



## Why are Nuvista's Shares Up 15% in the Last 5 Days?

### Description

**Nuvista** ([TSX: NVA](#)) shares have risen 15% in the last 5 days, on high trading volume. The average volume in the last 3 months is 552,020. On November 5<sup>th</sup> and 6<sup>th</sup>, the shares were up on volume of over 1.1 million shares. What precipitated this rise?

### Strong Third Quarter Results Announced

Even though production decreased by 22% to 18,532 barrels of oil equivalent per day (Boe/d), cash flow per share at \$0.20 versus \$0.17 increased over the same period last year. And though it was down, production was better than expected due to stronger than expected well performance.

Cash flow increased despite lower production due to greater efficiencies, as seen in record low drilling costs and completion costs which were 13% lower than expected. Furthermore, higher value condensate production represented a greater percent of total production. It currently stands at 33% of production.

### Strong Production Growth Expected

Following the better than expected performance in the third quarter, management has increased its production forecast for 2013. Average production for the year is now expected to be 17,000 Boe/d to 17,400 Boe/d. This is slightly above their previous forecast of between 16,250 Boe/d and 17,000 Boe/d.

Year over year production per share growth in 2014 is expected to be 15%.

### Increase in Resource Estimate

An independent resource evaluation of Nuvista's condensate-rich Wapiti Montney was recently updated as a result of Nuvista's drilling activity. The evaluation shows a more than doubling of resource while still covering only half of Nuvista's landholdings in the area. It does not yet include any discovered resources in the Lower Montney zone. Drilling will continue in 2014 in the Lower Montney Zone and based on this, investors should be anticipating a further increase in the area's resource

estimate in 2014.

## Bottom Line

Nuvista's strategy to reduce costs and increase production is finally beginning to bear fruit. The company has been performing very well in terms of execution and cost control, and this performance has given the market something to smile about.

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*Fool contributor Karen Thomas owns shares of NuVista. The Motley Fool has no positions in the stocks mentioned above at this time.*

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1. Investing

## TICKERS GLOBAL

1. TSX:NVA (NuVista Energy Ltd.)

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