



---

## **HARVEST OPERATIONS CORP. REPORTS Q1 2019 RESULTS**

Calgary, Alberta – May 9, 2019: Harvest Operations Corp. (“Harvest” or the “Company”) announced its financial and operating results for the first quarter ended March 31, 2019.

This press release is an overview of the first quarter results for 2019 and should be read with the unaudited condensed interim financial statements and Management’s Discussion and Analysis (MD&A) for the first quarter ended March 31, 2019 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.

### **Q1 2019 HIGHLIGHTS:**

#### **Conventional**

- Total sales volumes for the quarter was 28,614 barrels of oil equivalent (“boe/d”), including Harvest's share of Deep Basin Partnership (“DBP”) of 4,607 boe/d (5,520 boe/d gross).
- Operating loss for the three months ended March 31, 2019 was \$16.8 million (2018: \$19.7 million). The decrease in operating loss from 2018 were primarily due to a decrease in operating expenses, royalties, G&A expense and depreciation, depletion and amortization expense, partially offset by lower revenues.
- Capital expenditures totaled \$7.8 million for the quarter and were mainly related to drilling and completions for wells drilled during the fourth quarter of 2018, and asset optimization and revitalization projects in the Hay area. During the three months ended March 31, 2019, two gross wells (0.6 net) were rig-released.
- Operating netback per boe prior to hedging for the three months ended March 31, 2019 was \$12.95, a decrease of \$1.40 from the same period in 2018, primarily due to a decrease in realized price before hedging, partially offset by a decrease in operating expense and royalties per boe.
- Cash contributions from Harvest’s Conventional operations for the three months ended March 31, 2019 was \$23.3 million (2018: \$24.1 million). The decrease in cash contributions for the three months ended March 31, 2019 was mainly due to a decrease in revenues, partially offset by lower operating expenses.

#### **Oil Sands**

- During the quarter, bitumen production on its 10,000 bbl/d BlackGold Oil Sands project continued to ramp-up and averaged 6,515 bbl/d (2018: nil), reflecting top-quartile industry performance, with 12 of 15 well pairs converted to SAGD operations by March 31, 2019.
- Operating netback per boe prior to hedging for the three months ended March 31, 2019 was \$11.56/boe (2018: nil) and cash contributions from the Oil Sands segment for the three months ended March 31, 2019 was \$2.8 million (2018: \$1.6 million deficiency).
- Capital expenditures for the three months ended March 31, 2019 were \$0.5 million (2018: \$22.7 million), mainly related to facility expenditures. The decrease in capital expenditure over the comparative period is the result of completing facility construction and commissioning during the second half of 2018.

### Corporate

- The strengthening of the Canadian dollar against the U.S. dollar for the three months ended March 31, 2019 resulted in net unrealized foreign exchange gain of \$31.4 million (2018: \$49.4 million loss) which is primarily related to the translation of Harvest's U.S. dollar denominated debt into Canadian dollars.
- At March 31, 2019, Harvest had \$439.9 million drawn under the credit facility (December 31, 2018: \$386.8 million) excluding letters of credit totaling \$15.0 million (December 31, 2018: \$15.1 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 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:

Harvest Operations Corp.

#### INVESTOR & MEDIA CONTACT:

Greg Foofat  
Manager, Investor Relations & Corporate Communications  
Harvest Operations Corp.  
Toll Free Investor Mailbox: (866) 666-1178  
Email: [investor.relations@harvestenergy.ca](mailto:investor.relations@harvestenergy.ca)

Harvest Operations Corp.  
1500, 700 – 2nd Street S.W.  
Calgary, AB Canada T2P 2W1  
Website: [www.harvestoperations.com](http://www.harvestoperations.com)