acceptances and/or US libor advances. These advances bear interest at the bank's prime rate and/or at money market rates plus a stamping fee. The credit facility is secured by a first floating charge debenture, general assignment of book debts and the Company's oil and natural gas properties and equipment. The credit facility is subject to an annual review by the lenders, at which time a lender can request conversion to a term loan for one year. Under the term period, no principal payments would be required until March 4, 2010. As such, this credit facility is classified as a long-term liability. Cash paid for interest was $2.2 million for the three months ended March 31, 2008 (2007 - $2.0 million).

6. Share capital

(a) Authorized

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

(b) Common shares issued

	Number		Amount
Balance, December 31, 2007	52,704	$	240,245
Issued for cash	6,000		80,546
Issued on Rider acquisition	19,844		256,195
Exercise of stock options	131		1,324
Stock-based compensation	-		337
Cost associated with shares issued, net of future tax benefit of $199	-		(310)
Balance, March 31, 2008	78,679	$	578,337

On March 4, 2008, the Company issued 6.0 million units of NuVista ("Unit") at a price of $14.00 per Unit for gross proceeds of $84.0 million by way of a private placement. Each Unit consists of one common share and one-half of a warrant.

(c) Warrants

	Number		Amount
Balance, December 31, 2007	-	$	-
Issued	3,000		3,454
Balance, March 31, 2008	3,000	$	3,454

At March 31, 2008, there were 3.0 million common share purchase warrants outstanding. Each warrant entitles the holder thereof to acquire, subject to adjustment, one common share for $15.50, prior to March 4, 2009. The Company has estimated a fair value of $3,454,000 for the Warrants using a Black – Scholes pricing model. The pricing model used the following parameters: a risk free interest rate of 3.76%; an expected life of 1 year; and a volatility of 30%.

(d) Contributed surplus

		Amount
Balance, December 31, 2007	$	4,967
Stock-based compensation		1,399
Exercise of stock options		(337)
Balance, March 31, 2008	$	6,029

(e) Accumulated other comprehensive income

		Amount
Balance, December 31, 2007	$	17
Reclassification to net earnings during the period, net of tax of $8		(17)
Balance, March 31, 2008	$	-

(f) Per share amounts

During the three months ended March 31, 2008, there were 60,677,847 (2007 - 49,022,746) weighted average shares outstanding. On a diluted basis, there were 61,137,409 (2007 - 49,799,168) weighted average shares outstanding after giving effect for dilutive stock options. The number of anti-dilutive options totaled 2,187,664 at March 31, 2008 (2007 - 1,882,917). In addition, there were 3.0 million warrants outstanding at March 31, 2008 which were anti-dilutive.

(g) Stock options

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares. Options granted vest at the rate of 25% per year and expire two years after the date of vesting to a maximum term of six years. The total stock options outstanding plus the Class B Performance Shares cannot exceed 10% of the outstanding common shares. The summary of stock options transactions for the three months ended March 31, 2008 and 2007 is as follows:

	2008			2007		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Outstanding, beginning of period	4,046,400	$	13.46	3,653,711	$	11.94
Granted	1,648,960	$	15.37	1,373,100	$	14.38
Exercised	(130,575)	$	10.14	(707,961)	$	6.35
Cancelled	-	$	-	(272,450)	$	14.34
Outstanding, end of period	5,564,785	$	14.07	4,046,400	$	13.46

The Company uses the fair value based method for the determination of the stock-based compensation costs. The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model. In the pricing model, the risk free interest rate was 4.5%; average volatility of 33%; an expected life of 4.5 years; an estimated forfeiture rate of 10%; and dividends of nil. The weighted average fair value of stock options granted for the three months ended March 31, 2008 was $5.06 per share (2007 - $5.00 per share).

(h) Restricted stock units

In January 2008, the Board of Directors approved a RSU Incentive Plan for employees and officers. Each RSU entitles participants to receive cash equal to the market value of the equivalent number of shares of the Company. The RSU's become payable as they vest over their lives, typically three years.

For the three months ended March 31, 2008, the Company recorded compensation expense of $0.3 million to general and administrative expense and capitalized $0.1 million to property, plant and equipment with a corresponding offset recorded in liabilities. The compensation expense was based on the trading price of the Company's shares on March 31, 2008.

The following table summarizes the change in RSU for the three months ended March 31, 2008:

	Number of RSU's
Balance, beginning of period	-
Granted	208,843
Balance, end of period	208,843

The following table summarizes the change in long-term compensation liability relating to the RSU's:

		March 31, 2008
Balance, beginning of period	$	-
Change in liabilities during the period		352
Balance, end of period	$	352
Current portion of compensation liability	$	178
Long-term portion of compensation liability	$	174

7. Capital risk management

The Company's objectives when managing capital are: (i) to deploy capital to provide an appropriate return on investment to its shareholders; (ii) to maintain financial flexibility in order to preserve its ability to meet financial obligations; and (iii) to maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

The Company's strategy is designed and formulated to maintain a flexible capital structure consistent with the objectives as stated above and to respond to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include share capital, bank loan, and working capital. In order to maintain or adjust its capital structure, the Company may issue new shares, raise debt, refinance existing debt and adjust capital spending.

A key measure the Company utilizes in evaluating its capital structure is the ratio of net debt to annualized funds from operations. The ratio is calculated as net debt, defined as outstanding bank loan plus or minus working capital, divided by cash flow from operations before asset retirement expenditures and changes in non-cash working capital for the most recent calendar quarter. The Company's strategy is to maintain a net debt to annualized funds from operations ratio of less than 2.0:1. At March 31, 2008, the Company had a ratio of net debt to annualized cash flow of 1.98:1 (2007 - 1.60:1).

The Company's share capital is not subject to external restrictions; however the credit facility borrowing commitment is based on the lender's semi-annual review of the Company's petroleum and natural gas reserves. There were no changes to the Company's approach to capital management during the quarter.

8. Risk management activities

(a) Financial instruments

The Company's financial instruments recognized in the consolidated balance sheet consist of cash and cash equivalents, accounts receivable, financial derivative contracts, substantially all current liabilities, and long term debt. Unless otherwise noted, carrying values reflect the current fair value of the Company's financial instruments due to their short-term maturities. The estimated fair values of recognized financial instruments have been determined based on the Company's assessment of available market information and appropriate methodologies, through comparisons to similar instruments, or third party quotes.

(i) As at March 31, 2008, Nuvista has entered into the following crude oil contracts:

Volume	Average Price (Cdn$/bbl)	Term
500 bbls/d	CDN. $66.50 – Bow River	April 1, 2008 – December 31, 2008
1,000 bbls/d	CDN. $70.47 – CDN. $90.61 – WTI	April 1, 2008 – June 30, 2008
750 bbls/d	CDN. $70.01 – CDN. $86.68 – WTI	July 1, 2008 – December 31, 2008
1,000 bbls/d	CDN. $64.00 – Bow River	January 1, 2009 – December 31, 2009

As at March 31, 2008, NuVista has entered into the following natural gas contracts:

Volume	Average Price (Cdn$/gj)	Term
20,000 gj/d	CDN. $7.50 – $8.42 – AECO	April 1, 2008 – October 31, 2008
5,000 gj/d	CDN. $7.50 – $9.25 – AECO	November 1, 2008 – March 31, 2009

As at March 31, 2008, the mark to market value of the financial instruments was a loss of $11.5 million.

(ii) Physical sale contracts

As at March 31, 2008, Nuvista has entered into direct sale natural gas contracts as follows:

Volume	Average Price (Cdn$/gj)	Term
50,000 gj/d	CDN. $7.27 – $7.43 – AECO	April 1, 2008 – October 31, 2008
25,000 gj/d	CDN. $7.85 – $9.81 – AECO	November 1, 2008 – March 31, 2009

(iii) Realized and unrealized gains (losses) on financial commodity derivatives

March 31,		2008		2007
Realized gains (losses)	$	(540)	$	787
Unrealized (losses)		(9,744)		(75)
Total realized and unrealized gains (losses) on commodity derivatives	$	(10,284)	$	712

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit risk with respect to its accounts receivables. Most of the Company's accounts receivable arise from transactions with joint venture partners and oil and natural gas sales with petroleum and natural gas marketers. The Company mitigates its credit risk by entering into contracts with established counterparties and reviewing its exposure to individual counterparties on a regular basis.

As at March 31, 2008, the accounts receivable balance was $59.5 million of which $4.0 million of accounts receivable were past due. The Company considers all amounts greater than 90 days past due. These past due accounts receivable are considered to be collectible. When determining whether past due accounts are uncollectible, the Company factors in the past credit history of the counterparties. As at March 31, 2008, the Company had an allowance for doubtful accounts of $0.1 million.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure risk to the Company. The Company did not have accounts receivable balances owing from counterparties that constituted more than 10% of the total revenue during the first quarter of 2008.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The company manages its liquidity through continuously monitoring cash flows from operating activities, review of actual capital expenditure program against budget, managing maturity profiles of financial assets and financial liabilities, maintaining a revolving credit facility with sufficient capacity, and managing its commodity price risk management program. These activities ensure that the Company has sufficient funds to meet its financial obligations when due.

The timing of cash flow relating to financial liabilities as at March 31, 2008 are as follows:

	2008		2009		2010		2011		2012 Thereafter
Accounts payable and accrued liabilities	$64,030	$	178	$	-	$	-	$	-
Commodity derivative financial instrument	11,473		-		-		-		-
Bank loan	-		-		415,289		-		-
Other liabilities			-		164		10		-
Total	$75,503	$	178	$	415,453	$	10	$	-

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in commodity price risk, currency risk, and interest rate risk. The objective of market risk management is to manage the Company's exposure to these risks to within acceptable parameters, while optimizing returns.

(i) Commodity price risk

The Company is engaged in exploration, development and production activities in Canada and as a result has exposure to commodity price risk. Commodity price risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by global economic, political and environmental factors which affect the levels of supply and demand. The Company sells all of its crude oil, natural gas and natural gas liquids in Canada with sales prices denominated in Canadian dollars.

The Company had adopted a disciplined commodity price risk management program as part of its overall financial management strategy. The Board of Directors has a commodity price risk management limit of up to a maximum of 60% of forecast production volumes, net of royalties. For the period April 2008 to October 2008, the Board has approved an increase to the limit for natural gas contracts up to 70,000 gj/day. The Company manages the risks associated with changes in commodity prices through the use of various financial derivative and physical delivery sales contracts. The price risk management contracts are considered economic hedges and the change in the fair value of these contracts is offset by an equal and opposite change in the fair value of the Company's future cash flows. The Company's financial derivative and physical delivery price risk management contracts currently outstanding are summarized in notes 8 and 11.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to currency risk as the underlying commodity prices in Canada for petroleum and natural gas are impacted by changes in exchange rate between the Canadian and United States dollars. The Company manages this exposure through its commodity price risk management.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate fluctuations on its bank loan which bears a floating rate of interest. If interest rates had been 0.5% higher, the impact to net earnings after tax for the three months ended March 31, 2008 would have been $0.2 million due to higher interest expense. Conversely, if interest rates had been 0.5% lower, an equal and opposite impact would have occurred to net earnings. The Company had no interest rate swap or financial contracts in place as at or during the three months ended March 31, 2008.

9. Relationship with Bonavista Petroleum Ltd.

In 2003, as part of the Plan of Arrangement with Bonavista Petroleum Ltd., the Company entered into a Technical Services Agreement ("TSA"). Under the TSA, Bonavista received payment for certain services provided by it to the Company. On August 31, 2007, the TSA was terminated and replaced with a new services agreement that reflects the remaining ongoing services that will be provided by Bonavista. These services are accounted for at the exchange value. The Company and Bonavista are considered related as two directors of the Company, one of whom is the Company's chairman, are also directors and officers of Bonavista and a director and an officer of the Company are also officers of Bonavista. For the three months ended March 31, 2008, the Company paid Bonavista $0.4 million (2007 - $0.3 million) in fees relating to general and administrative services provided by Bonavista. In 2008, the Company charged Bonavista management fees for jointly owned partnerships totalling $0.3 million (2007 - $0.3 million). In addition, during the first three months of 2008, Bonavista charged the Company $8,500 (2007 - $62,500) for costs that are outside of the new services agreement relating to the Company's share of direct charges from third parties. As at March 31, 2008, the amount receivable from Bonavista was $5.6 million.

10. Commitments

The following is a summary of the Company's contractual obligations and commitments as at March 31, 2008:

	Total	2008	2009	2010	2011	2012 Thereafter
Transportation	$ 1,245	$ 644	$ 444	$ 123	$ 34	-

11. Subsequent events

(a) Commodity price risk management

Subsequent to March 31, 2008, the following commodity contracts have been entered into:

(i) Financial instruments – natural gas

Volume	Average Price (Cdn$/gj)	Term
5,000 gj/d	CDN. $7.50 – $9.25 – AECO	November 1, 2008 – March 31, 2009

(ii) Physical sale contracts – natural gas

Volume	Average Price (Cdn$/gj)	Term
10,000 gj/d	CDN. $9.25 – $11.50 – AECO	November 1, 2008 – March 31, 2009

(b) Office lease

In April 2008, the Company entered into a 4.5 year lease commitment for office space in downtown Calgary. The offices of NuVista and Rider will both relocate to this new office space in June 2008. Annual lease obligations are estimated to be $2.1 million per year. The lease expires in October 2012.

Corporate Information

Directors
Keith A. MacPhail, Chairman
W. Peter Comber, Barrantagh Investment Management Inc.
Pentti O. Karkkainen, KERN Partners
Ronald J. Poelzer, Bonavista Energy Trust
Alex G. Verge, President and CEO
Clayton H. Woitas, Range Royalty Management Ltd.
Grant A. Zawalsky, Burnet, Duckworth & Palmer LLP
Craig W. Stewart, Director

Management
Keith A. MacPhail, Chairman
Alex G. Verge, President and CEO
Robert F. Froese, Vice President, Finance and CFO
D. Chris McDavid, Vice President, Operations
Daniel B. McKinnon, Vice President, Engineering
Patrick Miles, Vice President, Exploration
Steven J. Dalman, Vice President, Business Development
Glenn A. Hamilton, Corporate Secretary

Auditors
KPMG LLP
Chartered Accountants
Calgary, Alberta

Legal Counsel
Burnet, Duckworth & Palmer LLP

Bankers
Canadian Imperial Bank of Commerce
Bank of Montreal
Royal Bank of Canada
Toronto-Dominion Bank
Bank of Nova Scotia
Alberta Treasury Branches
Union Bank of California, Canada Branch
Calgary, Alberta

Registrar and Transfer Agent
Valiant Trust Company
Calgary, Alberta

Registrar and Transfer Agent
Valiant Trust Company
Calgary, Alberta

Engineering Consultants
GLJ Petroleum Consultants Ltd.
Calgary, Alberta

Stock Exchange Listing
Toronto Stock Exchange
Trading Symbol "NVA"

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