NUVISTA ENERGY LTD

THIRD INTERIM REPORT 2005

Press Release November 3, 2005

Calgary – NuVista Energy Ltd. is pleased to announce its financial and operating results for the three and nine months ended September 30, 2005 as follows:

Corporate Highlights

	Three Months ended September 30, 2005	2004	% Change	Nine Months ended September 30, 2005	2004	% Change
Financial						
($ thousands, except per share)						
Production revenue	48,474	22,020	120	106,365	54,797	94
Funds from operations (1)	30,699	13,682	124	65,623	34,649	89
Per share – basic	0.68	0.35	94	1.55	0.91	70
Per share – diluted	0.65	0.34	91	1.50	0.88	70
Net income	11,339	4,335	162	23,259	12,607	84
Per share – basic	0.25	0.11	127	0.55	0.33	67
Per share – diluted	0.24	0.11	118	0.53	0.32	66
Total assets				425,392	161,787	163
Bank loan, net of working capital				94,001	34,517	172
Shareholders' equity				238,868	109,080	119
Net capital expenditures	173,458	57,746	200	223,247	75,862	194
Weighted average common shares outstanding (thousands):						
Basic	45,479	39,643	15	42,219	38,110	11
Diluted	47,108	40,699	16	43,816	39,250	12
Operating						
(boe conversion – 6:1 basis)						
Production:						
Natural gas (mmcf/d)	44.7	27.8	61	36.6	23.3	57
Oil and liquids (bbls/d)	2,419	1,475	64	2,253	1,280	76
Total oil equivalent (boe/d)	9,874	6,113	62	8,347	5,163	62
Product prices: (2)						
Natural gas ($/mcf)	8.84	6.51	36	7.90	6.60	20
Oil and liquids ($/bbl)	54.29	39.51	37	44.73	36.08	24
Operating expenses:						
Natural gas ($/mcf)	0.69	0.73	(5)	0.72	0.68	6
Oil and liquids ($/bbl)	7.24	4.08	77	7.22	3.99	81
Total oil equivalent ($/boe)	4.92	4.31	14	5.08	4.04	26
General and administrative expenses ($/boe)	0.50	0.37	35	0.48	0.36	33
Cash costs ($/boe)	6.46	5.24	23	6.39	4.74	35
Funds from operations netback ($/boe) (1)	33.80	24.33	39	28.80	24.50	18

NOTES:

(1) Funds from operations and funds from operations per share are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations is detailed in the Statement of Cash Flows. 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. Netbacks equal total revenue is less royalties and operating costs calculated on a boe basis. Total boe is calculated by multiplying the daily production by the number of days in the period.

(2) Product prices are before transportation costs.

MESSAGE TO SHAREHOLDERS

NuVista Energy Ltd. ("NuVista") is pleased to report to shareholders its financial and operating results for the three and nine months ended September 30, 2005. NuVista has now completed in excess of two years of operations and the Board of Directors and management are very pleased with the results, accomplishments and corresponding value created for its shareholders. The results of the third quarter of 2005 represent the ninth consecutive quarter of continuous profitable growth for NuVista since its creation on July 2, 2003, through the Plan of Arrangement involving Bonavista Petroleum Ltd. and Bonavista Energy Trust (collectively "Bonavista").

On August 4, 2005 NuVista announced the closing of the transaction to acquire certain natural gas assets in northwest Saskatchewan for approximately $150 million. Upon completion of the transaction, NuVista acquired 20.4 mmcf/d of natural gas production, 78,500 net acres of undeveloped land and 61 bcf of proven and probable reserves, establishing a new core region for NuVista, Northwest Saskatchewan. The establishment of our Northwest Saskatchewan Core Region has left NuVista with over 50 additional drilling and 30 recompletion opportunities, a program which will be initiated in late 2005. As part of this acquisition, NuVista increased its capital program to $235 million from $100 million for 2005. The acquisition was funded through the issuance of 7.5 million common shares, at a price of $13.60/share, for gross proceeds of $102 million and an increase in NuVista's bank facility from $80 million to $130 million. The equity issue completed as part of the financing of the acquisition and expanded bank facility will provide NuVista with significant financial flexibility and a projected 2005 exit debt to funds flow ratio of less than 0.5:1.

Other significant highlights for NuVista to date in 2005 include:

- Increased employee count to 36, with 25 office and 11 field staff, with the formation of dedicated technical teams in each of NuVista's core areas;
- Increased year over year production by 66% to the current level of 11,300 boe/d, consisting of 53.5 mmcf/d of natural gas and 2,375 bbls/d of oil and liquids. NuVista's current natural gas weighting has increased to 79% of total production;
- Increased undeveloped land to approximately 430,000 net acres, providing NuVista with over 120 drilling locations and a strong prospect inventory for 2006;
- Acquired over 7,300 kilometers of 2D and 115 square kilometers of 3D seismic to further enhance the prospectivity of NuVista's undeveloped land;
- Participated in 86 (66.7 net) wells to date, with an overall success rate of 85%;
- Completed the construction and installation of two new operated production facilities in our Oyen Area and a NuVista operated processing facility in Provost;
- Completed three property acquisitions, with the establishment of a new core region, Northwest Saskatchewan; and
- Continued focus on cost control resulting in cash costs of $6.39/boe for the nine months ended September 30, 2005. NuVista's overall cash costs are forecasted to decrease slightly in the fourth quarter of 2005, thereby ensuring NuVista remains among the top decile of its peer group in this measure.

Total capital expenditures for the third quarter of 2005 were $173.5 million, which includes the northwest Saskatchewan acquisition. During the third quarter of 2005, approximately 100 boe/d of NuVista's third quarter production was adversely impacted by weather delays, with an additional 100 boe/d being delayed until November of 2005, awaiting the regulatory approval of a non routine pipeline application. NuVista currently has identified over 120 drilling prospects, 25 to 30 of which will be drilled in the fourth quarter of 2005. We are continuing to add to our prospect inventory on a weekly basis and plan to participate in over 150 wells in 2006.

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 the interim consolidated financial statements for the three and nine months ended September 30, 2005 and NuVista's audited consolidated financial statements and MD&A for the year ended December 31, 2004. Our audited consolidated financial statements, current annual information form and other disclosure documents are filed on SEDAR at *www.sedar.com*, and other corporate documentation can be obtained from our website at *www.nuvistaenergy.com*.

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

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

Non-GAAP Measurements *- Within Management's discussion and analysis, references are made to terms commonly used in the oil and gas industry. Funds from operations and funds from operations per share are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations is detailed on the Statement of Cash Flows. 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. Netbacks equal total revenue less royalties and operating costs calculated on a boe basis. Total boe is calculated by multiplying the daily production by the number of days in the period. Management uses these terms to analyze operating performance and leverage.*

Operating activities – During the third quarter of 2005, NuVista participated in 30 wells with an average working interest of 73% and operated 26 of these wells. The success rate of 90% in this drilling program resulted in 21 natural gas wells and six oil wells. NuVista continues to actively drill in its core regions, with 25 to 30 wells planned for the fourth quarter. For the nine months ended September 30, 2005, NuVista drilled 76 (57.6 net) wells, operating 66 of them, resulting in 55 natural gas wells, 13 oil wells and eight dry holes. NuVista has commenced its fourth quarter drilling program, participating in 10 wells thus far and currently has two drilling rigs running in our Eastern Region. With the start up of NuVista's Provost facility in August 2005, the Pembina Core Region is now the only area where the majority of NuVista's production is dependant upon third party facilities.

Production – For the third quarter of 2005, NuVista's average production was 9,874 boe/d, comprised of 44.7 mmcf/d of natural gas and 2,419 bbls/d of oil and liquids, which represents a 62% increase over the same period in 2004. For the nine months ended September 30, 2005 NuVista's average production was 8,347 boe/d, comprised of 36.6 mmcf/d of natural gas and 2,253 bbls/d of oil and liquids, which also represents a 62% increase over the same period in 2004.

Revenues – Revenues, before transportation costs, for the three months ended September 30, 2005 were $48.5 million, a 120% increase from $22.0 million for the three months ended September 30, 2004. For the nine months ended September 30, 2005, revenues, before transportation costs were $106.4 million, a 94% increase from $54.8 million, for the same period in 2004. These revenues were comprised of $78.9 million of natural gas and $27.5 million of oil and liquids. The increase in revenues for the nine months ended September 30, 2005 versus the same period of 2004 results directly from a 62% increase in production and a 20% increase in commodity prices. The increase in commodity prices, before transportation costs, is made up of a 20% increase in the natural gas price to $7.90/mcf from $6.60/mcf and a 24% increase in the oil and liquids price to $44.73/bbl from $36.08/bbl.

Commodity hedging – As part of our financial management strategy, NuVista has adopted a disciplined commodity-hedging program. The purpose of the hedging program is to reduce volatility in the financial results, protect acquisition economics and stabilize cash flow against the unpredictable commodity price environment. In the third quarter of 2005, NuVista's Board of Directors approved an increase of the hedging limit to 60% from the previous 50% of forecast production, net of royalties, primarily using costless collars. This increase will allow NuVista to further stabilize its cash flow in this period of elevated commodity prices. Our strategy limits NuVista's exposure to downturns in commodity prices while allowing for participation in commodity price increases. In the third quarter of 2005, our hedging program resulted in a loss of $694,000 and for the nine months ended September 30, 2005 a net loss of $726,000 was experienced due to the stronger than expected commodity prices realized throughout the period. A summary of hedging contracts in place as at September 30, 2005 is included in note 5 of the Notes to the Interim Consolidated Financial Statements.

Royalties – Royalties for the three months ended September 30, 2005 were $11.1 million, an increase of 124% over the $4.9 million reported for the three months ended September 30, 2004. The increase in royalties results from higher revenues in the third quarter of 2005 versus the same period in 2004. As a percentage of revenue, the average royalty rate for the third quarter of 2005 was 23.2% compared to 22.9% for the comparative period of 2004. Royalty rates by product for the third quarter of 2005 were 25.1% for natural gas and 17.5% for oil and liquids versus 24.7% for natural gas and 17.2% for oil and liquids for the similar period in 2004. The increase in the natural gas and oil and liquids royalty rates results from higher commodity prices and production levels in the third quarter of 2005. Royalties of $24.0 million for the nine months ended September 30, 2005 were 95% higher than the $12.3 million for the same period of 2004. The increase in royalties for the nine months ended September 30, 2005 resulted from higher revenues compared to the same period of 2004, generated by a 62% increase in production volumes and a 20% increase in commodity prices. Royalty rates by product for the nine months ended September 30, 2005 were 24.7% for natural gas and 18.2% for oil and liquids versus 24.7% for natural gas and 16.9% for oil and liquids for the same period in 2004.

Transportation – Transportation costs were $841,000 ($0.92/boe) for the three months ended September 30, 2005 as compared to $455,000 ($0.81/boe) for the third quarter of 2004. For the nine months ended September 30, 2005, transportation costs were $2.2 million ($0.95/boe) as compared to $1.1 million ($0.80/boe) for the same period in 2004. The increase in transportation costs results from the 62% increase in production volumes, offset by lower overall per unit costs because of the increase in natural gas to NuVista's overall production mix in the third quarter of 2005 versus 2004.

Operating – Operating expenses were $4.5 million ($4.92/boe) for the three months ended September 30, 2005, an 84% increase when compared to $2.4 million ($4.31/boe) for the three months ended September 30, 2004. This increase resulted from the 62% increase in production volumes and a 14% increase in per unit costs in the third quarter of 2005 versus the third quarter of 2004. The increase in per unit costs resulted because of higher per unit costs of the oil acquisition completed in the first quarter of 2005. Operating expenses were $11.6 million for the nine months ended September 30, 2005 versus $5.7 million for the same period in 2004, an increase of 103%. This increase resulted primarily due to the higher production volumes, increased per unit oil operating costs associated with the first quarter of 2005 acquisition and offset by slightly lower per unit natural gas operating costs associated with the northwest Saskatchewan acquisition completed in August 2005. For the nine months ended, September 30, 2005, natural gas operating expenses averaged $0.72/mcf and oil and liquids operating expenses were $7.22/bbl as compared to $0.68/mcf and $3.99/bbl respectively for the same period of 2004. On a boe basis, operating costs increased 26% to $5.08/boe for the nine months ended September 30, 2005 as compared to $4.04/boe for the same period of 2004, also primarily due to higher per unit costs of the newly acquired oil assets in the first quarter and increasing cost pressures facing the entire industry. Despite these increases, NuVista remains in the top decile for oil and natural gas companies in its peer group.

General and administrative – General and administrative expenses were $457,000 ($0.50/boe) net of overhead recoveries, as compared to the charge of $206,000 ($0.37/boe) for the three months ended September 30, 2004. General and administrative expenses, net of overhead recoveries for the nine months ended September 30, 2005 were $1.1 million ($0.48/boe), an increase of 117% over the $508,000 ($0.36/boe) for the nine months ended September 30, 2004. This increase is directly attributable to the higher production base in NuVista, hiring of NuVista's own core area teams, higher employee costs experienced throughout the energy industry and the allocation of higher per unit overhead costs from Bonavista, in accordance with the Technical Services Agreement (the "TSA"). For the nine months ended September 30, 2005, Bonavista charged $1.2 million, as compared to $840,000 in 2004, to NuVista for general and administrative services under the TSA. The TSA, entered into as part of the Plan of Arrangement, has allowed NuVista to initiate and continue with its successful and active capital programs, through the use of Bonavista's personnel in managing its operations and at the same time taking advantage of Bonavista's low overhead cost structure. NuVista recorded a stock-based compensation charge of $1.1 million for the nine month period ended September 30, 2005 versus $733,000 for the same period in 2004 of both the Class B Performance Shares in 2003 and stock options.

Interest – For the three months ended September 30, 2005, interest expense was $709,000 ($0.78/boe), up 251% from $201,000 ($0.36/boe) in the same period of 2004, due to higher average debt levels in 2005 in connection with the northwest Saskatchewan property acquisition. Interest expense for the nine months ended September 30, 2005 was $1.4 million ($0.61/boe) versus $330,000 ($0.23/boe) for the same period of 2004 due to higher average debt levels. Cash paid on interest for the nine months ended September 30, 2005 was $1.4 million. Currently, NuVista's average borrowing rate is approximately 3.75%.

Depreciation, depletion and accretion – Depreciation, depletion and accretion expenses were $12.0 million for the third quarter of 2005 compared to $6.7 million for the same period in 2004, an increase of 80%. The average cost per unit was $13.21/boe in the third quarter of 2005 versus $11.86/boe for the same period in 2004. Depreciation, depletion and accretion expenses for the nine months ended September 30, 2005 were $27.2 million, an increase of 104% over the $13.4 million for the nine months ended September 30, 2004. The average cost per unit was $11.95/boe for the nine month period ended September 30, 2005 versus $9.47/boe in the same period in 2004, due to higher costs of adding reserves, which is a trend being experienced throughout the industry.

Income and other taxes – For the third quarter of 2005, the provision for income and other taxes was $7.1 million for an effective tax rate of 38%, as compared to $2.5 million with an effective tax rate of 37% for the third quarter of 2004. The increase in the effective tax rate results from a higher Large Corporation Tax provision. For the nine months ended September 30, 2005, the provision for income and other taxes was $14.5 million for an effective tax rate of 38%, as compared to $8.1 million for an effective tax rate of 39% for the same period in 2004. The reduction in the effective tax rate results primarily from lower statutory income tax rates in 2005. Cash paid for income and other taxes for the nine months ended September 30, 2005 was $369,000.

Capital expenditures – Capital expenditures were $173.5 million during the third quarter of 2005 and consisted of $150.7 million of acquisition expenditures and $22.8 million of exploration and development expenditures. Capital expenditures were $223.2 million for the nine months ended September 30, 2005 consisting of exploration and development spending of $50.3 million and $172.9 million of acquisitions, compared to $75.9 million incurred for the nine months ended September 30, 2004 with approximately two thirds spent on acquisitions.

Funds from operations and net income – In the third quarter of 2005, funds from operations were $30.7 million ($0.68/share, basic), a 124% increase over the $13.7 million ($0.35/share, basic) for the same period in 2004. For the nine months ended September 30, 2005, NuVista's funds from operations were $65.6 million ($1.55/share, basic), an 89% increase from $34.7 million ($0.91/share, basic) for the nine months ended September 30, 2004. Net income also increased 162% during the third quarter of 2005 to $11.4 million ($0.25/share, basic) from the $4.3 million ($0.11/share, basic) for the same period in 2004. For the nine months ended September 30, 2005 net income increased 84% to $23.3 million ($0.55/share, basic) from $12.6 million ($0.33/share, basic) for the same period in 2004.

Liquidity and capital resources – As at September 30, 2005, bank debt (including working capital) was $94 million, resulting in a debt to funds flow ratio of approximately 0.7 to 1. NuVista has approximately $36 million of unused bank borrowing capability based on the current line of credit of $130 million, which provides substantial flexibility to fund expanded capital programs into the future. As at November 3, 2005, there were 48,346,217 common shares and 567,818 Class B Performance Shares outstanding. In addition, there were 2,443,112 stock options outstanding, with an average exercise price of $8.81/share.

Quarterly financial information – The following table highlights NuVista's performance for the eight quarterly reporting periods from December 31, 2003 to September 30, 2005:

	2005			2004				2003
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
								(restated)
Production (boe/d)	9,874	7,783	7,358	6,703	6,113	4,712	4,651	4,316
(thousands, except per share amounts)								
Production revenue	$ 48,474	$ 30,626	$ 27,265	$ 24,601	$ 22,020	$ 16,982	$ 15,795	$ 13,061
Net income	11,339	6,335	5,585	5,715	4,335	4,540	3,732	2,878
Basic	0.25	0.16	0.14	0.14	0.11	0.12	0.10	0.08
Diluted	0.24	0.15	0.13	0.14	0.11	0.12	0.10	0.08

Since its commencement of operations on July 2, 2003, NuVista has seen dramatic growth in its production, revenues and net income over its first eight quarters. Coupled with stronger commodity prices, revenues have increased 271% and net income has increased 294% over these eight quarters.

BUSINESS RISKS AND OUTLOOK

NuVista's management remains committed to the same principles and disciplined growth strategy that has led to considerable success over its first two years. In 2005, NuVista increased its employee base with the establishment of separate technical teams in each of its Core Areas and completed three significant acquisitions, which strengthened our core regions and our inventory of drilling opportunities. With the undeveloped land base now exceeding 430,000 net acres, an increased drilling inventory, coupled with our strong balance sheet, NuVista is well positioned to continue posting strong operational and financial results for the remainder of 2005 and beyond. On August 4, 2005, NuVista completed the acquisition of certain natural gas properties in northwest Saskatchewan for approximately $150 million. This acquisition resulted in NuVista increasing its 2005 capital budget to $235 million, which will result in 2005 production averaging approximately 9,100 boe/d for the year. Using current strip pricing for the fourth quarter of 2005, this production forecast should result in cash flow of approximately $105 million ($2.40/share) for 2005.

For 2006, NuVista's Board of Directors has approved an initial capital program between $175 and $190 million, with the drilling of approximately 140 to 160 wells and is expected to result in production averaging between 12,600 boe/d and 13,200 boe/d for the year. Based on commodity price estimates of $9.70/gj @ AECO for natural gas and US$56.00/bbl WTI for oil, NuVista expects cash flow in the range of $150 million to $160 million ($3.10/share to $3.30/share).

Not withstanding pressure facing the industry from both a reserve finding and operating cost perspective, NuVista will continue to focus on its core strategy of cost control and applying the expertise of its own technical staff to its current operating regions, through both the drill bit and strategic acquisitions. The execution of these strategies will enable NuVista to continue to grow its production, cash flow and net income consistently and profitably. Furthermore, our solid financial position will enable us to continue execution of our capital programs and remain positioned to pursue additional strategic opportunities as they arise. We remain unwavering in our commitment to enhance shareholder value over the long-term by accessing the broad depth and expertise of our team in a diligent and prudent manner.

On Behalf of the Board of Directors

Alex G. Verge
President and
Chief Executive Officer

Glenn A. Hamilton
Vice President and
Chief Financial Officer

November 3, 2005
Calgary, Alberta

Consolidated Balance Sheets

(thousands)	September 30, 2005 (unaudited)	December 31, 2004 (audited)
Assets		
Current assets:		
Accounts receivable	$ 17,597	$ 12,071
Oil and natural gas properties and equipment	353,356	152,021
Goodwill	54,439	9,439
	$ 425,392	$ 173,531
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 18,709	$ 17,524
Bank loan (note 3)	92,889	28,352
Asset retirement obligations (note 2)	11,089	5,990
Future income taxes	63,837	6,555
Shareholders' equity:		
Share capital (note 4)	190,445	89,876
Contributed surplus (note 4)	1,218	1,288
Retained earnings	47,205	23,946
	238,868	115,110
	$ 425,392	$ 173,531

Consolidated Statements of Operations and Retained Earnings

(thousands, except per share amounts)	Three Months ended September 30, 2005	Three Months ended September 30, 2004	Nine Months ended September 30, 2005	Nine Months ended September 30, 2004
(unaudited)				
Revenues:				
Production	$ 48,474	$ 22,020	$ 106,365	$ 54,797
Royalties, net of Alberta Royalty Tax Credit	(11,062)	(4,935)	(24,005)	(12,310)
Transportation	(841)	(455)	(2,169)	(1,134)
	36,571	16,630	80,191	41,353
Expenses:				
Operating	4,470	2,426	11,585	5,715
General and administrative	457	206	1,102	508
Interest	709	201	1,397	330
Stock-based compensation	543	255	1,127	733
Depreciation, depletion and accretion	12,001	6,671	27,243	13,388
	18,180	9,759	42,454	20,674
Income before income and other taxes	18,391	6,871	37,737	20,679
Income and other taxes	7,052	2,536	14,478	8,072
Net income	11,339	4,335	23,259	12,607
Retained earnings, beginning of period	35,866	13,896	23,946	5,624
Retained earnings, end of period	$ 47,205	$ 18,231	$ 47,205	$ 18,231
Net income per share – basic	$ 0.25	$ 0.11	$ 0.55	$ 0.33
Net income per share – diluted	$ 0.24	$ 0.11	$ 0.53	$ 0.32

Consolidated Statements of Cash Flows

(thousands)

	Three Months ended September 30, 2005	Three Months ended September 30, 2004	Nine Months ended September 30, 2005	Nine Months ended September 30, 2004
(unaudited)				
Cash provided by (used in):				
Operating Activities:				
Net income	$ 11,339	$ 4,335	$ 23,259	$ 12,607
Items not requiring cash from operations:				
Depreciation, depletion and accretion	12,001	6,671	27,243	13,388
Stock-based compensation	543	255	1,127	733
Future income taxes	6,816	2,421	13,994	7,921
Funds from operations	30,699	13,682	65,623	34,649
Asset retirement expenditures	(161)	17	(233)	(19)
Decrease (Increase) in non-cash working capital items	13,536	(3,037)	(4,341)	(6,644)
	44,074	10,662	61,049	27,986
Financing Activities:				
Issue (Repurchase) of share capital	97,582	(30)	97,661	(37)
Increase in bank loan	31,802	25,573	64,537	26,376
	129,384	25,543	162,198	26,339
Investing Activities:				
Business acquisition (note 1)	(150,716)	(22,882)	(150,716)	(22,882)
Oil and natural gas properties and equipment additions	(22,742)	(13,323)	(72,531)	(31,545)
Proceeds on disposal of oil and natural gas properties and equipment	-	-	-	102
	(173,458)	(36,205)	(223,247)	(54,325)
Decrease in cash	-	-	-	-
Cash, beginning of period	-	-	-	-
Cash, end of period	$ -	$ -	$ -	$ -

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended September 30, 2005.

The unaudited interim consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), using the same accounting policies as those set out in note 1 to the consolidated financial statements for the year ended December 31, 2004. The interim consolidated financial statements for the three and nine months ended September 30, 2005 are incremental to the consolidated financial statements for the year ended December 31, 2004 and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2004. Certain amounts have been reclassified to conform with the current year's presentation.

1. Acquisition of Northwest Saskatchewan Properties:

On August 4, 2005, the Company completed the acquisition of certain natural gas weighted properties in northwest Saskatchewan for a total purchase price of approximately $150.7 million. The purchase price is estimated by management based on currently available information. Amendments may be made to the purchase equation as the cost estimates and tax balances are finalized. NuVista purchased these properties through a series of transactions, with the assets being acquired in an existing partnership owned approximately 76% by NuVista and 24% by Bonavista Petroleum. The acquisition has been accounted for using the purchase method, with results of operations included from the date of acquisition. The purchase equation, which reflects the NuVista portion of the acquisition, is as follows:

	Amount
(thousands)	
Net assets acquired:	
Oil and natural gas properties	$ 153,635
Goodwill	45,000
Asset retirement obligations	(2,919)
Future income taxes	(45,000)
Net assets acquired	**$ 150,716**
Purchase consideration:	
Cash	150,716
Total purchase consideration	**$ 150,716**

2. Asset retirement obligations:

A reconciliation of the asset retirement obligations is provided below:

	Nine Months ended September 30,	
	2005	**2004**
(thousands)		
Balance, beginning of period	$ 5,990	$ 3,027
Accretion expense	493	184
Liabilities incurred	568	270
Liabilities acquired	4,271	991
Liabilities settled	(233)	(19)
Balance, end of period	**$ 11,089**	**$ 4,453**

3. Bank loan:

In August 2005, NuVista and its lenders agreed to amend the Company's bank loan facility to increase the maximum borrowing to $130 million. All other terms and conditions of the bank loan facility remain unchanged.

4. Share capital:

(a) Authorized:

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

(b) Issued:

(i) Common Shares

(thousands)	Number	Amount
Balance as at December 31, 2004	40,559	$ 89,867
Issued for cash	7,500	102,109
Conversion of Class B Performance Shares	249	3
Stock-based compensation	-	1,197
Exercise of stock options	53	341
Reacquired and cancelled	(17)	(33)
Cost associated with shares issued, net of future tax benefit		(3,045)
Balance as at September 30, 2005	**48,344**	**$ 190,439**

(ii) Contributed Surplus

(thousands)	Amount
Balance as at December 31, 2004	$ 1,288
Stock-based compensation	1,127
Conversion of Class B Performance shares	(1,197)
Balance as at September 30, 2005	**$ 1,218**

(iii) Class B Performance Shares

(thousands)	Number	Amount
Balance as at December 31, 2004	884	$ 9
Converted to Common Shares	(292)	(3)
Reacquired and cancelled	(16)	-
Balance as at September 30, 2005	**576**	**$ 6**

(c) Stock options and stock-based compensation:

For the nine months ended September 30, 2005, there were 818,000 options granted with an average exercise price of $12.69/share and an estimated fair value of $3.50/share using the Black-Scholes option pricing model. There were 2,443,112 stock options outstanding, with an average exercise price of $8.81/share as at September 30, 2005.

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 3.5%; volatility of 25%; and an expected life of 4.5 years.

5. Hedging activities:

a) Hedging instruments:

As at September 30, 2005, NuVista has hedged by way of costless collars the following crude oil:

Volume	Average Price	Term
250 bbls/d	US$35.00 - US$57.25 - WTI	October 1, 2005 – December 31, 2005
400 bbls/d	CDN$33.58 - CDN$41.39 - Bow River	March 1, 2005 – December 31, 2005
250 bbls/d	US$60.00 - US$84.00 - WTI	January 1, 2006 – March 31, 2006
250 bbls/d	CDN$60.00 - CDN$75.00 - WTI	January 1, 2006 – March 31, 2006
250 bbls/d	CDN$61.00 - CDN$75.00 - WTI	April 1, 2006 – June 30, 2006

b) Physical purchase contracts:

As at September 30, 2005, NuVista has entered into direct sale costless collars to sell natural gas as follows:

Volume	Average Price (Cdn $/gj)	Term
10,000 gj's/d	$ 6.13 - $ 9.06 - AECO	October 1, 2005 – October 31, 2005
20,000 gj's/d	$ 8.66 - $ 13.34 - AECO	November 1, 2005 – March 31, 2006
15,000 gj's/d	$ 7.21 - $ 10.72 - AECO	April 1, 2006 – October 31, 2006

As at September 30, 2005, the market deficiency of the financial instrument contracts was approximately $2.0 million.

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