

NUVISTA ENERGY LTD.**Condensed Statements of Financial Position**
(Unaudited)

(\$Cdn thousands)	September 30	December 31
	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ —	\$ —
Accounts receivable and prepaid expenses	25,627	29,541
Financial derivative assets (note 13)	1,151	25,770
	26,778	55,311
Financial derivative assets (note 13)	2,663	—
Exploration and evaluation assets (note 5)	76,990	83,291
Property, plant and equipment (note 6)	825,750	843,035
Total assets	\$ 932,181	\$ 981,637
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 43,078	\$ 48,643
Accrued environmental remediation liabilities (note 4)	1,046	4,790
Current portion of asset retirement obligations (note 9)	12,300	9,501
	56,424	62,934
Long-term debt (note 7)	79,248	196,733
Senior unsecured notes (note 8)	67,038	—
Other liabilities (note 12)	434	—
Financial derivative liabilities (note 13)	—	14
Asset retirement obligations (note 9)	75,499	92,317
	278,643	351,998
Shareholders' equity		
Share capital (note 10)	1,164,718	1,140,170
Contributed surplus	46,715	44,576
Deficit	(557,895)	(555,107)
	653,538	629,639
Total liabilities and shareholders' equity	\$ 932,181	\$ 981,637

Subsequent events (note 13,14 & 15)
Commitments (note 14)

See accompanying notes to the condensed interim financial statements.

NUVISTA ENERGY LTD.

Condensed Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)

(\$Cdn thousands, except per share amounts)	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
Revenues				
Oil and natural gas	\$ 65,155	\$ 54,664	\$ 182,714	\$ 170,093
Royalties	(639)	(835)	(908)	(5,521)
Net revenue from oil and natural gas sales	64,516	53,829	181,806	164,572
Realized gain on financial derivatives	5,323	11,306	24,016	31,735
Unrealized gain (loss) on financial derivatives	(4,268)	3,633	(21,942)	(22,580)
Net revenue from oil and natural gas sales and gains (losses) on financial derivatives	65,571	68,768	183,880	173,727
Expenses				
Transportation	5,480	2,053	16,250	9,994
Operating	25,904	25,233	71,079	73,162
General and administrative	3,695	4,826	12,568	15,392
Share-based compensation (note 12)	1,460	1,093	3,720	3,866
Depletion, depreciation, amortization and impairment (note 6)	25,926	91,731	73,442	152,735
Exploration and evaluation (note 5)	18	612	368	2,747
Loss (gain) on property dispositions	(822)	(1,279)	1,963	(1,883)
Environmental remediation expense (note 4)	—	8,000	—	8,000
Note receivable recovery	—	—	(350)	—
Financing costs	3,457	1,884	9,254	6,675
	65,118	134,153	188,294	270,688
Income (loss) before taxes	453	(65,385)	(4,414)	(96,961)
Deferred income tax expense (benefit)	(1,626)	9,452	(1,626)	6,892
Income (loss) and comprehensive income (loss)	\$ 2,079	\$ (74,837)	\$ (2,788)	\$ (103,853)
Net income (loss) per share (note 11)				
Basic	\$ 0.01	\$ (0.49)	\$ (0.02)	\$ (0.71)
Diluted	\$ 0.01	\$ (0.49)	\$ (0.02)	\$ (0.71)

See accompanying notes to the condensed interim financial statements.

NUVISTA ENERGY LTD.

Condensed Statements of Changes in Shareholders' Equity
(Unaudited)

(\$Cdn thousands)	Nine months ended September 30	
	2016	2015
Share capital (note 10)		
Balance, January 1	\$ 1,140,170	\$ 1,029,017
Issued for cash on offering of common shares	—	90,000
Issued for cash on offering of flow-through common shares, net of implied premium of \$1.6 million (2015 - \$1.1 million)	20,002	20,861
Issued for cash on exercise of stock options	3,376	2,802
Contributed surplus transferred on exercise of stock options	1,161	964
Conversion of restricted share awards	112	80
Share issue costs, net of deferred tax benefit of \$nil (2015 – \$0.04 million)	(103)	(3,725)
Balance, end of period	\$ 1,164,718	\$ 1,139,999
Contributed surplus		
Balance, January 1	\$ 44,576	\$ 40,812
Share-based compensation	3,412	3,594
Transfer to share capital on exercise of stock options	(1,161)	(964)
Conversion of restricted share awards	(112)	(80)
Balance, end of period	\$ 46,715	\$ 43,362
Deficit		
Balance, January 1	\$ (555,107)	\$ (382,182)
Net earnings (loss)	(2,788)	(103,853)
Balance, end of period	\$ (557,895)	\$ (486,035)
Total shareholders' equity	\$ 653,538	\$ 697,326

See accompanying notes to the condensed interim financial statements.

NUVISTA ENERGY LTD.

Condensed Statements of Cash Flows (Unaudited)

(\$Cdn thousands)	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
Cash provided by (used in)				
Operating activities				
Net income (loss)	\$ 2,079	\$ (74,837)	\$ (2,788)	\$ (103,853)
Items not requiring cash from operations:				
Depletion, depreciation, amortization and impairment	25,926	91,731	73,442	152,735
Exploration and evaluation	18	612	368	2,747
Loss (gain) on property dispositions	(822)	(1,279)	1,963	(1,883)
Share-based compensation	1,017	1,195	2,786	3,419
Unrealized (gain) loss on financial derivatives	4,268	(3,633)	21,942	22,580
Deferred income tax expense (benefit)	(1,626)	9,452	(1,626)	6,892
Accretion (note 9)	377	581	1,406	1,808
Asset retirement expenditures (note 9)	(1,978)	(2,143)	(7,606)	(5,555)
Change in non-cash working capital	(6,558)	775	(15,860)	3,928
	22,701	22,454	74,027	82,818
Financing activities				
Issue of share capital, net of share issue costs	2,035	200	24,901	109,839
Increase (decrease) in long-term debt	(10,138)	19,330	(117,485)	788
Issuance of senior unsecured notes, net of financing costs	—	—	66,893	—
	(8,103)	19,530	(25,691)	110,627
Investing activities				
Property, plant and equipment expenditures	(42,526)	(55,692)	(131,515)	(206,247)
Exploration and evaluation expenditures	(792)	(4,197)	(1,761)	(14,717)
Property acquisitions	—	—	(1,001)	(600)
Proceeds on property dispositions	3,956	3,775	73,901	13,911
Change in non-cash working capital	24,764	14,130	12,040	14,208
	(14,598)	(41,984)	(48,336)	(193,445)
Change in cash and cash equivalents	—	—	—	—
Cash and cash equivalents, balance January 1	—	—	—	—
Cash and cash equivalents, end of period	\$ —	\$ —	\$ —	\$ —
Cash interest paid	\$ 2,935	\$ 1,343	\$ 7,244	\$ 5,185

See accompanying notes to the condensed interim financial statements.

NUVISTA ENERGY LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

Three and nine months ended September 30, 2016 with comparative figures for 2015. All tabular amounts are in thousands of Canadian dollars, except share and per share amounts, unless otherwise stated.

1. Corporate information

NuVista Energy Ltd. ("NuVista" or the "Company") is a Canadian publicly traded company incorporated in the province of Alberta. The Company is an oil and natural gas company actively engaged in the exploration, development and production of oil and natural gas reserves in the Western Canadian Sedimentary Basin. NuVista's primary focus is on the scalable and repeatable condensate-rich Montney formation in the Alberta Deep Basin.

The address of the Company's head office is 3500, 700 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 2W2.

2. Basis of preparation

These condensed interim financial statements (the "financial statements") have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting". These financial statements have been prepared following the same accounting policies except as noted below and methods of computation as the annual financial statements for the year ended December 31, 2015. These financial statements do not include all the information required for annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2015, which have been prepared in accordance with Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved and authorized for issuance by the Board of Directors on November 11, 2016.

3. New accounting policies

Future accounting changes

Below is a brief description of new IFRS standards and amendments that are not yet effective and have not been applied in the preparation of these financial statements.

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers", which replaces IAS 18, "Revenue" and IAS 11, "Construction Contracts". The standard is now effective January 1, 2018 and is required to be adopted retrospectively or using a modified transition approach. The Company will be required to adopt this standard and is currently evaluating the impact this standard may have on the financial statements.

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

In January 2016, the IASB issued IFRS 16 "Leases" which replaces IAS 17 "Leases". The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying for IFRS 15 "Revenue from Contracts with Customers". IFRS 16 will be applied by NuVista on January 1, 2019 and the Company is currently evaluating the impact of the standard may have on the financial statements.

4. Accrued environmental remediation liabilities

	September 30, 2016	December 31, 2015
Balance, January 1	\$ 4,790	\$ —
Environmental remediation expense	—	9,300
Remediation costs incurred	(3,744)	(4,510)
Balance, end of period	\$ 1,046	\$ 4,790

During the third quarter of 2015, the Company identified a leak in a remote pipeline carrying oil emulsion in the Non-Core area of Northwest Alberta. The pipeline was immediately shut down and the Company's emergency response plan was activated. The Company's insurers have been notified and are currently evaluating to determine if this is an insurable event. The Company recorded \$9.3 million in environmental remediation expense in the December 31, 2015 year end financial statements, which is the current best estimate of the total cost of remediation. To date, \$8.3 million has been spent. It is anticipated that majority of the remaining remediation will continue to occur throughout 2016 and 2017.

5. Exploration and evaluation assets

	September 30, 2016	December 31, 2015
Balance, January 1	\$ 83,291	\$ 98,906
Additions	1,761	15,884
Acquisitions	1,001	6,323
Dispositions	(1,144)	(7,198)
Capitalized share-based compensation	511	6
Transfers to property, plant and equipment (note 6)	(8,062)	(20,900)
Expiries (exploration and evaluation expense)	(368)	(2,942)
Impairment	—	(6,788)
Balance, end of period	\$ 76,990	\$ 83,291

6. Property, plant and equipment

	September 30, 2016	December 31, 2015
Cost		
Balance, January 1	\$ 1,545,216	\$ 1,355,406
Additions	131,515	257,358
Dispositions	(331,805)	(95,913)
Change in asset retirement obligations (note 9)	5,822	7,465
Transfers from exploration and evaluation assets (note 5)	8,062	20,900
Balance, end of period	\$ 1,358,810	\$ 1,545,216

	September 30, 2016	December 31, 2015
Accumulated depletion, depreciation, amortization and impairment		
Balance, January 1	\$ 702,181	\$ 530,291
Depletion and depreciation expense	73,442	160,901
Dispositions	(242,563)	(63,410)
Impairments	—	74,399
Balance, end of period	\$ 533,060	\$ 702,181

	September 30, 2016	December 31, 2015
Carrying value		
Balance, January 1	\$ 843,035	\$ 825,115
Balance, end of period	\$ 825,750	\$ 843,035

For the nine months ended September 30, 2016, total proceeds from the sale of assets in in the Wapiti Sweet operating area as well as various non-core property dispositions were \$73.9 million, compared to \$13.9 million in the comparable period of 2015.

7. Long-term debt

At September 30, 2016, the Company had a \$200.0 million (December 31, 2015 – \$300.0 million) extendible revolving term credit facility available from a syndicate of Canadian chartered banks. Borrowing under the credit facility may be made by prime loans, bankers' acceptances and/or US libor advances. These advances bear interest at the bank's prime rate and/or at money market rates plus a borrowing margin. For the three and nine months ended September 30, 2016, borrowing costs averaged 3.2% (December 31, 2015 – 3.2%). 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 has a 364-day revolving period and is subject to an annual review by the lenders, at which time a lender can extend the revolving period or can request conversion to a one year term loan. During the revolving period, a review of the maximum borrowing amount occurs semi-annually on October 31 and April 30. During the term period, no principal payments would be required until a year after the revolving period matures.

During the third quarter, NuVista requested and received an extension of the renewal date of the credit facility from October 31, to on or before November 30, 2016 from the banking syndicate to allow for the inclusion of new well production data in the borrowing base redetermination.

As at September 30, 2016, the Company had drawn \$79.2 million on its credit facility (December 31, 2015 – \$196.7 million) and had outstanding letters of credit of \$16.9 million, which reduce the credit available on the credit facility. The credit facility does not contain any financial covenants, but the Company is subject to various non-financial covenants under its credit facility. These covenants are monitored on a regular basis and as at September 30, 2016, the Company was in compliance with all covenants.

8. Senior unsecured notes

On June 22, 2016, the Company issued \$70.0 million of 9.875% senior unsecured notes ("Notes") with a 5 year term by way of private placement. Proceeds net of discount and costs amounted to \$66.9 million. Interest is payable in equal quarterly installments in arrears. The Notes are fully and unconditionally guaranteed as to the payment of principal and interest, on a senior unsecured basis by the Company. There are no maintenance financial covenants.

The Notes are non callable by the Company prior to the two and a half year anniversary of the closing date. At any time on or after December 22, 2018, the Company may redeem all or part of the Notes at the redemption prices set forth in the table below plus any accrued and unpaid interest:

12 month period ended:	Percentage
December 22, 2019	104.938%
December 22, 2020	102.469%
December 22, 2021	100.000%

If a change of control occurs at any time prior to June 22, 2017, each holder of the Notes will have the right to require the Company to purchase all or any part of that holder's Notes for an amount in cash equal to 110% of the aggregate principle repurchased plus accrued and unpaid interest. If a change of control occurs after June 22, 2017, each holder of Notes will have the right to require the Company to purchase all or any part of that holder's Notes for an amount in cash equal to 101% of the aggregate principle repurchased plus accrued and unpaid interest.

9. Asset retirement obligations

The Company's 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 September 30, 2016, the estimated total undiscounted amount of cash flows required to settle the asset retirement obligations is \$130.7 million (December 31, 2015 – \$150.8 million), which is estimated to be incurred over the next 50 years. A risk-free rate of 1.7% (December 31, 2015 – 2.2%) and an inflation rate of 2.0% (December 31, 2015 – 2.0%) were used to calculate the net present value of the asset retirement obligations. A reconciliation of the asset retirement obligations is provided below:

	September 30, 2016	December 31, 2015
Balance, January 1	\$ 101,818	\$ 111,307
Accretion expense	1,406	2,385
Liabilities incurred	1,513	2,926
Liabilities disposed	(13,641)	(10,500)
Change in estimates and discount rate	4,309	4,539
Liabilities settled	(7,606)	(8,839)
Balance, end of period	\$ 87,799	\$ 101,818
Expected to be incurred within one year	12,300	9,501
Expected to be incurred beyond one year	\$ 75,499	\$ 92,317

10. Share capital

Common shares

	September 30, 2016		December 31, 2015	
	Number	Amount	Number	Amount
Balance, January 1	153,310,265	\$ 1,140,170	138,676,908	\$ 1,029,017
Issued for cash on offering of common shares	—	—	11,465,000	90,000
Issued for cash on offering of flow-through common shares ⁽¹⁾	3,252,411	20,002	2,544,040	20,861
Issued for cash on exercise of stock options	689,639	3,376	609,538	2,927
Contributed surplus transferred on exercise of stock options	—	1,161	—	1,005
Conversion of restricted share awards	15,315	112	14,779	80
Share issue costs, net of deferred tax benefit of \$nil (2015 – \$1.2 million)	—	(103)	—	(3,720)
Balance, end of period	157,267,630	\$ 1,164,718	153,310,265	\$ 1,140,170

⁽¹⁾ Net of implied premium (2015 - \$1.1 million) on flow-through share price compared to trading price at announcement of equity issuance.

In June 2016, pursuant to a private placement, the Company issued 3.3 million common shares on a flow-through basis in respect of Canadian Development expenses ("CDE") at a price of \$6.65 per share for gross proceeds of \$21.6 million. The implied premium on the flow-through common shares was determined to be \$1.6 million on the date of issue. Under the terms of the flow-through share agreements, the Company is committed to spend \$21.6 million on qualifying CDE prior to December 31, 2016. As of September 30, 2016, NuVista has fulfilled its commitment to spend \$21.6 million on qualifying CDE.

11. Income (loss) per share

The following table summarizes the weighted average common shares used in calculating net income (loss) per share:

(thousands of shares)	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
Weighted average common shares outstanding				
Basic	157,097	153,233	154,633	146,911
Diluted	157,097	153,233	154,633	146,911

12. Share-based compensation

Stock Options

The Company has established a stock option plan whereby officers, directors and employees may be granted options to purchase common shares. Options granted vest at the rate of 1/3 per year and expire 2.5 years after the vesting date. The maximum number of stock options currently outstanding and available to be issued as at September 30, 2016 is 10.2 million. The following continuity table summarizes the stock option activity:

	September 30, 2016		December 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, January 1	6,213,614	\$ 7.14	6,378,553	\$ 7.45
Granted	974,000	6.23	1,608,305	6.22
Exercised	(689,639)	4.9	(609,538)	4.80
Forfeited	(344,795)	7.88	(307,703)	8.60
Expired	(172,760)	8.76	(856,003)	8.87
Balance, end of period	5,980,420	\$ 7.16	6,213,614	\$ 7.14
Weighted average share price on date of exercise	689,639	\$ 6.42	609,538	\$ 7.74

The following table summarizes stock options outstanding and exercisable under the plan at September 30, 2016:

Range of exercise price	Options outstanding			Options exercisable	
	Number of options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of options exercisable	Weighted average exercise price
\$3.47 to \$4.99	1,233,148	2.48	\$ 4.36	511,764	\$ 4.51
\$5.00 to \$9.99	4,213,492	2.41	7.52	2,151,025	7.56
\$10.00 to \$12.04	533,780	2.15	10.78	354,877	10.79
\$3.47 to \$12.04	5,980,420	2.40	\$ 7.16	3,017,666	\$ 7.42

The Company uses the fair value based method for the determination of the share-based compensation costs. The fair value of each option granted during the year was estimated on the date of grant using the Black-Scholes option pricing model.

Director Deferred Share Units

In May 2016, shareholders approved a Director Deferred Share Unit ("DSU") incentive plan. Each DSU entitles participants to receive cash equal to the trading price of the equivalent number of shares of the Company. All DSUs granted vest and become payable upon retirement of the director.

The compensation expense was calculated using the fair value method based on the trading price of the Company's shares at the end of each reporting period. The following table summarizes the change in the number of DSUs.:

	September 30, 2016	December 31, 2015
Balance, January 1	—	—
Granted	52,650	—
Balance, end of period	52,650	—

The following table summarizes the change in compensation liability relating to DSUs:

	September 30, 2016	December 31, 2015
Balance, January 1	\$ —	\$ —
Change in accrued compensation liabilities	434	—
Balance, end of period	\$ 434	\$ —

Restricted Stock Units

The Company has a Restricted Stock Unit ("RSU") Plan for employees and officers. Each RSU entitles participants to receive cash equal to the trading price of the equivalent number of shares of the Company. All RSUs granted vest and become payable within three years after the date the RSUs are issued. As of June 30, 2016, all outstanding RSUs have vested, and the plan has been terminated.

The compensation expense was calculated using the fair value method based on the trading price of the Company's shares at the end of each reporting year. The following table summarizes the change in the number of RSUs:

	September 30, 2016	December 31, 2015
Balance, January 1	145,665	501,110
Settled	(131,166)	(343,647)
Granted	—	—
Forfeited	(14,499)	(11,798)
Balance, end of period	—	145,665

The following table summarizes the change in compensation liability relating to RSUs:

	September 30, 2016	December 31, 2015
Balance, January 1	\$ 463	\$ 2,057
Change in accrued compensation liabilities	(463)	(1,594)
Balance, end of period	\$ —	\$ 463
Compensation liabilities – current (included in accounts payable and accrued liabilities)	\$ —	\$ 463

Restricted Share Awards

The Company has a Restricted Share Award ("RSA") Plan for employees and officers which entitle the employee to receive one common share for each RSA granted upon vesting. RSA grants vest within three years from the date of grant. The maximum number of common shares reserved for issuance under the RSA plan is 1,650,000 of which 1,233,332 remain to be issued.

The fair value of RSAs is determined based on the weighted average trading price of the five days preceding the grant date. This fair value is recognized as share-based compensation expense over the vesting period with a corresponding increase to contributed surplus. The amount of the compensation expense is reduced by an estimated forfeiture rate determined at the date of the grant and updated each period. Upon vesting of the RSAs and settlement in common shares, the previously recognized value in contributed surplus will be recorded as an increase to share capital.

The following table summarizes the change in the number of RSAs:

	September 30, 2016	December 31, 2015
Balance, January 1	385,142	138,181
Settled	(15,315)	(14,779)
Granted	203,400	275,850
Forfeited	(31,603)	(14,110)
Balance, end of period	541,624	385,142

The following table summarizes share-based compensation relating to stock options, RSUs and RSAs:

	Nine months ended September 30							
	2016				2015			
	Stock options	RSU/ DSU	RSA	Total	Stock options	RSU/ DSU	RSA	Total
Share-based compensation	\$ 1,930	\$ 87	\$ 856	\$ 2,873	\$ 2,920	\$ (895)	\$ 499	\$ 2,524
RSU cash paid	—	847	—	847	—	1,342	—	1,342
Share-based compensation expense	\$ 1,930	\$ 934	\$ 856	\$ 3,720	\$ 2,920	\$ 447	\$ 499	\$ 3,866
Gross capitalized share-based compensation	\$ 341	\$ (115)	\$ 285	\$ 511	\$ 128	\$ 198	\$ 47	\$ 373
RSU cash paid	—	—	—	—	—	(399)	—	(399)
Net capitalized share-based compensation	\$ 341	\$ (115)	\$ 285	\$ 511	\$ 128	\$ (201)	\$ 47	\$ (26)

13. Risk management activities

(a) Financial instruments

The Company's financial instruments recognized on the statement of financial position consists of cash and cash equivalents, accounts receivable and prepaid expenses, financial derivative contracts, accounts payable and accrued liabilities, accrued environmental remediation liabilities, compensation liabilities and long-term debt. The carrying value of the long-term debt approximates its fair value as it bears interest at market rates. Except for the financial derivative contracts and compensation liabilities, which are recorded at fair value, 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 quoted market prices when available, or third-party models and valuation methodologies that use observable market data.

The Company classifies fair value measurements according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents are classified as Level 1 and financial derivative contracts as Level 2. The Company uses third party models and valuation methodologies to determine the fair value of financial derivative contracts. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

(b) Financial assets and financial liabilities subject to offsetting

The following is a summary of the Company's financial assets and financial liabilities that are subject to offsetting:

	September 30, 2016			December 31, 2015		
	Gross financial assets	Gross financial liabilities	Net financial assets	Gross financial assets	Gross financial liabilities	Net financial assets
Current assets (liabilities)	\$ 4,278	\$ (3,127)	\$ 1,151	\$ 26,000	\$ (230)	\$ 25,770
Long-term assets (liabilities)	3,183	(520)	2,663	2	(16)	(14)
Net position	\$ 7,461	\$ (3,647)	\$ 3,814	\$ 26,002	\$ (246)	\$ 25,756

(c) Risk management contracts

The following is a summary of the financial derivatives as at September 30, 2016:

	Volume (Bbls/d)	Pricing (Cdn\$/Bbl)	Term of contract
WTI crude oil sales price derivatives			
Fixed price swap	3,300	\$74.81	Oct 1, 2016 - Dec 31, 2016
Fixed price swap	600	\$61.18	Jan 1, 2017 - Jun 30, 2017
Fixed price swap	500	\$61.78	Jul 1, 2017 - Sep 30, 2017
Costless collar	1,050	\$57.79 - 67.79	Oct 1, 2016 - Dec 31, 2016
Costless collar	1,550	\$58.63 - 68.22	Jan 1, 2017 - Jun 30, 2017
Costless collar	1,208	\$58.87 - 68.34	Jul 1, 2017 - Sep 30, 2017
Costless collar	400	\$60.00 - 68.90	Oct 1, 2017 - Dec 31, 2017

	Volume (MMbtu/d)	Pricing (US\$/MMbtu)	Term of contract
Nymex natural gas sales price derivative			
AECO-NYMEX basis	10,000	(\$0.66)	Oct 1, 2016 - Dec 31, 2016
AECO-NYMEX basis	20,000	(\$0.72)	Jan 1, 2017 - Sep 30, 2017
AECO-NYMEX basis	20,000	(\$0.71)	Oct 1, 2017 - Dec 31, 2017
AECO-NYMEX basis	10,000	(\$0.69)	Jan 1, 2018 - Sep 30, 2018
AECO-NYMEX basis	23,261	(\$0.65)	Oct 1, 2018 - Dec 31, 2018
AECO-NYMEX basis	25,000	(\$0.64)	Jan 1, 2019 - Mar 31, 2019
Fixed price swap	10,000	\$2.60	Oct 1, 2016 - Dec 31, 2016
Chicago-NYMEX basis	10,000	(\$0.01)	Oct 1, 2016 - Dec 31, 2016
Chicago-NYMEX basis	5,000	(\$0.05)	Jan 1, 2017 - Dec 31, 2017

Subsequent to September 30, 2016 the following is a summary of financial derivatives that have been entered into:

	Volume (Bbls/d)	Pricing (Cdn\$/Bbl)	Term of contract
WTI crude oil sales price derivatives			
Costless collar	400	\$64.60 - 73.74	Jan 1, 2017 - Dec 31, 2017

The following is a reconciliation of movement in the fair value of financial derivative contracts:

	September 30, 2016	December 31, 2015
Fair value of contracts, beginning of year	\$ 25,756	\$ 47,211
Change in the fair value of contracts in the period	2,074	21,346
Fair value of contracts realized in the period	(24,016)	(42,801)
Fair value of contracts, end of year	\$ 3,814	\$ 25,756
Financial derivative assets – current	\$ 1,151	\$ 25,770
Financial derivative assets – long term	\$ 2,663	\$ (14)

(d) Physical delivery sales contracts

The following is a summary of the physical delivery sales contracts as at September 30, 2016:

	Volume (GJ/d)	Pricing (Cdn\$/GJ)	Term of contract
AECO natural gas physical delivery sales contracts			
Costless collar	5,000	\$3.40 - 3.85	Oct 1, 2016 - Dec 31, 2016
Fixed price swap	59,500	\$3.40	Oct 1, 2016 - Dec 31, 2016
Fixed price swap	52,500	\$3.27	Jan 1, 2017 - Mar 31, 2017
Fixed price swap	37,500	\$3.20	Apr 1, 2017 - Jun 30, 2017
Fixed price swap	27,500	\$3.16	Jul 1, 2017 - Sep 30, 2017
Fixed price swap	22,500	\$3.21	Oct 1, 2017 - Dec 31, 2017
Fixed price swap	2,500	\$2.85	Jan 1, 2018 - Sep 30, 2018
Fixed price swap	842	\$2.85	Oct 1, 2018 - Dec 31, 2018

Subsequent to September 30, 2016 the following is a summary of physical delivery sales contracts that have been entered into:

	Volume (GJ/d)	Pricing (Cdn\$/GJ)	Term of contract
AECO natural gas physical delivery sales contracts			
Fixed price swap	10,000	\$2.93	Jan 1, 2017 - Dec 31, 2017

14. Commitments

The following is a summary of the Company's commitments as at September 30, 2016:

	Total	2016	2017	2018	2019	2020	Thereafter
Transportation and processing ⁽¹⁾	\$ 490,290	\$ 14,008	\$ 63,341	\$ 62,302	\$ 56,143	\$ 52,910	\$ 241,586
Office lease	4,263	984	3,279	—	—	—	—
Drilling rig contracts	2,768	1,132	1,636	—	—	—	—
Total commitments	\$ 497,321	\$ 16,124	\$ 68,256	\$ 62,302	\$ 56,143	\$ 52,910	\$ 241,586

⁽¹⁾ Certain of the transportation and processing commitments are secured by outstanding letters of credit totaling \$16.5 million at September 30, 2016 (December 31, 2015 - \$nil)

Subsequent to September 30, 2016, the Company entered into a commitment for firm natural gas processing of 120 MMcf/d. Processing capacity will be added in three incremental steps of 40 MMcf/d, commencing in 2019, 2020, and 2021 respectively.

15. Subsequent Events

Subsequent to September 30, 2016, NuVista entered into a bought deal equity financing in which the Company issued 15.1 million common shares at a price of \$6.85/share for gross proceeds of \$103.5 million.