



**FIRST QUARTER INTERIM REPORT
2009**

Press Release May 5, 2009

Calgary – NuVista Energy Ltd. is pleased to announce its financial and operating results for the three months ended March 31, 2009, as follows:

Corporate Highlights

	Three months ended March 31,		
	2009	2008	% Change
Financial			
(\$ thousands, except per share)			
Production revenue	91,729	97,047	(5)
Funds from operations ⁽¹⁾	56,663	53,434	6
Per share – basic	0.72	0.88	(18)
Per share – diluted	0.72	0.87	(17)
Net earnings	2,632	7,150	(63)
Per share – basic	0.03	0.12	(75)
Per share – diluted	0.03	0.12	(75)
Total assets	1,444,792	1,355,671	7
Long-term debt, net of working capital	360,652	423,208	(15)
Long-term debt, net of adjusted working capital ⁽¹⁾	366,976	411,735	(11)
Shareholders' equity	816,742	720,033	13
Net capital expenditures	81,224	50,908	60
Corporate acquisition (non-cash)	-	594,944	-
Weighted average common shares outstanding (thousands):			
Basic	79,165	60,678	30
Diluted	79,165	61,137	29
Operating			
(boe conversion – 6:1 basis)			
Production			
Natural gas (mmcf/d)	112.2	85.5	31
Natural gas liquids (bbls/d)	3,029	1,105	174
Oil (bbls/d)	4,447	3,985	12
Total oil equivalent (boe/d)	26,175	19,339	35
Product prices ⁽²⁾			
Natural gas (\$/mcf)	6.53	7.82	(16)
Natural gas liquids (\$/bbl)	39.19	77.74	(50)
Oil (\$/bbl)	55.30	76.82	(28)
Operating expenses			
Natural gas and natural gas liquids (\$/mcf)	1.17	1.14	3
Oil (\$/bbl)	16.91	10.53	61
Total oil equivalent (\$/boe)	8.71	7.62	14
General and administrative expenses (\$/boe)	1.25	1.25	-
Funds from operations netback (\$/boe) ⁽¹⁾	24.06	30.37	(21)

NOTES:

- (1) Funds from operations, funds from operations per share, funds from operations netback and adjusted working capital 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 as per the statement of cash flows before changes in non-cash working capital and asset retirement 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 including realized commodity derivative gains/losses less royalties, transportation, general and administrative, restricted stock units, interest expenses and cash taxes calculated on a boe basis. Adjusted working capital excludes the current portion of future income tax asset or liability and commodity derivative asset or liability. Total boe is calculated by multiplying the daily production by the number of days in the period. For more details on non-GAAP measures, refer to "Management's Discussion and Analysis" section of this press release.
- (2) Product prices include realized gains/losses on commodity derivatives.

MESSAGE TO SHAREHOLDERS

NuVista Energy Ltd. ("NuVista") is pleased to report to its shareholders the financial and operating results for the three months ended March 31, 2009. Over the past five and one half years, the NuVista team has demonstrated our ability to protect and enhance the interests of our stakeholders over the long term by focusing on increasing our production on a per share basis while prudently managing debt levels.

During the first quarter of 2009, NuVista adapted its business plan to respond to the global financial crisis and lower commodity prices. NuVista achieved record production levels while integrating a minor acquisition and reducing exploration and development expenditures in order to maintain financial flexibility. Through challenging and at times difficult industry conditions, NuVista continues to maintain a disciplined approach to its business. We employ an "acquire and develop" business model focused on reserves per share and production per share growth while maintaining our balance sheet strength. We closely manage capital spending levels as we control the timing of all significant capital projects through our high level of operatorship. We pride ourselves on being able to make business decisions based on timely and accurate data. This approach has enabled us to adapt to rapidly changing economic and market conditions. Due to low commodity prices and an uncertain economic environment, prudent financial management requires a responsive and flexible capital program in 2009, along with continuing to plan for our future.

Significant highlights for NuVista in the first quarter:

- Achieved record production of 26,175 boe/d with a 71% natural gas weighting. Record production levels were achieved despite severe cold weather in early January and the shut-in of some heavy oil production until differentials improved in late January. This is a testament to the ability of NuVista's production and field personnel to execute tie-ins, workovers and production optimization initiatives in a responsive manner.
- Closed a \$54 million property acquisition in our Ferrier/Sunchild, Wapiti, Northwest Saskatchewan and Waskahigan/Kaybob core areas on January 29, 2009. The acquisition was completed at favourable acquisition metrics of approximately \$13 per boe of proven plus probable reserves and \$34,000 per flowing boe/d. The characteristics of the acquisition are low decline liquids-rich natural gas production with higher than average corporate realized prices and lower than average corporate royalty rates and operating costs.
- Implemented a \$27 million exploration and development capital program that was primarily directed toward facility expenditures to tie-in production from our 2008 drilling program. We also participated in drilling ten wells in the quarter with an 80% success rate.
- Maintained financial flexibility by reducing exploration and development activities to fund the property acquisition and restore debt to targeted levels by the end of spring break-up.

On April 3, 2009, NuVista announced that its bank syndicate extended the revolving period of its credit facility until April 29, 2010, following their annual review of NuVista's reserves and financial results. In addition, the maximum borrowing amount of the credit facility was unchanged at \$450 million. Currently, the interest rate for borrowings under the credit facility is approximately 3.25%.

Looking forward to the remainder of 2009, NuVista has developed a business plan that is focused on achieving the following three objectives:

1) Maintain Financial Flexibility

By reducing our exploration and development program following the closing of the property acquisition on January 29, 2009, we are targeting a debt level of \$340 to \$350 million by June 2009. This will provide \$100 million of debt capacity to participate in what is becoming a buyers market for acquisitions. Throughout the second half of 2009, exploration and development expenditures are forecast to be less than cash flow in order to maintain financial flexibility and pursue accretive business combinations or asset purchases.

2) Maximizing Royalty Incentive Benefits

NuVista is positioning itself to increase development drilling in areas within Alberta where the impact of the Royalty Incentive Programs, announced March 3, 2009, have the most significant impact on full-cycle project economics, such as the plains areas in Eastern Alberta. In Eastern Alberta, risked capital to drill and case wells is approximately \$275,000 per well. Based on the terms of the Royalty Incentive Programs, each of these wells will receive a \$200,000 royalty credit which can be applied against NuVista's 2009 Crown royalties. In

addition, these wells will have a 5% royalty rate for their first year of production, a period where these wells will produce most of their full-cycle economic value, at high production rates. NuVista has 25 wells budgeted for the second and third quarter of 2009 and is currently positioning itself to add to this program in the fourth quarter.

3) Positioning for the Future

In the second half of 2009, NuVista's capital program will be concentrated on investigating recovery concepts and drilling wells to set up an aggressive exploration and development program for 2010, should market conditions improve. One of these projects, a 15 to 20 horizontal oil well development program in West Central Saskatchewan, has already been set up for 2010 with the drilling of three horizontal wells in the fourth quarter of 2008 and an additional three wells in the first quarter of 2009. A second development project in our Fir/Kaybob area will be set up by drilling one or two horizontal Montney wells on seven and one-half sections of land where we have 10 vertical Montney producing wells. This project may ultimately result in 5 to 10 additional horizontal Montney wells, beginning in 2010.

During the second half of 2009, NuVista intends to spend over one third of its exploration and development capital in the Wapiti core area. In addition to drilling high impact exploration wells, NuVista intends to investigate thicker lower Dunvegan sands by drilling at least two vertical wells and one horizontal well prior to year end. NuVista also intends to complete one additional vertical well in the Montney formation, monitor production from a vertical Montney completion brought on during the second quarter, and monitor drilling and completion results for horizontal Montney wells drilled to date or being drilled by other companies. To date, three confidential horizontal wells have been drilled offsetting our acreage and over five additional horizontal wells are planned by other operators prior to year end. Both the Dunvegan and Montney plays, if successful, possess the size and scope to dramatically impact NuVista's capital program and financial results over the next five years.

NuVista is pleased to announce that Mr. Joshua Truba was appointed Vice President, Land effective January 1, 2009 and that Mr. Ross Andreachuk was appointed Vice President and Controller effective May 5, 2009. Mr. Truba joined NuVista in February 2005 and brings a strong background as a landman to his new role. Mr. Andreachuk joined NuVista in August 2006 and has played a key role in building NuVista's accounting team over the last three years. We look forward to the contribution Mr. Truba and Mr. Andreachuk will make in their new roles as members of NuVista's management team.

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 audited consolidated financial statements for the year ended December 31, 2008. The following MD&A of financial condition and results of operations was prepared at and is dated May 5, 2009. Our audited consolidated financial statements, Annual Report, Annual Information Form and other disclosure documents for 2008 are available through our filings on SEDAR at www.sedar.com or can be obtained from our website at www.nuvistaenergy.com.

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

Forward-looking statements – *Certain information set forth in this document contain forward-looking statements, including management's assessment of NuVista's future plans and operations, forecast production and growth and production and reserves, drilling plans and results, NuVista's planned capital budget, targeted debt level, the timing, allocation and efficiency of NuVista's capital program and the results therefrom, forecast funds from operations and targeted operating costs, benefits from the Alberta Government's announcement of royalty incentives, expectations regarding the payment of future taxes, expectations regarding future commodity prices, netbacks and industry conditions which are provided to*

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

Non-GAAP measurements – Within MD&A, references are made to terms commonly used in the oil and natural gas industry. Management uses funds from operations to analyze operating performance and leverage. Funds from operations as presented, does not have any standardized meaning prescribed by Canadian GAAP and therefore it may not be comparable with the calculation of similar measures for other entities. Funds from operations as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, per the statement of cash flows, net income or other measures of financial performance calculated in accordance with Canadian GAAP. All references to funds from operations throughout this report are based on cash flow from operating activities before changes in non-cash working capital and asset retirement expenditures. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income per share. Funds from operations netbacks equal total revenue including realized commodity derivative gains/losses less royalties, transportation, operating costs, general and administrative, restricted stock unit, interest expense and cash taxes. Management also uses field netbacks to analyze operating performance and adjusted working capital to analyze leverage. Field netbacks and adjusted working capital as presented, do not have any standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures for other entities. Field netbacks equal the total of revenue including realized commodity derivative gains/losses less royalties, transportation and operating costs. Adjusted working capital equals working capital excluding the current portions of future income tax asset or liability and commodity derivative asset or liability. Total boe is calculated by multiplying the daily production by the number of days in the period.

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

(\$ thousands)	Three months ended March 31,	
	2009	2008
Cash provided by operating activities	58,424	35,166
Add back:		
Asset retirement expenditures	575	54
Change in non-cash working capital	(2,336)	18,214
Funds from operations	56,663	53,434

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

Operating activities – For the three months ended March 31, 2009, NuVista drilled 10 (5.6 net) wells, resulting in four natural gas wells, four oil wells and two dry holes, for an overall success rate of 80%. NuVista operated seven of the wells drilled. During the first quarter, NuVista drilled three gas wells in the Wapiti core area and four oil wells in our West Central Saskatchewan core area. During the second quarter of 2009, NuVista expects to have a capital program of approximately \$10 to \$15 million in order to restore its financial flexibility following the closing of the property acquisition on January 29, 2009. NuVista expects to drill approximately 10 wells in the second quarter of 2009.

Production

	Three months ended March 31,		
	2009	2008	% Change
Natural gas (mcf/d)	112,191	85,498	31
Liquids (bbls/d)	3,029	1,105	174
Oil (bbls/d)	4,447	3,985	12
Total oil equivalent (boe/d)	26,175	19,339	35

For the three months ended March 31, 2009, NuVista's average production was 26,175 boe/d, comprised of 112.2 mmcf/d of natural gas, 3,029 bbls/d of associated natural gas liquids ("liquids") and 4,447 bbls/d of oil, which represents a 35% increase over the same period in 2008. The increase is due to the inclusion of a full three months of Rider properties in 2009 compared to one month in 2008, the success of our drilling program and the property acquisition completed in January 2009.

Revenues

(\$ thousands, except per unit amounts)	Three months ended March 31,					
	2009		2008		% Change	
	\$	\$/mcf	\$	\$/mcf	\$	\$/mcf
Natural gas						
Production revenue	64,554	6.39	60,844	7.82	6	(18)
Realized gain (loss) on commodity derivatives	1,422	0.14	-	-	-	-
Total	65,976	6.53	60,844	7.82	8	(16)
Liquids						
Production revenue	10,684	39.19	7,816	77.74	37	(50)
Realized gain (loss) on commodity derivatives	-	-	-	-	-	-
Total	10,684	39.19	7,816	77.74	37	(50)
Oil						
Production revenue	16,491	41.20	28,387	78.29	(42)	(47)
Realized gain (loss) on commodity derivatives	5,645	14.10	(533)	(1.47)	1,159	1,059
Total	22,136	55.30	27,854	76.82	(21)	(28)

For the three months ended March 31, 2009 revenues, including realized commodity derivative gains and losses, were \$98.8 million, a 2% increase from \$96.5 million for the same period in 2008. The increase in revenues for the three months ended March 31, 2009, compared to the same period of 2008 is primarily due to the 35% increase in production volumes. In addition to realized commodity derivative gains of \$7.1 million for the three months ended March 31, 2009, we had physical sales contract price risk management gains of \$10.1 million. Revenues were comprised of \$66.0 million of natural gas revenue, \$10.7 million of liquids revenue, and \$22.1 million of oil revenue. The decrease in average realized commodity prices is comprised of a 16% decrease in the natural gas price to \$6.53/mcf from \$7.82/mcf, a 50% decrease in the liquids price to \$39.19/bbl from \$77.74/bbl and a decrease of 28% in the oil price to \$55.30/bbl from \$76.82/bbl.

Commodity price risk management

(\$ thousands)	Three months ended March 31,					
	2009			2008		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total Gain (Loss)	Realized Gain (Loss)	Unrealized Gain (Loss)	Total Gain (Loss)
Natural gas	1,422	(1,094)	328	-	(3,884)	(3,884)
Oil	5,645	(6,747)	(1,102)	(533)	(5,860)	(6,393)
Total gain (loss)	7,067	(7,841)	(774)	(533)	(9,744)	(10,277)

As part of our financial risk management strategy, NuVista has adopted a disciplined commodity price risk management program. The purpose of this program is to reduce volatility in our financial results, protect acquisition economics and stabilize cash flow against the unpredictable commodity price environment. NuVista's Board of Directors has approved

a price risk management limit of up to 60% of forecast production, net of royalties, using fixed price, put option and costless collar contracts. To achieve NuVista's price risk management objectives, we enter into both commodity derivative and physical sale contracts. For the three months ended March 31, 2009, the commodity derivative price risk management program resulted in a loss of \$0.8 million consisting of realized gain of \$7.1 million and unrealized loss of \$7.8 million. The loss of \$0.8 million for 2009 consisted of a \$0.3 million gain on natural gas hedges and a \$1.1 million loss on crude oil hedges.

For the three months ended March 31, 2009, price risk management gains on our physical sale contracts totaled \$10.1 million. As at March 31, 2009, the mark-to-market value of our financial commodity derivative contracts was a gain of \$8.7 million and the mark-to-market value of our physical sales contracts was a gain of \$10.0 million, net of the deferred put option costs of \$6.0 million.

The following is a summary of commodity price risk management contracts in place as at March 31, 2009:

(a) Financial contracts

Crude oil:

Volume	Average Price (Cdn\$/bbl)	Term
1,000 bbls/d	CDN. \$64.00 – Bow River	January 1, 2009 – December 31, 2009
1,000 bbls/d	CDN. \$95.01 – \$110.01 – WTI ⁽¹⁾	January 1, 2009 – December 31, 2009
1,000 bbls/d	CDN. \$48.91 – Bow River	April 1, 2009 – June 30, 2009

(1) This is a US\$ denominated crude oil contract with an associated fixed price foreign exchange contract of 1.0262 US\$/Cdn\$.

(b) Physical sale contracts

Natural gas:

Volume	Average Price (Cdn\$/gj)	Term
20,000 gj/d	CDN. \$7.45 – Fixed Price AECO	April 1, 2009 – October 31, 2009
5,000 gj/d	CDN. \$5.65 – AECO Floor ^{(1), (4)}	April 1, 2009 – October 31, 2009
20,000 gj/d	CDN. \$5.97 – \$6.56 – AECO ^{(2), (4)}	November 1, 2009 – October 31, 2010
20,000 gj/d	CDN. \$5.55 – AECO Floor ^{(3), (4)}	November 1, 2009 – March 31, 2010

(1) The AECO put was purchased at a deferred cost of \$0.82/gj for a total cost of \$0.9 million.

(2) The deferred cost associated with the funded collar was \$0.30/gj for a total cost of \$2.2 million.

(3) The AECO put was purchased at a deferred cost of \$0.97/gj for a total cost of \$2.9 million.

(4) The deferred costs are incurred monthly over the term of the contract and will be offset against revenues.

Royalties

	Three months ended March 31,	
	2009	2008
Royalty rates (%)		
Natural gas and liquids	18	26
Oil	7	14
Weighted average rate	15	23

Royalties of \$15.2 million for the three months ended March 31, 2009, were 32% lower than the \$22.2 million for the same period of 2008. The decrease in royalties for the three months ended March 31, 2009, resulted primarily from lower royalty rates on our Alberta properties. These lower royalty rates are the result of the implementation of the New Royalty Framework and lower natural gas and oil prices in the period. As a percentage of revenue, the average royalty rate for the first quarter of 2009 was 15% compared to 23% for the comparative period of 2008. Royalty rates by product for the three months ended March 31, 2009, were 18% for natural gas and liquids and 7% for oil compared to 26% for natural gas and liquids and 14% for oil for the same period in 2008.

Royalty rates are based on government market reference prices and not our average realized prices that include price risk management activities. As a result, the gains from our price risk management activities included in revenue result in a lower royalty rate as a percentage of revenue than if no price risk management activities had taken place. Alberta natural gas royalty rates for the three months ended March 31, 2009, were approximately 14% compared to 22% for

the same period in 2008. Alberta oil royalty rates for the three months ended March 31, 2009, were approximately 9% compared to 14% for the same period in 2008.

Netbacks – The table below summarizes field netbacks by product for the three months ended March 31, 2009:

	Natural gas and liquids		Oil		Total	
	130.4 mmcf/d		4,447 bbl/d		26,175 boe/d	
(\$ thousands, except per unit amounts)	\$	\$/mcf	\$	\$/bbl	\$	\$/boe
Production revenue	75,238	6.41	16,491	41.20	91,729	38.94
Realized gain (loss) on commodity derivatives	1,422	0.12	5,645	14.10	7,067	3.00
	76,660	6.53	22,136	55.30	98,796	41.94
Royalties	(13,620)	(1.16)	(1,603)	(4.00)	(15,223)	(6.46)
Transportation costs	(1,407)	(0.12)	(371)	(0.93)	(1,778)	(0.75)
Operating costs	(13,743)	(1.17)	(6,768)	(16.91)	(20,511)	(8.71)
Field netback	47,890	4.08	13,394	33.46	61,284	26.02

The table below summarize funds from operations netbacks for the three months ended March 31, 2009, compared to the three months ended March 31, 2008:

	Three months ended March 31,					
	2009		2008		% Change	
(\$ thousands, except per unit amounts)	\$	\$/boe	\$	\$/boe	\$	\$/boe
Production revenue	91,729	38.94	97,047	55.14	(5)	(29)
Realized gain (loss) on commodity derivatives	7,067	3.00	(533)	(0.30)	1,426	1,100
	98,796	41.94	96,514	54.84	2	(24)
Royalties	(15,223)	(6.46)	(22,227)	(12.63)	(32)	(49)
Transportation	(1,778)	(0.75)	(1,440)	(0.82)	23	(9)
Operating costs	(20,511)	(8.71)	(13,417)	(7.62)	53	14
Field netback	61,284	26.02	59,430	33.77	3	(23)
General and administrative	(2,951)	(1.25)	(2,205)	(1.25)	34	-
Restricted stock units	40	0.02	(254)	(0.14)	116	(114)
Interest	(1,710)	(0.73)	(3,537)	(2.01)	(52)	(64)
Funds from operations netback	56,663	24.06	53,434	30.37	6	(21)

Field netback for the three months ended March 31, 2009, decreased 23% to \$26.02/boe from \$33.77/boe compared to the same period in 2008. This decrease was primarily due to lower realized oil and natural gas prices partially offset by lower royalty rates.

Transportation – For the three months ended March 31, 2009, transportation costs were \$1.8 million (\$0.75/boe) compared to \$1.4 million (\$0.82/boe) for the same period in 2008. The increase in transportation costs in 2009 compared to 2008 is primarily due to the 35% increase in production volumes.

Operating – Operating expenses were \$20.5 million for the three months ended March 31, 2009, compared to \$13.4 million for the same period in 2008, an increase of 53%. This increase resulted from significantly higher production volumes. On a boe basis, operating costs increased 14% to \$8.71/boe for the three months ended March 31, 2009, as compared to \$7.62/boe for the same period of 2008. The increase in 2009 per unit costs resulted primarily from increased processing fees and property maintenance. For the three months ended March 31, 2009, natural gas and liquids operating expenses averaged \$1.17/mcf and oil operating expenses were \$16.91/bbl compared to \$1.14/mcf and \$10.53/bbl respectively for the same period of 2008.

General and administrative – General and administrative expenses, net of overhead recoveries, for the three months ended March 31, 2009, were \$3.0 million (\$1.25/boe), which remained unchanged on a per boe basis, over the \$2.2 million (\$1.25/boe) for the three months ended March 31, 2008.

	Three months ended March 31,	
	2009	2008
(\$ thousands, except per unit amounts)		
Gross general and administrative expenses	4,471	3,827
Overhead recoveries	(1,520)	(1,622)
Net general and administrative expenses	2,951	2,205
Per boe	\$ 1.25	\$ 1.25

Stock-based compensation

	Three months ended March 31,	
	2009	2008
(\$ thousands)		
Stock-based compensation	2,041	1,005
Restricted stock units	(40)	254
Total	2,001	1,259

NuVista recorded a stock-based compensation charge of \$2.0 million for the three months ended March 31, 2009, compared to \$1.3 million for the same period in 2008. The stock-based compensation charge relates to the amortization of the value of stock option awards and the accrual for future payments under the Restricted Stock Unit ("RSU") Incentive Plan. The increase in the first quarter of 2009 relates primarily to an increase in the number of stock options outstanding. In January 2008, NuVista implemented an RSU Incentive Plan. Each RSU entitles participants to receive cash equal to the market value of the equivalent number of shares of NuVista. The RSUs become payable as they vest, typically over three years. In the first quarter of 2009, the RSU expense was in a credit position. NuVista paid cash as RSUs vested in the quarter; however this expense was offset by a reduction in the accrual for future payments associated with the decline in NuVista's share price.

Interest – Interest expense for the three months ended March 31, 2009, was \$1.7 million (\$0.73/boe) compared to \$3.5 million (\$2.01/boe) for the same period of 2008 due primarily to lower average interest rates. For the three months ended March 31, 2009, borrowing costs averaged 2.0% compared to 5.0% in the same period of 2008. The revolving term of NuVista's credit facility was extended on March 3, 2009, and as part of the terms of this extension NuVista's borrowing margin was increased to current market rates. Currently, NuVista's average borrowing rate is approximately 3.2%. Cash paid for interest for the three months ended March 31, 2009, was \$1.6 million compared to \$2.2 million for the same period of 2008.

Depreciation, depletion and accretion – Depreciation, depletion and accretion expenses for the three months ended March 31, 2009, were \$42.4 million, an increase of 30% over the \$32.7 million for the three months ended March 31, 2008. The average cost per unit was \$18.01/boe for the three months ended March 31, 2009, compared to \$18.58/boe in the same period in 2008.

Income taxes – For the first quarter of 2009, the provision for income tax was \$1.7 million, as compared to \$2.8 million for the same period in 2008. The decrease is primarily a result of lower earnings for the three months ended March 31, 2009, compared to the same period in 2008. The effective tax rate for the three months ended March 31, 2009, was 40% compared to 28% for the same period in 2008.

Capital expenditures – Capital expenditures were \$81.2 million during the first quarter of 2009, compared to \$50.9 million in the same period of 2008, with \$27.2 million of exploration and development spending and \$54.1 million spent on a complementary property acquisition.

	Three months ended March 31,	
	2009	2008
(\$ thousands)		
Exploration and development		
Land and retention costs	924	672
Seismic	2,584	2,601
Drilling and completion	11,990	11,712
Facilities and equipment	11,367	10,108
Corporate and other	288	152
Subtotal	27,153	25,245
Acquisitions		
Property	54,071	25,663
Subtotal	54,071	25,663
Total capital expenditures	81,224	50,908
Corporate acquisition – non-cash	-	594,944

Net earnings and funds from operations – For the three months ended March 31, 2009, net earnings decreased 63% to \$2.6 million (\$0.03/share, basic) from \$7.2 million (\$0.12/share, basic) for the same period in 2008. First quarter 2009 net earnings were lower when compared to the same period in 2008 primarily due to the impact of lower natural gas and oil prices. For the three months ended March 31, 2009, realized gains on our price risk management program totaled \$17.2 million, partially mitigating the impact of lower natural gas and oil prices. Net earnings per share decreased 75% due to the decrease in net earnings and increase in number of shares outstanding following the Rider Acquisition.

For the three months ended March 31, 2009, NuVista's funds from operations were \$56.7 million (\$0.72/share, basic), a 6% increase from \$53.4 million (\$0.88/share, basic) for the three months ended March 31, 2008. Funds from operations for the three months ended March 31, 2009, were higher than the same period in 2008, primarily due to higher production volumes, partially offset by lower commodity prices, and increased operating and general and administrative costs. Funds from operations per share decreased 18% due to the increase in number of shares outstanding following the Rider Acquisition.

Liquidity and capital resources – As at March 31, 2009, debt net of adjusted working capital was \$367.0 million, resulting in a net debt to annualized first quarter funds from operations ratio of 1.6:1. At March 31, 2009, NuVista had an adjusted working capital surplus of \$24.5 million. Adjusted working capital excludes the current portion of the fair value of the commodity derivative asset of \$8.7 million and the related current portion of future income tax liability of \$2.3 million. We believe it is appropriate to exclude these amounts when assessing financial leverage. At March 31, 2009, NuVista had \$58.5 million of unused bank borrowing capacity based on the current credit facility of \$450.0 million.

NuVista has a credit facility from a syndicate of primarily Canadian banks with a maximum borrowing amount of \$450.0 million. The credit facility is a 364-day revolving facility subject to an annual review by the bank syndicate, at which time a lender can provide an extension of the 364-day revolving period or request conversion to a one year term loan. During the revolving period, a determination of the maximum borrowing amount occurs semi-annually on or before April 30 and October 31.

On March 3, 2009, NuVista and the bank syndicate agreed to an extension of the revolving period from March 3, 2009 until April 30, 2009, in order for the bank syndicate to complete their annual review of NuVista's reserves and financial results. On April 3, 2009, NuVista's bank syndicate completed their annual review and extended the revolving period of the credit facility to April 29, 2010, and the term period to April 29, 2011. Under the term period, no principal payments would be required until April 29, 2011.

NuVista anticipates that funds from operations will provide the flexibility to fund its planned 2009 capital program. In this period of lower commodity prices and challenging economic environment, NuVista will place increased emphasis on maintaining its financial flexibility. NuVista plans to closely monitor its 2009 business plan and adjust capital programs in the context of commodity prices and access to bank and equity capital. It is NuVista's intent to have a reduced

capital program for the remainder of the first half of 2009, which in turn is expected to reduce net debt to the targeted level of approximately \$350 million.

As at March 31, 2009, there were 79.2 million common shares outstanding. There were 3.0 million of common share purchase warrants which expired on March 4, 2009. In addition, there were 5.9 million stock options outstanding, with an average exercise price of \$13.65 per share.

Related party activities – In 2003, as part of the Plan of Arrangement with Bonavista Petroleum Ltd. (“Bonavista”), NuVista entered into a Technical Services Agreement (“TSA”) with Bonavista for the provision of certain services to NuVista. On August 31, 2007, the TSA was terminated and replaced with a new services agreement that reflected the remaining ongoing services that will be provided by Bonavista. On November 1, 2008, this services agreement was terminated and Bonavista no longer provides any ongoing services 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. For the three months ended March 31, 2009, NuVista paid Bonavista \$ nil (2008 – \$0.4 million) in fees relating to general and administrative services provided by Bonavista. In 2009, NuVista charged Bonavista management fees for jointly owned partnerships totalling \$0.3 million (2008 – \$0.3 million). As at March 31, 2009, the amount receivable from Bonavista was \$0.7 million (2008 – \$5.6 million).

Contractual obligations and commitments – NuVista enters into contract obligations as part of conducting business. The following is a summary of NuVista’s contractual obligations and commitments as at March 31, 2009:

(\$ thousands)	Total	2009	2010	2011	2012	Thereafter
Transportation	13,250	3,612	3,075	2,335	1,691	2,537
Office lease	7,363	1,541	2,055	2,055	1,712	-
Physical sale contract premiums	5,997	2,427	3,570	-	-	-
Long-term debt	391,507	-	-	391,507	-	-
Total commitments	418,117	7,580	8,700	395,897	3,403	2,537

Quarterly financial information – The following table highlights NuVista’s performance for the eight quarterly reporting periods from June 30, 2007 to March 31, 2009:

	2009		2008		2007			
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Production (boe/d)	26,175	25,688	26,065	26,153	19,339	14,251	13,590	14,147
(\$ thousands, except per share amounts)								
Production revenue	91,729	106,982	149,648	161,794	97,064	53,790	48,166	56,832
Net earnings	2,632	24,443	53,699	2,905	7,150	11,063	754	9,678
Net earnings								
Per share – basic	0.03	0.31	0.68	0.04	0.12	0.21	0.01	0.19
Per share – diluted	0.03	0.31	0.68	0.04	0.12	0.21	0.01	0.18

NuVista has seen growth in quarterly production volumes over the prior eight quarters. The increases in production during the first and second quarters of 2008 relate primarily to the Rider Acquisition that closed on March 4, 2008. Production remained relatively constant over the last three quarters of 2008 as NuVista allocated cash flow to debt reduction rather than capital expenditures. The decline in production during the fourth quarter of 2008 related primarily to cold weather and the delay in the tie-in of several wells. Over the prior eight quarters, quarterly revenue has been in a range of \$48.2 million to \$161.8 million with revenue primarily influenced by production volumes, and natural gas and oil prices in the quarter. Net earnings have been in a range of \$0.1 million to \$53.7 million primarily influenced by production volumes, commodity prices and realized and unrealized gains and losses on commodity derivatives.

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

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

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

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

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

- (c) **Full cost accounting ceiling test** – The carrying value of property, plant and equipment is reviewed at least annually for impairment. Impairment occurs when the carrying value of the asset is not recoverable by the future undiscounted cash flows. The cost recovery ceiling test is based on estimates of proved reserves, production rates, petroleum and natural gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements could be material. Any impairment would be charged as additional depletion and depreciation expense.
- (d) **Asset retirement obligation** – The asset retirement obligations are estimated based on existing laws, contracts or other policies. The fair value of the obligation is based on estimated future costs for abandonments and reclamations discounted at a credit adjusted risk free rate. The costs are included in property, plant and equipment and amortized over its useful life. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to earnings and for reversions to the estimated future cash flows. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements could be material.
- (e) **Income taxes** – The determination of income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded.
- (f) **Goodwill** – Goodwill is recorded on a business combination when the total purchase consideration exceeds the fair value of the net identifiable assets and liabilities of the acquired entity. The goodwill balance is not amortized, however, and must be assessed for impairment at least annually. Impairment is initially determined based on the fair value of a reporting unit compared to its book value. Any impairment must be charged to earnings in the period the impairment occurs. The Company has one reporting unit, being the entity as a whole, and as at March 31, 2009, we have determined there was no goodwill impairment.

Update on regulatory matters

- (a) **New Alberta Royalty Framework** – On October 25, 2007, the Government of Alberta released a report entitled "The New Royalty Framework" (the "NRF") containing the Government's proposals for Alberta's new royalty regime, which was followed by the *Mines and Minerals (New Royalty Framework) Amendment Act, 2008*, which was given Royal Assent on December 2, 2008. The NRF and the applicable new legislation became

effective on January 1, 2009. The NRF establishes new royalty rates for conventional oil, natural gas and oil sands.

On April 10, 2008, the Government of Alberta introduced two new royalty programs that will encourage the development of deep oil and gas reserves, and these are: (a) a five-year oil program for exploration wells over 2,000 metres that will provide royalty adjustments to offset higher drilling costs and provide a greater incentive for producers to continue to pursue new, deeper oil plays (these oil wells will qualify for up to a \$1 million or 12 months of royalty offsets, whichever comes first); and (b) a five-year natural gas deep drilling program that will replace the existing program in order to encourage continued deep gas exploration for wells deeper than 2,500 metres (the program will create a sliding scale of royalty credit according to depth, of up to \$3,750 per metre). These new programs are to be implemented along with the NRF.

In response to the drop in commodity prices experienced during the second half of 2008, the Government of Alberta announced on November 19, 2008, the introduction of a five year program of transitional royalty rates with the intent of promoting new drilling. Under this new program companies drilling new natural gas or conventional oil deep wells (between 1,000 and 3,500 metres) will be given a one-time option, on a well by well basis, to adopt either the new transitional royalty rates or those outlined in the NRF. In order to qualify for this program wells must be drilled during the period starting on November 19, 2008, and ending on December 31, 2013. Following this period all new wells drilled will automatically be subject to the NRF.

On March 3, 2009, the Government of Alberta announced a three-point incentive program to stimulate new and continued economic activity in Alberta which included a drilling royalty credit for new conventional oil and natural gas wells and a new well royalty incentive program. Under the drilling royalty credit program a \$200 per metre royalty credit will be available on new conventional oil and natural gas wells drilled between April 1, 2009 and March 31, 2010, subject to certain maximum amounts. The maximum credits available will be determined by the company's production level in 2008 and its drilling activity between April 1, 2009 and March 31, 2010. Based on NuVista's 2008 production it will be entitled to a maximum credit of 40% of royalties payable in the period April 1, 2009 to March 31, 2010. The new well incentive program will apply to wells beginning production of conventional oil and natural gas between April 1, 2009 and March 31, 2010 and provides for a maximum 5% royalty rate for the first 12 months of production, up to a maximum of 50,000 barrels or 500 mmcf of natural gas.

As royalties under the NRF are sensitive to both commodity prices and production levels, the estimated NRF Alberta and corporate royalty rates will fluctuate with commodity prices, well production rates, production decline of existing wells, and performance and location of new wells drilled.

Update on accounting policies and financial reporting matters

- (a) ***Goodwill and intangible assets*** – Effective January 1, 2009, NuVista adopted Section 3064, Goodwill and Intangible Assets issued by the Canadian Institute of Chartered Accountants ("CICA"). Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to its initial recognition. This new section has no current impact on NuVista's consolidated financial statements.
- (b) ***International Financial Reporting Standards*** – In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011, as the effective date for the requirement to report under International Financial Reporting Standards ("IFRS") with comparative 2010 periods converted as well. Canadian generally accepted accounting principles as we currently know them, will cease to exist for all public reporting entities.

In order to meet the requirement to transition to IFRS, NuVista has appointed internal staff to lead the conversion project along with sponsorship from an executive steering committee. NuVista has also involved external auditors and external consultants as required during the conversion project. NuVista has provided training to key employees, completed a preliminary analysis of the accounting differences and is monitoring the impact of the transition on its business practices, information systems and internal control over financial reporting. During our preliminary analysis, accounting implementation for certain areas were identified as having the greatest potential impact to NuVista's consolidated financial statements in terms of complexity and effort. NuVista has determined that accounting for property, plant and equipment, impairment testing, asset retirement obligation, stock-based compensation, employee future benefits and income taxes will be impacted by the conversion to IFRS. The impact of IFRS on NuVista's consolidated financial statements is not reasonably determinable at this time.

Internal control reporting

NuVista's President and Chief Executive Officer ("CEO") and Vice President, Finance and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as defined in National 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 the required disclosure. The CEO and CFO have also designed internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. During the quarter ended March 31, 2009, there have been no changes to NuVista's internal control over financial reporting that have materially or are reasonably likely to materially affect the internal control over financial reporting.

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

Assessment of business risks

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

- Operational risk associated with the production of oil and natural gas;
- Reserves risk with respect to the quantity and quality of recoverable reserves;
- Commodity risk as crude oil and natural gas prices fluctuate due to market forces;
- Financial risk such as volatility of the Canadian/US dollar exchange rate, interest rates and debt service obligations;
- Risk associated with the current global financial crisis;
- Risk associated with the re-negotiation of NuVista's credit facility and the continued participation of NuVista's lenders;
- Market risk relating to the availability of transportation systems to move the product to market;
- Environmental and safety risk associated with well operations and production facilities; and
- Changing government regulations relating to royalty legislation, income tax laws, incentive programs, operating practices and environmental protection relating to the oil and natural gas industry.

NuVista seeks to mitigate these risks by:

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

OUTLOOK

Although the current financial and commodity markets create considerable uncertainty in the near term, NuVista will be responsive to economic conditions and continue with its disciplined acquire and develop business model. Our 2009 capital program will be reviewed continually throughout the year in the context of commodity prices and financial markets. We continue to look at 2009 as a year that will have as many opportunities as challenges.

NuVista forecasts 2009 funds from operations of \$185 million based on current pricing assumptions. These assumptions are \$4.50/mcf for AECO natural gas, US\$50.00 for WTI crude oil, a foreign exchange rate of 0.81 and include price risk management contracts currently in place but have not included any benefits associated with the Alberta Government's announcement of royalty incentives on March 3, 2009. Based on this forecast of funds from operations, our Board of Directors has approved a 2009 capital budget of \$175 million. Approximately \$95 million of the capital program will be allocated to exploration and development activities with the flexibility to either accelerate or defer expenditures based upon market conditions. New royalty incentives announced on March 3, 2009 will improve rates of return for drilling in areas such as Eastern Alberta. We expect to drill 50 to 70 wells and this should result in 2009 production averaging between 26,000 boe/d and 26,500 boe/d. Our reduced 2009 capital program will result in a high-grading of opportunities in 2009 and a growing prospect inventory heading into 2010. We will continue to invest human resources and capital on our emerging resource plays in order to develop a thorough understanding of recovery concepts. We will advance these projects in 2009 by drilling new wells to assess recovery from each of these resource plays.

For the first half of 2009, our objective is to limit capital spending to our funds from operations. Capital spending during the first half of 2009, including property acquisitions, is forecasted to be \$90 to \$100 million. Production in the first half of 2009 is forecast to be within our 26,000 boe/d to 26,500 boe/d guidance range for 2009. This forecast incorporates the first quarter actual production, as well as an extended planned turnaround in our Fir/Kaybob processing facility in early May.

Over the long term we believe that supply and demand fundamentals should result in significant upside for both oil and natural gas prices, however we must be prepared to endure an extended period of low prices before this recovery occurs. We believe our counter-cyclical strategy of acquiring premium assets at attractive prices over the next two to three years and optimizing production from these assets will richly reward our stakeholders over the long term. Throughout our five and one-half year history, NuVista has demonstrated a disciplined and flexible approach to spending and allocating capital with a focus on profitable per share growth while maintaining a strong balance sheet. NuVista will continue with this approach in 2009.

Sincerely,



Alex G. Verge
President & CEO
May 5, 2009



Robert F. Froese
Vice-President, Finance & CFO

NUVISTA ENERGY LTD.**Consolidated Balance Sheets**

(\$ thousands) **March 31, 2009** **December 31, 2008**
(unaudited)

Assets

Current assets

Cash and cash equivalents	\$ 176	\$ 139
Accounts receivable and prepaids	67,458	64,712
Commodity derivative asset (note 7)	8,672	16,513
	76,306	81,364
Oil and natural gas properties and equipment (note 3)	1,284,770	1,242,216
Goodwill	83,716	83,716
	\$ 1,444,792	\$ 1,407,296

Liabilities and Shareholders' Equity

Current liabilities

Accounts payable and accrued liabilities	\$ 43,103	\$ 50,710
Future income taxes	2,348	4,954
	45,451	55,664
Long-term debt (note 5)	391,507	355,407
Compensation liability (note 6)	128	850
Asset retirement obligations (note 4)	48,569	46,296
Future income taxes	142,395	137,779
Shareholders' equity		
Share capital, warrants and contributed surplus (note 6)	600,852	598,042
Retained earnings	215,890	213,258
	816,742	811,300
	\$ 1,444,792	\$ 1,407,296

Commitments (note 9)

See accompanying notes to consolidated financial statements.

NUVISTA ENERGY LTD.**Consolidated Statements of Earnings, Comprehensive Income and Retained Earnings**

(\$ thousands, except per share amounts) (unaudited)	Three months ended March 31,	
	2009	2008
Revenues		
Production	\$ 91,729	\$ 97,047
Royalties	(15,223)	(22,227)
Realized gain (loss) on commodity derivatives	7,067	(533)
Unrealized loss on commodity derivatives	(7,841)	(9,744)
	75,732	64,543
Expenses		
Operating	20,511	13,417
Transportation	1,778	1,440
General and administrative	2,951	2,205
Interest	1,710	3,537
Stock-based compensation	2,001	1,259
Depreciation, depletion and accretion	42,424	32,701
	71,375	54,559
Earnings before income taxes	4,357	9,984
Future income tax expense	1,725	2,834
Net Earnings	2,632	7,150
Other comprehensive income		
Amortization of fair value of financial instruments	-	(17)
Comprehensive income	\$ 2,632	\$ 7,133
Retained earnings, beginning of period	213,258	125,063
Retained earnings, end of period	\$ 215,890	\$ 132,213
Net earnings per share - basic	\$ 0.03	\$ 0.12
Net earnings per share - diluted	\$ 0.03	\$ 0.12

See accompanying notes to consolidated financial statements.

NUVISTA ENERGY LTD.**Consolidated Statement of Cash Flows**

(\$ thousands) (unaudited)	Three months ended March 31,	
	2009	2008
Cash provided by (used in)		
Operating Activities		
Net earnings	\$ 2,632	\$ 7,150
Items not requiring cash from operations		
Depreciation, depletion and accretion	42,424	32,701
Stock-based compensation	2,041	1,005
Unrealized gain on commodity derivatives	7,841	9,744
Future income taxes	1,725	2,834
Asset retirement expenditures	(575)	(54)
Decrease (increase) in non-cash working capital	2,336	(18,214)
	58,424	35,166
Financing Activities		
Issue of share capital and warrants, net of share issuance costs	-	84,814
Increase in long-term debt	36,100	236,134
Repayment of long-term debt	-	(303,538)
	36,100	17,410
Investing Activities		
Oil and natural gas properties and equipment	(27,153)	(25,238)
Transaction costs on Rider acquisition	-	(4,130)
Property acquisition (note 3)	(54,071)	(23,063)
Decrease (increase) in non-cash working capital	(13,263)	740
	(94,487)	(51,691)
Increase in cash and cash equivalents	37	885
Cash and cash equivalents, beginning of period	139	-
Cash and cash equivalents, end of period	\$ 176	\$ 885

See accompanying notes to consolidated financial statements.

NUVISTA ENERGY LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2009.

The unaudited consolidated financial statements of NuVista Energy Ltd. ("Nuvista" or "the Company") have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), using the same accounting policies as those set out in note 1 to the consolidated financial statements for the year ended December 31, 2008, except as noted below in note 1. The consolidated financial statements for the three months ended March 31, 2009, should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2008. Certain amounts have been reclassified to conform with the current year's presentation. All tabular amounts are in thousands, except per share amounts, unless otherwise stated.

1. Adoption of new accounting policies

Goodwill and intangible assets

Effective January 1, 2009, the Company adopted Section 3064, Goodwill and Intangible Assets issued by the Canadian Institute of Chartered Accountants ("CICA"). Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to its initial recognition. This new section has no current impact on the Company's consolidated financial statements.

2. Future accounting changes

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011, as the effective date for the requirement to report under International Financial Reporting Standards ("IFRS") with comparative 2010 periods converted as well. Canadian GAAP as we currently know them, will cease to exist for all public reporting entities.

In order to meet the requirement to transition to IFRS, the Company has appointed internal staff to lead the conversion project along with sponsorship from an executive steering committee. The Company involves external auditors and external consultants, as required, during the conversion project. The Company has provided training to key employees, completed a preliminary analysis of the accounting differences and is monitoring the impact of the transition on its business practices, information systems and internal control over financial reporting. During the Company's preliminary analysis, accounting implementation for certain areas were identified as having the greatest potential impact to the Company's consolidated financial statements in terms of complexity and effort. The Company has determined that accounting for property, plant and equipment, impairment testing, asset retirement obligation, stock-based compensation, employee future benefits and income taxes will be impacted by the conversion to IFRS. The impact of IFRS on the Company's consolidated financial statements is not reasonably determinable at this time.

3. Property acquisition

On January 29, 2009, the Company acquired certain natural gas properties and related facilities in the Ferrier/Sunchild, Wapiti and Northwest Saskatchewan core areas. The purchase price was approximately \$54.1 million, net of asset retirement obligations. The acquisition was financed with bank borrowings. The results of operations of these properties have been included in the consolidated financial statements of the Company since the acquisition date.

4. Asset retirement obligations

Total asset retirement obligations are based on estimated costs to reclaim and abandon ownership interests in oil and natural gas assets including well sites, gathering systems and processing facilities. At March 31, 2009, the estimated total undiscounted amount of cash flows required to settle the Company's asset retirement obligations is \$198.3 million (2008 – \$187.9 million), which will be incurred over the next 51 years. The majority of the costs will be incurred between 2010 and 2036. A credit-adjusted risk-free rate of 8% (2008 – 8%) and an inflation rate of

2% (2008 – 2%) were used to calculate the fair value of the asset retirement obligations.

A reconciliation of the asset retirement obligations is provided below:

	March 31, 2009	December 31, 2008
Balance, beginning of period	\$ 46,296	\$ 26,574
Accretion expense	909	3,026
Liabilities incurred	611	7,203
Liabilities acquired	1,328	8,505
Change in assumptions	-	3,504
Liabilities settled	(575)	(2,516)
Balance, end of period	\$ 48,569	\$ 46,296

5. Long-term debt

On April 3, 2009, the Company received an extension of the revolving credit facility until April 29, 2010. The maximum borrowing amount of the credit facility remains unchanged at \$450.0 million (2008 – \$450.0 million).

Borrowing under the credit facility may be made by prime loans, bankers' acceptances and/or US libor advances. These advances bear interest at the bank's prime rate and/or at money market rates plus a stamping fee. The credit facility is secured by a first floating charge debenture, general assignment of book debts and the Company's oil and natural gas properties and equipment. The credit facility has a 364-day revolving period and is subject to an annual review by the lenders, at which time a lender can request conversion to a one year term loan. During the revolving period, a determination of the maximum borrowing amount occurs semi-annually on or before April 30 and October 31. During the term period, no principal payments would be required until April 29, 2011. As such, this credit facility is classified as long-term. Cash paid for interest expense for the three months ended March 31, 2009 was \$1.6 million (2008 – \$2.2 million).

6. Shareholders' equity

(a) Share capital, warrants and contributed surplus

	March 31, 2009	December 31, 2008
Share capital	\$ 587,460	\$ 587,460
Warrants	-	3,454
Contributed surplus	13,392	7,128
Total	\$ 600,852	\$ 598,042

(b) Authorized

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

(c) Common shares issued

	March 31, 2009		December 31, 2008	
	Number	Amount	Number	Amount
Balance, beginning of period	79,164	\$ 587,460	52,704	\$ 240,245
Issued for cash	-	-	6,000	80,546
Issued on Rider acquisition	-	-	19,844	256,195
Exercise of stock options	-	-	616	6,545
Stock-based compensation	-	-	-	4,144
Cost associated with shares issued, net of future tax benefit of \$nil (2008 - \$84)	-	-	-	(215)
Balance, end of period	79,164	\$ 587,460	79,164	\$ 587,460

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

(d) Warrants

	March 31, 2009		December 31, 2008	
	Number	Amount	Number	Amount
Balance, beginning of period	3,000	\$ 3,454	-	\$ -
Issued	-	-	3,000	3,454
Transferred to contributed surplus on expiry	(3,000)	(3,454)	-	-
Balance, end of period	-	\$ -	3,000	\$ 3,454

At December 31, 2008, there were 3.0 million common share purchase warrants outstanding. Each warrant entitled the holder thereof to acquire, subject to adjustment, one common share for \$15.50, prior to March 4, 2009. As of March 5, 2009, these warrants expired unexercised.

(e) Contributed surplus

	March 31, 2009	December 31, 2008
Balance, beginning of period	\$ 7,128	\$ 4,967
Stock-based compensation	2,810	6,305
Exercise of stock options	-	(4,144)
Expired warrants	3,454	-
Balance, end of period	\$ 13,392	\$ 7,128

(f) Per share amounts

During the three months ended March 31, 2009, there were 79,164,575 (2008 – 60,677,847) weighted average shares outstanding. On a diluted basis, there were 79,165,116 (2008 – 61,137,409) weighted average shares outstanding after giving effect for dilutive stock options. The number of anti-dilutive options totaled 5,824,820 for the three months ended March 31, 2009 (2008 – 2,187,664).

(g) Stock options

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares. Options granted prior to December 2008, vest at the rate of 25% per year and expire six years from the grant date. The terms of future stock option grants were amended in December 2008. Pursuant to the amendment, options subsequently granted will vest at the rate of 33.3% per year and expire 6.5 years after the grant date. The total stock options outstanding plus the Class B Performance Shares cannot exceed 10% of the outstanding common shares. The summary of stock option transactions is as follows:

	March 31, 2009		December 31, 2008	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period	6,111,945	\$ 13.69	4,046,400	\$ 13.46
Granted	27,500	7.10	3,263,260	13.64
Exercised	-	-	(615,675)	10.63
Forfeited	(188,800)	14.68	(508,715)	14.63
Expired	(63,450)	12.23	(73,325)	17.64
Balance, end of period	5,887,195	\$ 13.65	6,111,945	\$ 13.69

The Company uses the fair value based method for the determination of the stock-based compensation costs. The fair value of each option granted during the three months ended March 31, 2009, was estimated on the date of grant using the Black-Scholes option pricing model. In the pricing model, the risk-free interest rate used was 2% (2008 – 4.5%); volatility of 50% (2008 – 33%); an average expected life of 4.5 years (2008 – 4.5 years); an estimated forfeiture rate of 10% (2008 – 10%); and dividends of nil (2008 – nil). The weighted average fair value of stock options granted during the three months ended March 31, 2009 was \$3.03 per option (2008 – \$4.67 per option). For the three months ended March 31, 2009, the Company capitalized \$0.8 million (2008 – \$0.4 million) in stock based compensation.

(h) Restricted stock units

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

For the three months ended March 31, 2009, the Company recorded an RSU stock-based compensation expense of \$(0.6) million (2008 – \$0.3 million) and capitalized \$(0.1) million (2008 – \$0.1 million) to property, plant and equipment with a corresponding offset recorded in stock-based compensation liability. The stock-based compensation expense was based on the trading price of the Company’s shares on March 31, 2009.

The following table summarizes the change in RSUs:

	March 31, 2009	December 31, 2008
	Number	Number
Balance, beginning of period	351,543	-
Vested	(97,725)	-
Granted	4,900	390,163
Forfeited	(8,754)	(38,620)
Balance, end of period	249,964	351,543

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

	March 31, 2009	December 31, 2008
	Amount	Amount
Balance, beginning of period	\$ 1,461	\$ -
Change during the period	(722)	1,461
Balance, end of period	\$ 739	\$ 1,461
Stock-based compensation liability – current (included in accounts payable and accrued liabilities)	\$ 611	\$ 611
Stock-based compensation liability – long-term	\$ 128	\$ 850

For the three months ended March 31, 2009, 97,725 RSUs vested for a cash value of \$0.7 million (2008 – \$ nil).

7. Risk management activities

(a) Financial instruments

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

As at March 31, 2009, the Company has entered into the following crude oil contracts:

Volume	Average Price (Cdn\$/bbl)	Term
1,000 bbls/d	CDN. \$64.00 – Bow River	January 1, 2009 – December 31, 2009
1,000 bbls/d	CDN. \$95.01 – \$110.01 – WTI ⁽¹⁾	January 1, 2009 – December 31, 2009
1,000 bbls/d	CDN. \$48.91 – Bow River	April 1, 2009 – June 30, 2009

(1) This is a US\$ denominated crude oil contract with an associated fixed price foreign exchange contract of 1.0262 US\$/Cdn\$.

As at March 31, 2009, the mark-to-market value of the financial commodity contracts was an asset of \$8.7 million.

(b) Physical sale contracts

As at March 31, 2009, the Company has entered into direct natural gas sale contracts as follows:

Volume	Average Price (Cdn\$/gj)	Term
20,000 gj/d	CDN. \$7.45 – Fixed Price AECO	April 1, 2009 – October 31, 2009
5,000 gj/d	CDN. \$5.65 – AECO Floor ^{(1), (4)}	April 1, 2009 – October 31, 2009
20,000 gj/d	CDN. \$5.97– \$6.56 AECO ^{(2), (4)}	November 1, 2009 – October 31, 2010
20,000 gj/d	CDN. \$5.55 – AECO Floor ^{(3), (4)}	November 1, 2009 – March 31, 2010

(1) The AECO put was purchased at a deferred cost of \$0.82/gj for a total cost of \$0.9 million.

(2) The deferred cost associated with the funded collar was \$0.30/gj for a total cost of \$2.2 million.

(3) The AECO put was purchased at a deferred cost of \$0.97/gj for a total cost of \$2.9 million.

(4) The deferred costs are incurred monthly over the term of the contract and will be offset against revenues.

These physical sale contracts are normal purchase and sale transactions and as such are not considered financial instruments.

8. Relationship with Bonavista Petroleum Ltd.

In 2003, as part of the Plan of Arrangement with Bonavista Petroleum Ltd. ("Bonavista"), NuVista entered into a Technical Services Agreement ("TSA") with Bonavista for the provision of certain services to NuVista. On August 31, 2007, the TSA was terminated and replaced with a new services agreement that reflects the remaining ongoing services that will be provided by Bonavista. On November 1, 2008, this services agreement was terminated and Bonavista no longer provides any ongoing services 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.

For the three months ended March 31, 2009, NuVista paid Bonavista \$ nil (2008 – \$0.4 million) in fees relating to general and administrative services provided by Bonavista. In 2009, NuVista charged Bonavista management fees for jointly owned partnerships totaling \$0.3 million (2008 – \$0.3 million). As at March 31, 2009, the amount receivable from Bonavista was \$0.7 million (2008 – \$5.6 million).

The above transactions are considered to be in the normal course of business and have been measured at their exchange amounts, being the amounts agreed to by both the parties.

9. Commitments

The following is a summary of the Company's contractual obligations and commitments as at March 31, 2009:

	Total	2009	2010	2011	2012	Thereafter
Transportation	\$ 13,250	\$ 3,612	\$ 3,075	\$ 2,335	\$ 1,691	\$ 2,537
Office lease	7,363	1,541	2,055	2,055	1,712	-
Physical sale contract premiums	5,997	2,427	3,570	-	-	-
Long-term debt	391,507	-	-	391,507	-	-
Total commitments	\$ 418,117	\$ 7,580	\$ 8,700	\$ 395,897	\$ 3,403	\$ 2,537

Corporate Information

Directors

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

Officers

Keith A. MacPhail, Chairman
Alex G. Verge, President and CEO
Robert F. Froese, Vice President, Finance and CFO
Ross L. Andreachuk, Vice President and Controller
Kevin J. Christie, Vice President, Exploration
Steven J. Dalman, Vice President, Business Development
D. Chris McDavid, Vice President, Operations
Daniel B. McKinnon, Vice President, Engineering
Joshua T. Truba, Vice President, Land
Glenn A. Hamilton, Corporate Secretary

Auditors

KPMG LLP
Chartered Accountants
Calgary, Alberta

Legal Counsel

Burnet, Duckworth & Palmer LLP
Calgary, Alberta

Bankers

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

Registrar and Transfer Agent

Valiant Trust Company
Calgary, Alberta

Engineering Consultants

GLJ Petroleum Consultants Ltd.
Calgary, Alberta

Stock Exchange Listing

Toronto Stock Exchange
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