SECOND INTERIM REPORT 2007

Press Release August 2, 2007

Calgary – NuVista Energy Ltd. is pleased to announce its financial and operating results for the three and six months ended June 30, 2007 as follows:

Corporate Highlights

	Three months ended June 30, 2007	Three months ended June 30, 2006	% Change	Six months ended June 30, 2007	Six months ended June 30, 2006	% Change
Financial						
($ thousands, except per share)						
Production revenue	56,832	45,375	25	110,457	95,915	15
Funds from operations (1)	30,416	25,498	19	58,227	54,923	6
Per share – basic	0.59	0.53	11	1.13	1.13	-
Per share – diluted	0.58	0.51	14	1.11	1.10	-
Net earnings	9,678	15,986	(39)	14,510	25,437	(43)
Per share – basic	0.19	0.33	(42)	0.29	0.52	(44)
Per share – diluted	0.18	0.32	(44)	0.28	0.51	(45)
Total assets				642,400	545,634	18
Long-term debt, net of working capital				158,154	150,816	5
Shareholders' equity				354,143	284,306	25
Net capital expenditures	57,624	105,905	(46)	93,572	137,652	(32)
Weighted average common shares outstanding (thousands):						
Basic	51,401	48,499	6	51,401	48,464	6
Diluted	52,328	49,766	5	52,328	49,860	5
Operating						
(boe conversion – 6:1 basis)						
Production:						
Natural gas (mmcf/d)	69.9	55.0	27	68.1	54.2	25
Oil and liquids (bbls/d)	2,497	2,190	14	2,434	2,290	6
Total oil equivalent (boe/d)	14,147	11,357	25	13,780	11,330	22
Product prices: (2)						
Natural gas ($/mcf)	7.28	6.66	9	7.38	7.66	(4)
Oil and liquids ($/bbl)	49.86	60.40	(17)	50.52	49.88	1
Operating expenses:						
Natural gas ($/mcf)	1.10	0.85	29	1.07	0.81	32
Oil and liquids ($/bbl)	9.04	9.30	(3)	11.65	8.61	35
Total oil equivalent ($/boe)	7.05	5.89	20	7.34	5.64	30
General and administrative expenses ($/boe)	0.98	0.60	63	0.93	0.57	63
Funds from operations netback ($/boe) (1)	23.63	24.67	(4)	23.35	26.78	(13)

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 its financial and operating results for the three and six months ended June 30, 2007. NuVista's management and Board of Directors are pleased with both the execution of our second quarter business plan and with the way NuVista has positioned itself to continue to grow profitably in the upcoming months during a period of declining natural gas price and changing landscape within the Canadian oil and gas industry.

NuVista had a solid second quarter achieving budgeted production volumes and financial results. Second quarter production averaged 14,147 boe/d as compared to 11,357 boe/d in the second quarter of 2006 and 13,409 boe/d in the first quarter of 2007. Funds from operations in the second quarter were $30.4 million ($0.59/share) compared to $25.5 million ($0.53/share) in the second quarter of 2006 and $27.8 million ($0.57/share) in the first quarter of 2007. In addition to our ongoing exploration and development program, we also completed an acquisition in our Central Alberta core area and initiated plans to optimize the production facility and drill three wells on the property. In April, we completed an equity issue for net proceeds of approximately $38 million and expanded our credit facility to $220 million. NuVista's balance sheet remains strong with a debt to annualized funds from operations ratio of 1.3:1 at the end of the second quarter of 2007. In addition, we enter the summer and fall with natural gas forward sale contracts in place for approximately 40% of our natural gas production volumes, net of royalties, with a floor price of $7.38/gj (approximately $7.75/mcf).

Although NuVista's second quarter drilling activity was lower than originally anticipated, largely due to an early spring break-up in our Eastern Alberta and West Central Saskatchewan core areas and wet conditions in June, we still participated in 31 wells during the quarter. We had three rigs working in the field when drilling was suspended in early June and we resumed drilling in July with three rigs. The shortfall in the first half drilling will be offset by an active summer drilling program. NuVista plans to drill 35 to 40 wells in the third quarter, with over half of this program completed to date. We are benefiting from improved cost efficiencies within the industry as per well costs have been reduced by 20% from earlier in the year. We continued to test a number of heavy oil concepts in our West Central Saskatchewan core area in the second quarter, however, wet conditions in the spring have delayed us by two months. Drilling and testing will continue throughout the third quarter and NuVista will begin commercial development of at least one heavy oil pool prior to year end.

Significant highlights for NuVista in the second quarter of 2007 include:

- Increased year over year production by 25% to 14,147 boe/d, consisting of 69.9 mmcf/d of natural gas and 2,497 bbls/d of oil and liquids. NuVista's natural gas weighting is 82% of total production;

- Invested $22.6 in exploration and development activities which resulted in 31 (24.2 net) wells, and an overall success rate of 84%;

- On April 2, 2007, NuVista completed a property acquisition in our Central Alberta core area for approximately $35 million. This acquisition was completed at favourable acquisition metrics and added approximately 800 boe/d of high netback production which should be increased through facility expansion and drilling projects in the third quarter;

- Lowered our operating costs, achieving our operating cost targets on a per unit basis, a direct result of the focused efforts of our production and field staff;

- Completed an equity issue of 2.75 million common shares for net proceeds of approximately $38 million, thereby increasing NuVista's financial flexibility; and

- Increased our credit facility to $220 million and ended the quarter with a debt to annualized funds from operations ratio of 1.3:1.

Despite the recent decline in natural gas prices, we continue to believe in the longer term favourable outlook for natural gas due to the improving supply and demand fundamentals. In response to changing market conditions, and with a view to preserving our financial flexibility for acquisition opportunities, NuVista's management and Board of Directors have chosen to revise our capital program from the previous level of $160 million to a lower level of $150 million. This revision will result in NuVista participating in 125 to 135 wells rather than the 140 to 160 wells originally planned. The majority of NuVista's wells for the remainder of the year are located in our Oyen, Provost and West Central Saskatchewan core areas where costs have been reduced and the concentration of NuVista's lands and infrastructure are the highest. This drilling program is expected to result in some of our lowest finding and development cost and cost per flowing boe/d production additions. While we have chosen to reduce our capital program at this time, NuVista operates over 90% of the wells we drill, with a high working interest. We control the pace of our development and we will continue to maintain our aggressive pace of approving and licensing new locations. NuVista has identified over 115 firm drilling locations and is continuing to add approximately 15 new prospects per month which is building a strong and healthy future inventory for continued profitable growth. We will monitor our capital program throughout the balance of the year and into 2008 and make necessary adjustments should market conditions improve.

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 and six months ended June 30, 2007 and the audited consolidated financial statements and MD&A for the years ended December 31, 2006 and 2005. The following MD&A of financial condition and results of operations was prepared at, and is dated August 2, 2007. 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 and services, 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 except as required by law.*

Non-GAAP Measurements *- Within Management's discussion and analysis, references are made to terms commonly used in the oil and 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 earnings 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 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. Management uses these terms to analyze operating performance and leverage.*

Operating activities – During the second quarter of 2007, NuVista participated in, and operated 31 wells, with an average working interest of 78%. Of these wells, 16 were drilled in the Provost core area, eight in the Oyen core area and seven in the West Central Saskatchewan core area. The success rate of 84% in this drilling program resulted in 16 oil wells and 10 natural gas wells. For the six months ended June 30, 2007, NuVista drilled 66 (49.5 net) wells resulting in 34 natural gas wells and 22 oil wells. NuVista has 35 to 40 wells planned for the third quarter, primarily in the West Central Saskatchewan, Oyen and Provost core areas.

Production

	For the three months ended June 30,		
	2007	2006	% Change
Natural gas (mcf/d)	69,897	55,005	27
Oil and liquids (bbls/d)	2,497	2,190	14
Total oil equivalent (boe/d)	14,147	11,357	25

	For the six months ended June 30,		
	2007	2006	% Change
Natural gas (mcf/d)	68,078	54,242	26
Oil and liquids (bbls/d)	2,434	2,290	6
Total oil equivalent (boe/d)	13,780	11,330	22

For the second quarter of 2007, NuVista's average production was 14,147 boe/d, comprised of 69.9 mmcf/d of natural gas and 2,497 bbl/d of oil and liquids, which represents a 25% increase over the same period in 2006 and a 6% increase over the first quarter of 2007. For the six months ended June 30, 2007 production averaged 13,780 boe/d compared to 11,330 boe/d during the same period in 2006. The increase in production for the three and six months ended June 30, 2007 relates primarily to the property acquisition in our Central Alberta core area in April and production additions from drilling activities offset by normal production declines.

Revenues

	For the three months ended June 30,					
	2007		2006		% Change	
Natural gas:	$ thousands	$/mcf	$ thousands	$/mcf	$	$/mcf
Production revenue	45,610	7.17	33,340	6.66	37	8
Realized gains on commodity derivatives	702	0.11	-	-	-	-
Total	46,312	7.28	33,340	6.66	39	9

	For the three months ended June 30,					
	2007		2006		% Change	
Oil and liquids:	$ thousands	$/bbl	$ thousands	$/bbl	$	$/bbl
Production revenue	11,222	49.39	12,035	60.40	(7)	(18)
Realized gains on commodity derivatives	108	0.11	-	-	-	-
Total	11,330	49.86	12,035	60.40	(6)	(17)

	For the six months ended June 30					
	2007		2006		% Change	
Natural gas:	$ thousands	$/mcf	$ thousands	$/mcf	$	$/mcf
Production revenue	88,455	7.18	75,242	7.66	18	(6)
Realized gains on commodity derivatives	2,541	0.20	-	-	-	-
Total	90,996	7.38	75,242	7.66	21	(4)

	For the six months ended June 30					
	2007		2006		% Change	
Oil and liquids:	$ thousands	$/bbl	$ thousands	$/bbl	$	$/bbl
Production revenue	22,002	49.94	20,673	49.88	6	-
Realized gains on commodity derivatives	253	0.58	-	-	-	-
Total	22,255	50.52	20,673	49.88	8	1

Revenues for the three months ended June 30, 2007 were $57.6 million, a 27% increase from $45.4 million for the three months ended June 30, 2006. This increase is due to a 25% increase in production volumes with higher natural gas prices more than offsetting lower oil and liquids prices. Natural gas prices increased 8% while oil and liquid prices decreased 18% compared to the same period in 2006. Revenues were comprised of $46.3 million of natural gas revenues and $11.3 million of oil and liquids revenues. For the six months ended June 30, 2007 revenues were $113.2 million, an increase of 18% compared to the same period in 2006. This increase in revenues was due to a 22% increase in production volumes offset by lower natural gas prices.

Commodity price risk management

	For the three months ended June 30, 2007		
($ thousands)	**Realized gains**	**Unrealized gains**	**Total gains**
Natural gas	702	2,356	3,058
Oil and liquids	108	1,127	1,235
Total gains	810	3,483	4,293

	For the six months ended June 30, 2007		
($ thousands)	**Realized gains**	**Unrealized gains**	**Total gains**
Natural gas	2,541	2,480	5,021
Oil and liquids	253	927	1,180
Total gains	2,794	3,407	6,201

As part of our financial management strategy, NuVista has adopted a disciplined commodity price risk management program. The purpose of the price risk management 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 program with a limit of 60% of forecast production, net of royalties, primarily using costless collars. Our strategy of using costless collars limits NuVista's exposure to downturns in commodity prices, while allowing for some participation in commodity price increases. For the three months ended June 30, 2007, the financial price risk management program resulted in a gain of $4.3 million consisting of realized gains of $810,000 and unrealized gains of $3.5 million. The realized gain in this period consisted of a $702,000 gain on natural gas financial risk management contracts and a gain of $108,000 on crude oil financial risk management contracts. In addition, we had physical natural gas prices risk management contracts that resulted in a gain of approximately $120,000.

For the six months ended June 30, 2007, the financial price risk management program resulted in a gain of $6.2 million, $2.8 million realized and $3.4 million unrealized. Physical natural gas price risk management contracts in place for this period resulted in a gain of approximately $1.3 million.

Prior to January 1, 2007, we accounted for our financial price risk management contracts as hedges and only included realized gains and losses in revenues. For the three and six months periods ending June 30, 2006, hedging gains were $3.1 million and $4.8 million, respectively.

A summary of commodity price risk management contracts in place as at June 30, 2007 is included in note 6 of the interim consolidated financial statements for the six months ended June 30, 2007.

Royalties

	Three months ended June 30,		Six months ended June 30,	
Royalty Rates (%)	**2007**	**2006**	**2007**	**2006**
Natural gas	25	28	27	28
Oil and liquids	17	15	16	16
Weighted average rate	23	25	25	26

Royalties for the three months ended June 30, 2007 were $13.3 million, as compared to $11.2 million reported for the three months ended June 30, 2006. Royalties for the six months ended June 30, 2007 were $27.7 million, as compared to $24.6 million reported for the six months ended June 30, 2006. The increase in royalties results from higher revenues in both the second quarter and first half of 2007 compared to the same period in 2006. As a percentage of revenues, the average royalty rate for the second quarter of 2007 was 23% compared to 25% for the same period of 2006. Royalty rates by product for the second quarter of 2007 were 25% for natural gas and 17% for oil and liquids compared to 28% for natural gas and 15% for oil and liquids for the same period in 2006. For the six months ended June 30, 2007, the average royalty rate as a percentage of revenue was 25% compared to 26% for the same period in 2006. Royalty rates by product were 27% for natural gas and 16% for oil and liquids compared to 28% for natural gas and 16% for oil and liquids for the same period in 2006. The decrease in the average natural gas royalty rates for both the three and six month periods ending June 30, 2007 compared to the same period in 2006, results primarily from crown royalty credits received in the second quarter of 2007.

Netbacks – The tables below summarize funds from operations netbacks for the three months ended June 30, 2007, compared to the three month period ended June 30, 2006, and the six months ended June 30, 2007 compared to the six months ended June 30, 2006.

	For the three months ended June 30,					
($ thousands)	**2007**		**2006**		**% Change**	
	$	**$/boe**	**$**	**$/boe**	**$**	**$/boe**
Production revenues	56,832	44.15	45,375	43.90	25	1
Realized gains on commodity derivatives	810	0.63	-	-	-	-
	57,642	44.78	45,375	43.90	27	2
Royalties	(13,322)	(10.35)	(11,177)	(10.81)	19	(4)
Transportation costs	(977)	(0.76)	(868)	(0.84)	13	(10)
Operating costs	(9,076)	(7.05)	(6,089)	(5.89)	49	20
Field netbacks	**34,267**	**26.62**	**27,241**	**26.36**	**26**	**1**
General and administrative	(1,258)	(0.98)	(624)	(0.60)	102	62
Interest	(2,593)	(2.01)	(1,237)	(1.20)	110	68
Cash taxes	-	-	118	0.11	-	-
Funds from operations netbacks	**30,416**	**23.63**	**25,498**	**24.67**	**19**	**(4)**

($ thousands)	For the six months ended June 30, 2007 $	2007 $/boe	2006 $	2006 $/boe	% Change $	% Change $/boe
Production revenues	110,457	44.29	95,915	46.77	15	(5)
Realized gains on commodity derivatives	2,794	1.12	-	-	-	-
	113,251	45.41	95,915	46.77	18	(3)
Royalties	(27,741)	(11.12)	(24,588)	(11.99)	13	(7)
Transportation costs	(2,062)	(0.83)	(1,765)	(0.86)	17	(4)
Operating costs	(18,299)	(7.34)	(11,563)	(5.64)	58	30
Field netbacks	**65,149**	**26.12**	**57,999**	**28.28**	**12**	**(8)**
General and administrative	(2,323)	(0.93)	(1,177)	(0.57)	97	62
Interest	(4,599)	(1.84)	(1,897)	(0.93)	142	99
Cash taxes	-	-	(2)	-	-	-
Funds from operations netbacks	**58,227**	**23.35**	**54,923**	**26.78**	**6**	**(13)**

Transportation – Transportation costs were $977,000 ($0.76/boe) for the three months ended June 30, 2007 as compared to $868,000 ($0.84/boe) for the same period of 2006. Transportation costs were $2.1 million ($0.83/boe) for the six months ended June 30, 2007 compared to $1.8 million ($0.86/boe) for the same period in 2006. The increase in transportation costs in 2007 compared to 2006 is primarily due to the 22% increase in production volumes.

Operating – Operating expenses were $9.1 million ($7.05/boe) for the three months ended June 30, 2007 as compared to $6.1 million ($5.89/boe) for the three months ended June 30, 2006. This increase resulted from the 25% increase in production volumes and a 20% increase in per unit costs. Operating expenses were $18.3 million ($7.34/boe) for the six months ended June 30, 2007 as compared to $11.6 million ($5.64/boe) for the six months ended June 30, 2006. This increase resulted from the 22% increase in production volumes and a 30% increase in per unit costs. For the three months ended June 30, 2007 natural gas operating costs averaged $1.10/mcf and oil and liquids operating expenses were $9.04/bbl as compared to $0.85/mcf and $9.30/bbl respectively for the same period in 2006. For the six months ended June 30, 2007 natural gas operating expenses averaged $1.07/mcf and oil and liquids operating expenses were $11.65/bbl as compared to $0.81/mcf and $8.61/bbl respectively, for the same period of 2006. The increase in per unit costs resulted from increasing cost pressures facing NuVista and the entire industry, third-party natural gas processing fees and higher operating costs associated with heavy oil production. Per unit operating costs decreased to $7.05/boe in the second quarter of 2007 compared to $7.64/boe in the first quarter of 2007. This reduction was primarily due to a decrease in oil and liquids operating costs to $9.04/bbl in the second quarter of 2007 compared to $14.46/bbl in the first quarter of 2007. The reduction in oil and liquids operating costs on a per unit basis was due to cost reduction initiatives relating to heavy oil operating costs at our Auburndale property in our Provost core area and lower electricity prices. We are continuing to diligently pursue cost reduction initiatives.

General and administrative – General and administrative expenses, net of overhead recoveries, for the three months ended June 30, 2007 were $1.3 million ($0.98/boe) compared to $624,000 ($0.60/boe) in the same period of 2006. General and administrative expenses, net of overhead recoveries, for the six months ended June 30, 2007 were $2.3 million ($0.93/boe) as compared to $1.2 million ($0.57/boe) for the six months ended June 30, 2006. This increase in general and administrative expenses is directly attributable to the higher production base in NuVista, increased staffing levels associated with less reliance on the Technical Services Agreement (“TSA”) with Bonavista Petroleum Ltd. (“Bonavista”) and higher employee costs being experienced throughout the energy industry. For the three months ended June 30, 2007, Bonavista charged NuVista $179,000 for general and administrative services, compared to $496,000 in the same period in 2006. For the six months ended June 30, 2007, Bonavista charged NuVista $519,000 for general and administrative services, compared to $976,000 in the same period in 2006.

NuVista recorded a stock-based compensation charge of $739,000 for the three month period ended June 30, 2007 compared to $586,000 for the same period in 2006, relating to both stock options and Class B Performance Shares. For the six month period ended June 30, 2007 NuVista recorded a stock-based compensation charge, relating to both stock options and Class B Performance Shares, of $1.5 million compared to $1.1 million for the same period in 2006. The increase in stock-based compensation for the first half of 2007 as compared to the same period in 2006, is primarily due to an increase in the number of stock options associated with the hiring of new employees.

Interest – For the three months ended June 30, 2007, interest expense was $2.6 million as compared to $1.2 million in the same period of 2006. For the six months ended June 30, 2007, interest expense was $4.6 million compared to $1.9 million in the same period of 2006. Higher interest costs in the second quarter and the first half of 2007 are due to higher average debt levels and higher average interest rates. Currently, our average borrowing rate is approximately 5.6%.

Depreciation, depletion and accretion – Depreciation, depletion and accretion expenses were $22.1 million for the second quarter of 2007 as compared to $15.8 million for the same period in 2006. The average per unit cost was $17.16/boe in the second quarter of 2007 as compared to $15.33/boe for the same period in 2006. Depreciation, depletion and accretion expenses for the six months ended June 30, 2007 were $41.5 million as compared to $29.6 million for the same period in 2006. The average per unit cost was $16.65/boe in the first half of 2007 as compared to $14.42/boe in the same period in 2006. The increase in the depreciation, depletion and accretion expenses for the three months and six months ended June 30, 2007 when compared to the same periods in 2006 was due to higher production volumes and also reflects an increase in unit costs. Per unit costs have increased in 2007 due to the higher costs associated with property acquisitions completed in June 2006 and April 2007 and higher exploration and development costs.

Income and other taxes – For the three months ended June 30, 2007, the provision for income and other taxes was $1.4 million compared to a reduction of $7.0 million for the same period in 2006. For the six months ended June 30, 2007, the provision for income and other taxes was $4.1 million compared to a reduction of $1.2 million in the same period of 2006. The provisions for income and other taxes for the three and six months ended June 30, 2007 include a reduction of $2.3 million related to legislated reductions in income tax rates, enacted in the second quarter of 2007. The reductions in income and other taxes for the three and six months ended June 30, 2006, include a $9.7 million reduction relating to legislative reductions to income and capital tax rates enacted in the second quarter of 2006. Excluding the impact of reductions relating to the recognition of reductions in tax rates, the effective tax rate was 35% for both the six months ended June 30, 2007 and the same period of 2006.

Capital expenditures

	Three months ended June 30,		Six months ended June 30,	
($ thousands)	**2007**	**2006**	**2007**	**2006**
Land and retention costs	$ 1,228	$ 3,001	$ 3,116	$ 10,513
Seismic	2,258	3,544	8,211	6,207
Drilling and completion	13,024	12,198	30,519	25,929
Facilities and equipment	5,703	5,420	15,932	13,252
Corporate and other	356	42	739	51
Subtotal	22,569	24,205	58,517	55,952
Acquisitions	35,055	81,700	35,055	81,700
Total capital expenditures	$ 57,624	$ 105,905	$ 93,572	$ 137,652

Capital expenditures were $57.6 million during the second quarter of 2007, consisting of $35.1 million for acquisitions and $22.6 million for exploration and development activities. This compares to $105.9 million during the second quarter of 2006, consisting of $81.7 million for acquisitions and $24.2 million for exploration and development. Capital expenditures for the six months ended June 30, 2007 were $93.6 million, consisting of $58.5 million for exploration and development spending and $35.1 million for acquisitions. This compares to $137.7 million incurred for the same period of 2006, consisting of $81.7 million of acquisitions and exploration and development spending of $56.0 million.

Funds from operations and net earnings – In the second quarter of 2007, funds from operations were $30.4 million ($0.59/share, basic), a 19% increase over the $25.5 million ($0.53/share, basic) for the same period in 2006. For the six months ended June 30, 2007, NuVista's funds from operations was $58.2 million ($1.13/share, basic), a 6% increase from $54.9 million ($1.13/share, basic) for the six months ended June 30, 2006. Net earnings decreased during the second quarter of 2007 to $9.7 million ($0.19/share, basic) from $16.0 million ($0.33/share, basic) for the same period in 2006. For the six months ended June 30, 2007, net earnings were $14.5 million ($0.29/share, basic) compared to $25.4 million ($0.52/share, basic) for the same period in 2006. The increase in funds from operations in both the three and six months ended June 30, 2007 compared to the same periods in 2006 was primarily due to higher production volumes and associated revenues, more than offsetting higher costs. The decrease in net earnings in both the three and six months ended June 30, 2007 compared to the same periods in 2006 was primarily due to lower income and other tax reductions in 2007 and higher per unit cash costs and depletion, depreciation and accretion costs in 2007.

Liquidity and capital resources – As at June 30, 2007, bank debt (including working capital) was $158.2 million with $61.8 million of unused bank borrowing capability based on the current credit facility of $220 million. At June 30, 2007, our ratio of debt to annualized second quarter funds from operations was 1.3:1. Our undrawn bank lines and cash flow from operations provide NuVista with substantial flexibility to fund its planned capital programs. As at August 2, 2007, there were 52,331,631 common shares outstanding. In addition, there were 4,479,149 stock options outstanding, with an average exercise price of $12.92/share. All remaining Class B Performance Shares were converted into 230,748 common shares on July 1, 2007.

Quarterly financial information – The following table highlights NuVista's performance for the eight quarterly reporting periods from September 30, 2005 to June 30, 2007:

	2007		2006				2005	
	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
Production (boe/d)	14,147	13,409	12,612	12,577	11,357	11,303	11,031	9,874
($ thousands, except per share amounts)								
Production revenue	$ 56,832	$ 53,626	$ 49,195	$ 47,530	$ 45,375	$ 50,540	$ 63,315	$ 48,474
Net earnings	$ 9,678	$ 4,832	$ 5,765	$ 4,082	$ 15,986	$ 9,451	$ 16,247	$ 11,339
Net earnings per share:								
Basic	0.19	0.10	0.12	0.08	0.33	0.20	0.34	0.25
Diluted	0.18	0.10	0.12	0.08	0.32	0.19	0.32	0.24

NuVista has seen continued growth in its quarterly production volumes over the prior eight quarters. During the two quarter reporting periods prior to December 31, 2005, revenues and net earnings increased substantially primarily due to significant increases in natural gas prices along with production volumes. Since December 31, 2005, production growth continued but has not offset lower commodity prices, resulting in generally lower revenues and net earnings. In the second quarter of 2007, revenues and net earnings increased primarily due to increased production volumes and the recognition of unrealized gains on commodity derivatives and reductions in income tax rates. Net earnings in the second quarter of 2006 included reductions in income and other taxes of $9.7 million.

Update on financial reporting matters

a) Effective January 1, 2007, NuVista adopted the Canadian Institute of Chartered Accountants ("CICA") section 3855, "Financial Instruments – Recognition and Measurement," section 3865, "Hedges," section 1530, "Comprehensive Income, and section 3861, "Financial Instruments – Disclosure and Presentation." These standards have been adopted prospectively. See note 1 to the consolidated financial statements.

b) 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 June 30, 2007, there have been no changes to NuVista's internal controls over financial reporting that have materially, or are reasonably likely to, materially affect the internal controls over financial reporting.

Because of their inherent limitations, disclosure controls and procedures and internal 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.

BUSINESS RISKS

The Federal Government released on April 26, 2007, its Action Plan to Reduce Greenhouse Gases and Air Pollution (the "Action Plan"), also known as ecoACTION and which includes the Regulatory Framework for Air Emissions. This Action Plan covers not only large industry, but regulates the fuel efficiency of vehicles and the strengthening of energy standards for a number of energy-using products. Regarding large industry and industry related projects, the Government's Action Plan intends to achieve the following: (i) an absolute reduction of 150 megatonnes in greenhouse gas emissions by 2020 by imposing mandatory targets; and (ii) air pollution from industry is to be cut in half by 2015 by setting certain targets. New facilities using cleaner fuels and technologies will have a grace period of three years. In order to facilitate companies' compliance with the Action Plan's requirements, while at the same time allowing them to be cost-effective, innovative and adopt cleaner technologies, certain options are provided. These are: (i) in-house reductions; (ii) contributions to technology funds; (iii) trading of emissions with below-target emission companies; (iv) offsets; and (v) access to Kyoto's Clean Development Mechanism.

On March 8, 2007, the Alberta Government introduced Bill 3, the *Climate Change and Emissions Management Amendment Act,* which intends to reduce greenhouse gas emission intensity from large industries. Bill 3 states that facilities emitting more than 100,000 tonnes of greenhouse gases a year must reduce their emissions intensity by 12% starting July 1, 2007; if such reduction is not initially possible the companies owning the large emitting facilities will be required to pay $15 per tonne for every tonne above the 12% target. These payments will be deposited into an Alberta-based technology fund that will be used to develop infrastructure to reduce emissions or to support research into innovative climate change solutions. As an alternate option, large emitters can invest in projects outside of their operations that reduce or offset emissions on their behalf, provided that these projects are based in Alberta. Prior to investing, the offset reductions offered by a prospective operation must be verified by a third party to ensure that the emission reductions are real.

Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact of those requirements on NuVista and its operations and financial condition. Bill 3 does not currently have an impact on NuVista as we do not own any facilities emitting in excess of 100,000 tonnes per year.

On February 16, 2007, the Alberta government announced that a review of the province's royalty and tax regime (including income tax and freehold mineral taxes) pertaining to oil and gas resources, including oil sands, conventional oil and gas, and coalbed methane, will be conducted by a panel of experts with the assistance of individual Albertans and key stakeholders. The review panel is to produce a final report that will be presented to the minister of Finance by August 31, 2007.

OUTLOOK

NuVista's management remains committed to the same disciplined growth strategy that has rewarded us over the past four years. With our high working interest undeveloped land base of approximately 600,000 net acres, an extensive prospect inventory and our strong balance sheet, NuVista is well positioned to continue posting strong operational and financial results for the remainder of 2007 and beyond. NuVista has set a revised capital program of $150 million for 2007 with the majority of the expenditures for the second half of 2007 allocated to exploration and development activities. We now plan to participate in 125 to 135 wells in 2007.

Although current production has been restored to June levels, lower July production and a scheduled turnaround at our Kirkwall facility in September will slightly reduce our third quarter average production volumes. We experienced approximately 1,000 boe/d of downtime in July due to plant turnarounds and equipment breakdowns. Of this downtime, 300 boe/d was planned and was due to a major turnaround at our Amisk operated facility. The remaining 700 boe/d was unplanned and resulted from turnarounds at four third-party facilities, equipment breakdowns in Northwest Saskatchewan, and production curtailment related to extremely hot weather in July. This, coupled with average production from the first half of 2007 of 13,780 boe/d and the reduced capital program has resulted in NuVista reducing our forecast of annual average production to between 13,900 boe/d to 14,200 boe/d for 2007.

Using historical pricing for the first seven months and forecast commodity prices for the remainder of 2007, NuVista is forecasting average NYMEX prices of US$7.00/mmbtu for natural gas, US$68/bbl WTI for oil and a foreign exchange rate of $0.91 $CDN/$US. NuVista expects cash flow in the range of $110 million to $115 million ($2.10/share to $2.25/share).

NuVista will continue with our long-standing and successful strategy of cost control and applying the expertise of its own technical staff to its current operating regions, through both the drill bit and acquisitions. In fact, these are the times when NuVista's disciplined and patient approach can lead to opportunities which benefit our stakeholders over the longer term. The execution of our strategies will enable NuVista to continue to grow its production, cash flow and net income consistently and profitably with a focus on per share growth. Our solid financial position will enable us to continue execution of our exploration and development capital program and remain positioned to pursue acquisition opportunities as they arise. We remain unwavering in our commitment to enhance shareholders value over the long-term in a diligent and prudent manner by accessing the broad depth and expertise of our team. We thank our shareholders for their continued support, and look forward to reporting our progress throughout the remainder of 2007.

On Behalf of the Board of Directors

Alex G. Verge
President and
Chief Executive Officer

Robert F. Froese
Vice President, Finance and
Chief Financial Officer

August 2, 2007
Calgary, Alberta

Consolidated Balance Sheets

(thousands)	June 30, 2007	December 31, 2006
(unaudited)		
Assets		
Current assets:		
Accounts receivable and prepaids	$ 24,335	$ 25,953
Oil and natural gas properties and equipment	563,626	509,692
Goodwill	54,439	54,439
	$ 642,400	$ 590,084
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 21,936	$ 40,552
Long-term debt (note 3)	160,554	152,485
Asset retirement obligations (note 4)	24,104	22,683
Future income taxes	81,663	77,851
Shareholders' equity:		
Share capital (note 5)	236,385	194,030
Contributed surplus (note 5)	4,420	3,747
Accumulated other comprehensive income (note 5)	92	-
Retained earnings	113,246	98,736
	354,143	296,513
	$ 642,400	$ 590,084

See accompanying notes to the consolidated financial statements

Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings

(thousands, except per share amounts)	Three months ended June 30, 2007	Three months ended June 30, 2006	Six months ended June 30, 2007	Six months ended June 30, 2006
(unaudited)				
Revenues				
Production	$ 56,832	$ 45,375	$ 110,457	$ 95,915
Royalties	(13,322)	(11,177)	(27,741)	(24,588)
Realized and unrealized gains on commodity derivatives (note 6)	4,293	-	6,201	-
	47,803	34,198	88,917	71,327
Expenses				
Operating	9,076	6,089	18,299	11,563
Transportation costs	977	868	2,062	1,765
General and administrative	1,258	624	2,323	1,177
Interest	2,593	1,237	4,599	1,897
Stock-based compensation	739	586	1,462	1,133
Depreciation, depletion and accretion	22,085	15,840	41,524	29,570
	36,728	25,244	70,269	47,105
Earnings before income and other taxes	11,075	8,954	18,648	24,222
Income and other taxes (reductions)	1,397	(7,032)	4,138	(1,215)
Net earnings	**9,678**	**15,986**	**14,510**	**25,437**
Other comprehensive income				
Amortization of fair value of financial instruments (note 1)	(63)	-	(813)	-
Comprehensive income	$ 9,615	$ 15,986	$ 13,697	$ 23,437
Retained earnings, beginning of period	$ 103,568	$ 72,903	$ 98,736	$ 63,452
Retained earnings, end of period	$ 113,246	$ 88,889	$ 113,246	$ 88,889
Net earnings per share – basic	$ 0.19	$ 0.33	$ 0.29	$ 0.52
Net earnings per share – diluted	$ 0.18	$ 0.32	$ 0.28	$ 0.51

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows

(thousands)	Three months ended June 30, 2007	Three months ended June 30, 2006	Six months ended June 30, 2007	Six months ended June 30, 2006
(unaudited)				
Cash provided by (used in):				
Operating Activities				
Net earnings	$ 9,678	$ 15,986	$ 14,510	$ 25,437
Items not requiring cash from operations:				
Depreciation, depletion and accretion	22,085	15,840	41,524	29,570
Stock-based compensation	739	586	1,462	1,133
Unrealized gains on commodity derivatives (note 6)	(3,483)	-	(3,407)	-
Future income taxes (reductions)	1,397	(6,914)	4,138	(1,217)
Asset retirement expenditures	(155)	(106)	(465)	(316)
Decrease (Increase) in non-cash working capital items	(7,779)	(986)	(18,283)	152
	22,482	24,406	39,479	54,759
Financing Activities				
Issue of share capital, net of share issuance costs	39,734	1,697	40,444	2,132
Increase (Decrease) in long term debt	(12,313)	78,367	8,069	78,644
	27,421	80,064	48,513	80,776
Investing Activities				
Property acquisitions (note 2)	(34,890)	(81,700)	(34,890)	(81,700)
Oil and natural gas properties and equipment additions	(22,221)	(24,205)	(57,930)	(55,952)
Reduction of deposit on property acquisition	3,608	-	-	-
Decrease (Increase) in non-cash working capital items	3,600	1,435	4,828	2,117
	(49,903)	(104,470)	(87,992)	(135,535)
Change in cash	-	-	-	-
Cash, beginning of period	-	-	-	-
Cash, end of period	$ -	$ -	$ -	$ -

See accompanying notes to consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2007.

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 years ended December 31, 2006 and 2005, except as noted below. The interim consolidated financial statements for the six months ended June 30, 2007 should be read in conjunction with the consolidated financial statements for the years ended December 31, 2006 and 2005. Certain amounts have been reclassified to conform with the current period's presentation.

1. Changes in accounting policies:

Financial instruments, hedging activities and comprehensive income

Effective January 1, 2007, NuVista adopted the Canadian Institute of Chartered Accountants ("CICA") section 3855, "Financial Instruments – Recognition and Measurement", section 3865, "Hedges", section 1530, "Comprehensive Income", and section 3861, "Financial Instruments – Disclosure and Presentation". NuVista has adopted these standards prospectively and the comparative consolidated financial statements have not been restated. Transition amounts have been recorded in accumulated other comprehensive income.

At January 1, 2007, the following adjustments were made to the balance sheet to adopt the new standards:

		Amount
(thousands)		
Accounts receivable – commodity derivatives	$	1,350
Future income taxes		(445)
Accumulated other comprehensive income		(905)

(i) Financial instruments - recognition and measurement

This new standard requires all financial instruments within its scope, including all derivatives, to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired. Changes to the measurement of existing financial assets and liabilities at the date of adoption were adjusted to either opening retained earnings or opening accumulated other comprehensive income as noted above.

Additional disclosure requirement for financial instruments have been approved by the CICA, and will be required disclosure for NuVista beginning January 1, 2008.

(ii) Derivatives

NuVista continues to utilize financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of oil and natural gas production.

NuVista has elected to account for its commodity sales contracts which were entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with its expected purchase, sale or usage requirements as executory contracts on an accrual basis rather than as non-financial derivatives. Prior to adoption of the new standards, physical receipt and delivery contracts did not fall within the scope of the definition of a financial instrument and were also accounted for as executory contracts.

Prior to January 1, 2007, NuVista applied hedge accounting to its financial derivatives. On January 1, 2007, NuVista discontinued hedge accounting for all existing commodity derivatives. Net derivative gains in accumulated other comprehensive income at January 1, 2007 will be reclassified to earnings in future periods as the original hedged transactions affect net earnings. From that date forward, the changes in fair value of such derivatives will be recognized in net earnings when incurred.

(iii) Embedded derivatives

Embedded derivatives are derivatives embedded in a host contract. NuVista has elected January 1, 2003, as its transition date for accounting for any potential embedded derivatives. NuVista did not identify any material embedded derivatives which required separate recognition and measurement.

(iv) Other comprehensive income

The new standards require a new statement of comprehensive income, which is comprised of net earnings and other comprehensive income which, for NuVista, relates to changes in gains or losses on derivatives designated as cash flow hedges. NuVista has prepared a statement showing the changes in accumulated other comprehensive income.

2. Acquisition of Alberta properties:

On April 2, 2007, NuVista completed the acquisition of certain natural gas properties in central Alberta for a net purchase price of $34.9 million which includes asset retirement obligations of $166,000. The purchase price is estimated by management based on currently available information. The acquisition has been accounted for at the exchange amount, with results from operations included from the closing date of the acquisition. The purchase equation is as follows:

		Amount
(thousands)		
Net assets acquired:		
Oil and natural gas properties	$	35,056
Asset retirement obligations		(166)
Net assets acquired	**$**	**34,890**
Purchase consideration:		
Cash	$	34,890
Total purchase consideration	**$**	**34,890**

3. Long-term debt:

On April 2, 2007, NuVista and its lenders agreed to amend NuVista's credit facility to increase the maximum borrowing to $220 million. All terms and conditions of the bank loan facility remain unchanged from December 31, 2006.

4. Asset retirement obligations:

A reconciliation of the asset retirement obligations is provided below:

	Six months ended June 30, 2007	Year Ended December 31, 2006
(thousands)		
Balance, beginning of period	$ 22,683	$ 14,790
Accretion expense	884	1,407
Liabilities incurred	836	4,069
Liabilities acquired	166	2,502
Liabilities settled	(465)	(1,259)
Change in assumptions	-	1,174
Balance, end of period	**$ 24,104**	**$ 22,683**

5. Share capital:

Authorized:

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

(b) Issued:

(i) Common Shares

	Number	Amount
(thousands)		
Balance as at December 31, 2006	49,015	$ 194,027
Issued for cash	2,750	39,875
Stock-based compensation	-	1,300
Exercise of stock options	337	2,480
Cost associated with shares issued, net of future tax benefit of $611	-	(1,300)
Balance as at June 30, 2007	**52,102**	**$ 236,382**

On March 28, 2007, NuVista entered into an agreement to sell 2,750,000 Common Shares on a bought deal basis at a price of $14.50 per share for net proceeds, after issuance costs, of approximately $38 million. The common share offering closed on April 20, 2007.

(ii) Class B Performance Shares

	Number	Amount
(thousands)		
Balance as at December 31, 2006	271	$ 3
Converted to Common Shares		-
Reacquired and cancelled		-
Balance as at June 30, 2007	**271**	**$ 3**

On July 1, 2007 the remaining 270,789 Class B Performance Shares were converted into 230,748 Common Shares.

(iii) Contributed Surplus

(thousands)	Amount
Balance as at December 31, 2006	$ 3,747
Stock-based compensation	1,973
Exercise of stock options	(1,300)
Balance as at June 30, 2007	**$ 4,420**

(c) Accumulated other comprehensive income:

(thousands)	Amount
Balance as at January 1, 2007	$ -
Transition adjustment for discontinuance of hedge accounting, net of tax of $445	905
Reclassification to net earnings during the period, net of tax of $400	(813)
Balance as at June 30, 2007	**$ 92**

(d) Stock options and stock-based compensation:

For the six months ended June 30, 2007, there were 396,100 options granted with an average exercise price of $14.62/share and an estimated fair value of $4.61/share. At June 30, 2007 there were 3,591,024 stock options outstanding, with an average exercise price of $12.55/share.

NuVista 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%; volatility of 34%; an expected life of 4.5 years and dividends of nil. On May 3, 2007, NuVista's shareholders approved an amendment to the stock option plan converting the plan into a "rolling" 10% plan.

6. Financial instruments:

(a) Balance sheet financial instruments:

NuVista's financial instruments recognized in the Consolidated Balance Sheet consist of cash and cash equivalents, accounts receivable, 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. The estimated fair values of recognized financial instruments have been determined based on NuVista's assessment of available market information and appropriate methodologies, or through comparisons to similar instruments.

(b) Commodity price risk management contracts:

(i) As at June 30, 2007 NuVista has entered into the following costless collar crude oil contracts:

Volume	Average Price ($/bbl)	Term
250 bbls/d	CDN$75.25 - CDN$100.19 – WTI	July 1, 2007 – September 30, 2007
250 bbls/d	CDN$74.25 - CDN$100.19 – WTI	October 1, 2007 – December 31, 2007
500 bbls/d	CDN$70.95 - CDN$94.90 – WTI	January 1, 2008 – March 31, 2008
500 bbls/d	CDN$70.95 - CDN$94.07 – WTI	April 1, 2008 – June 30, 2008
250 bbls/d	CDN$70.03 - CDN$90.03 – WTI	July 1, 2008 – December 31, 2008

As at June 30, 2007, NuVista has entered into the following costless collar natural gas contracts:

Volume		Average Price (Cdn $/gj)	Term
15,000	gj's/d	$ 7.42 - $ 8.00 – AECO	April 1, 2007 – October 31, 2007

As at June 30, 2007, the market value of the commodity derivative contracts was approximately $3.4 million and is included on the balance sheet in accounts receivable.

(ii) Physical purchase contracts:

As at June 30, 2007, NuVista has entered into direct sale costless collar to sell natural gas as follows:

Volume		Average Price (Cdn $/gj)	Term
5,000	gj's/d	$ 7.25 - $ 8.00 – AECO	July 1, 2007 – October 31, 2007
10,000	gj's/d	$ 8.13 - $10.38 – AECO	November 1, 2007 – March 31, 2008

(iii) Commodity derivative gains/(losses):

	Three months ended June 30,		Six months ended June 30,	
(thousands)	2007	2006	2007	2006
Realized gains	$ 810	$ -	$ 2,794	$ -
Unrealized gains	3,483	-	3,407	-
Total realized and unrealized gains on commodity derivatives	$ 4,293	$ -	$ 6,201	$ -

7. Relationship with Bonavista Petroleum Ltd.:

Under the Plan of Arrangement, NuVista entered into a Technical Services Agreement ("TSA") with Bonavista Petroleum Ltd. ("Bonavista"). Under the TSA, Bonavista receives payment for certain services provided by it to NuVista. 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. TSA charges reflected in these interim statements are based on the proposed changes to the original TSA, effective January 1, 2007. For the three months ended June 30, 2007 net fees of $179,000 (2006 - $496,000) relating to general and administrative activities were charged by Bonavista. For the first six months of 2007 these costs totalled $519,000 (2006 - $976,000). In addition, Bonavista charged $631,000 for costs that are outside of the TSA during the first six months of 2007 relating to NuVista's share of direct charges from third parties. As at June 30, 2007, the amount payable to Bonavista was $461,000.

8. Supplemental information:

	Three months ended June 30,		Six months ended June 30,	
(thousands)	2007	2006	2007	2006
Cash paid on interest	$ 2,391	$ 1,190	$ 4,353	$ 1,800
Cash paid on income and other taxes	-	699	-	699

CORPORATE INFORMATION

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KERN Partners
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Range Royalty Management Ltd.
Grant A. Zawalsky,
Burnet, Duckworth & Palmer LLP

MANAGEMENT

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Vice President, Finance and CFO
Steven J. Dalman,
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