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## **HARVEST OPERATIONS CORP. REPORTS Q3 2018 RESULTS**

Calgary, Alberta – November 8, 2018: Harvest Operations Corp. (“Harvest” or the “Company”) announced its financial and operating results for the third quarter ended September 30, 2018.

This press release is an overview of the third quarter results for 2018 and should be read with the unaudited condensed interim financial statements and Management’s Discussion and Analysis (MD&A) for the third quarter ended September 30, 2018 available on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

All financial data has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board except where otherwise noted. All figures reported herein are in Canadian dollars unless otherwise stated.

### **Q3 2018 HIGHLIGHTS:**

#### **Conventional**

- Total sales volumes for the quarter was 27,933 barrels of oil equivalent (“boe/d”), including Harvest's share of Deep Basin Partnership (“DBP”) of 3,384 boe/d (4,058 boe/d gross).
- Operating loss for the three months ended September 30, 2018 was \$97.4 million (2017: \$45.3 million). The increases in operating loss from 2017 were primarily due to an impairment expense in conventional and the DBP, partially offset by increased revenues and decreased depreciation, depletion and amortization.
- Capital expenditures totaled \$12.0 million for the quarter primarily related to drilling and completion. During the three months ended September 30, 2018, Harvest rig released six gross wells (2.9 net). These wells included five gross (1.9 net) partner operated horizontal wells in the Rocky Mountain House area, and one horizontal well in the Royce area.
- Operating netback prior to hedging for the three months ended September 30, 2018 was \$17.82/boe, an increase of \$6.98/boe from the same period in 2017.
- Cash contributions from Harvest’s Conventional operations for the three months ended September 30, 2018 was \$31.3 million (2017: \$19.1 million). The increase in cash contributions for the three months ended September 30, 2018 was primarily due to an increase in revenues, partially offset by an increase in royalties.

#### **Oil Sands**

- During the quarter, Harvest achieved first oil production on its BlackGold Oil Sands project and converted ten well pairs to full steam assisted gravity drainage (“SAGD”) operation. Mr. Paul Vander Valk, Chief Operating Officer, Oil Sands commented: “The BlackGold asset provides Harvest with a predictable, low decline, significant long-term asset and we are pleased with initial production and plant operations.”
- Capital expenditures for the three months ended September 30, 2018 were \$25.7 million (2017: \$0.6 million) and mainly related to facility expenditures relating to the start-up of the central processing facility (“CPF”).

#### **Corporate**

- The strengthening of the Canadian dollar against the U.S. dollar for the three months ended September 30, 2018 resulted in net unrealized foreign exchange gains of \$24.6 million (2017: \$38.1 million) which was primarily related to the translation of Harvest’s U.S. dollar denominated debt into Canadian dollars.

- At September 30, 2018, Harvest had \$331.9 million drawn under the credit facility (December 31, 2017: \$190.6 million) excluding letters of credit of \$13.6 million (December 31, 2017: \$14.9 million).

## **HARVEST CORPORATE PROFILE**

Harvest is a wholly-owned, subsidiary of Korea National Oil Corporation (“KNOC”). Harvest is a significant operator in Canada's energy industry offering stakeholders exposure to exploration, development and production of crude oil and natural gas (Upstream) and an oil sands project under construction and development in northern Alberta (BlackGold).

KNOC is a state owned oil and gas company engaged in the exploration and production of oil and gas along with storing petroleum resources. KNOC will fully establish itself as a global government-run petroleum company by applying ethical, sustainable and environment-friendly management and by taking corporate social responsibility seriously at all times. For more information on KNOC, please visit their website at [www.knoc.co.kr/ENG/main.jsp](http://www.knoc.co.kr/ENG/main.jsp).

## **ADVISORY**

Certain information in this press release contains forward-looking information that involves risk and uncertainty. For this purpose, any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Such risks and uncertainties in respect of such forward-looking information include, but are not limited to, risks associated with: imprecision of reserve estimates; conventional oil and natural gas operations; volatility in commodity prices and currency exchange rates; risks associated with realizing the value of acquisitions; general economic, market and business conditions; changes in environmental legislation and regulations; the availability of sufficient capital from internal and external sources; and, such other risks and uncertainties described from time to time in Harvest's regulatory reports and filings made with securities regulators.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Harvest assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

## **FOR FURTHER INFORMATION PLEASE CONTACT:**

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