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FOR IMMEDIATE RELEASE  
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NEWS RELEASE

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## **NuVista Energy Ltd. Announces Strategic Property Acquisition and Equity Financings**

CALGARY, ALBERTA – NuVista Energy Ltd. (“NuVista”) is pleased to announce that it has entered into an agreement to acquire certain properties located in the Martin Creek area of northeast British Columbia and in northwest Alberta (the “Acquired Properties”). The acquisition price, payable in cash, for the Acquired Properties is \$176 million prior to closing adjustments. The acquisition has an effective date of April 1, 2009, and is expected to close on July 24, 2009. The completion of the acquisition is subject to customary regulatory approvals and other conditions.

### **Transaction Highlights**

The acquisition will provide the following financial and operating benefits to shareholders:

- Attractive reserves and production acquisition costs with reserves addition costs (before an allocation to undeveloped land and including future development costs) of \$15.42 per proved boe and \$10.90 per proved plus probable boe; and production addition costs of \$29,800 per flowing boe;
- 57% of the reserves acquired are proved producing and 77% of the reserves are proved plus probable producing;
- Annual production declines are forecasted to be less than 20% with a proved plus probable reserve life of 8.7 years;
- Over 140,000 net undeveloped acres of land with an average working interest of 71%;
- This new core area is expected to provide opportunities for continued growth over the long-term; and
- Provides significant leverage to rising natural gas prices.

This acquisition is consistent with NuVista’s strategy of acquiring premium high working interest, operated properties with infrastructure and undeveloped land at times when commodity prices are at their cyclical lows. The Acquired Properties will form a new core area for NuVista characterized by longer life reserves which lower NuVista’s overall corporate production decline rate. The properties were acquired at attractive valuation metrics and are accretive to NuVista’s production and reserves per share. NuVista has internally identified over 30 drilling opportunities on the acquired lands. These drilling opportunities are expected to be economically robust and generate favourable rates of return, even in a low natural gas price environment.

## **Acquired Properties**

The Acquired Properties are currently producing approximately 5,900 boe/d with an 82% natural gas weighting. The majority of the liquids production is light oil production from Keg River pools in northwest Alberta. Approximately 96% of the production is operated with an average working interest of 77%. Proved plus probable reserves were estimated by Sproule Associates Ltd. to be 18.8 MMboe as of March 31, 2009. Included in the acquisition is approximately 140,000 net acres of undeveloped land with an average working interest of 71%.

The Martin Creek property located in northeast British Columbia property is a premier property with a high working interest, operatorship, large contiguous land base, low operating costs and strategic infrastructure which will provide NuVista with a competitive advantage. The Martin Creek property represents approximately 75% of the total value of the Acquired Properties and approximately 55% of the total production. Approximately 90% of NuVista's internally identified capital projects on the Acquired Properties, including over 30 identified drilling locations, are focused on the Martin Creek assets. These prospects are multi-zone opportunities targeting natural gas from five different producing horizons.

The northwest Alberta properties include gas production primarily from the Bluesky and Debolt formations at Sousa, Rainbow, and Fontas and Keg River light oil production at Rainbow and Sousa. The northwest Alberta properties in general have higher operating costs, with the highest operating costs associated with the light oil production. A number of operating cost reduction initiatives were implemented in the first quarter of 2009 and NuVista has identified some additional opportunities to continue to further reduce operating costs. Over time operating expenses can also be reduced through facility consolidation. All of NuVista's internally identified capital projects in northwest Alberta are focused on light oil opportunities. The northwest Alberta properties provide significant leverage to rising natural gas prices and NuVista has identified a number of natural gas drilling opportunities which would generate favourable returns in a higher natural gas price environment.

## **Financing**

The acquisition price will be funded through a combination of existing bank debt and the net proceeds of two equity offerings. NuVista has an existing credit facility of \$450 million under which approximately \$350 million is currently drawn. Following completion of the acquisition of the Acquired Properties, NuVista anticipates its credit facility will be increased to over \$500 million.

In conjunction with the acquisition, NuVista has entered into a "bought deal" agreement and private placement agreement for the issuance of subscription receipts (the "Subscription Receipts") for aggregate gross proceeds of \$99.0 million (the "Offerings"). NuVista has entered into an agreement with a syndicate of underwriters led by Peters & Co. Limited and including CIBC World Markets Inc., FirstEnergy Capital Corp., TD Securities Inc., BMO Capital Markets, RBC Capital Markets, Scotia Capital Inc., Cormark Securities Inc., Macquarie Capital Markets Canada Ltd., Genuity Capital Markets, GMP Securities LP, and National Bank Financial Inc. (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis, 7,500,000 Subscription Receipts at a price of \$11.00 per Subscription Receipt for gross proceeds of \$82.5 million.

NuVista is also pleased to announce that the Ontario Teachers' Pension Plan has signed a letter of intent to purchase 1,500,000 Subscription Receipts, by way of a private placement, at a price of \$11.00 per Subscription Receipt for gross proceeds of \$16.5 million.

Each Subscription Receipt represents the right to receive one common share of NuVista on the closing of the Acquired Properties. The gross proceeds from the Offerings will be deposited in escrow pending closing of the Acquired Properties. If the acquisition closes on or before August 7,

2009, the net proceeds from the Offerings will be released to NuVista and used by it to pay part of the purchase price of the Acquired Properties.

If the acquisition of the Acquired Properties fails to close by August 7, 2009, or the acquisition of the Acquired Properties is terminated at an earlier time, the escrow agent will return the gross proceeds and pro rata entitlement to interest thereon to holders of the Subscription Receipts.

Completion of the Offerings is subject to certain conditions including normal regulatory and stock exchange approvals. The Subscription Receipts issued under the "bought deal" will be offered in certain provinces of Canada by way of a short form prospectus. The closing of the Offerings is expected to occur on or about July 7, 2009.

## **Updated Guidance**

With this acquisition, NuVista's Board has approved a revised 2009 capital budget of \$320 million. Including this acquisition and a prior acquisition which closed on January 29, 2009, \$225 million of the capital budget has been allocated to acquisitions and the remaining \$95 million to exploration and development activities. NuVista expects its 2009 average production to be between 27,500 boe/d and 28,000 boe/d, assuming a July 24, 2009 closing date for the acquisition. NuVista's current production is approximately 26,000 boe/d. 2009 average operating costs are expected to increase as a result of the acquisition to approximately \$8.75 per boe. NuVista is targeting year end 2009 net long-term debt of approximately \$365 million. This debt level, in conjunction with an increase to the maximum borrowing amount of our credit facility, will create significant financial flexibility to continue to pursue accretive acquisitions.

## **INVESTOR INFORMATION**

NuVista is an independent Canadian oil and natural gas exploration, development and production company with its common shares trading on the Toronto Stock Exchange under the symbol "NVA".

**This news release is not an offer to sell or a solicitation of offers to by the Subscription Receipts in the United States. The Subscription Receipts have not been and will not be registered under the United States Securities Act and may not be offered or sold in the United States except in transactions exempt from such registration.**

### ***Advisory Regarding Forward-Looking Information and Statements***

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward looking statements and information concerning: closing of the Offerings and the acquisition and the expected timing of such closings; NuVista's plans to obtain an increase in its credit facility; capital expenditure plans and budget amounts; future development and growth opportunities; production decline rates; reserves life; the anticipated benefits of the acquisition; anticipated 2009 drilling, production and operating costs; and anticipated 2009 net long term debt.*

*The forward-looking statements and information in this press release are based on certain key expectations and assumptions made by NuVista, including completion of the acquisition and the Offerings on the timing planned; prevailing commodity prices and exchange rates; applicable royalty rates and tax laws; future well production rates; reserve and resource volumes; the performance of existing wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the receipt, in a timely manner of regulatory, stock exchange and other required approvals. Although NuVista believes that the expectations*

*and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because NuVista can give no assurance that they will prove to be correct. There is no certainty that NuVista will achieve commercially viable production from its undeveloped lands and prospects.*

*Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the failure to obtain the necessary regulatory, stock exchange and other regulatory approvals and on the timelines it has planned, the risk that some other condition to the closing of the Offerings or the acquisition is not satisfied; the negotiation of an increase in NuVista's credit facility and the continued participation of NuVista's lenders; the oil and gas industry in general such as: operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation or petroleum and natural gas and loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; stock market volatility; and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations.*

*Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of NuVista are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).*

*The forward-looking statements and information contained in this press release are made as of the date hereof and NuVista undertake no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

### **Boe Advisory**

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

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