



HEMISPHERE ENERGY PROVIDES OPERATIONAL AND PRODUCTION UPDATES

TSX-V: HME

Vancouver, British Columbia, August 8, 2017 – Hemisphere Energy Corporation (TSX-V: HME) ("Hemisphere" or the "Company") is pleased to provide an update on its operations and current production.

Over the past number of months, Hemisphere has continued to focus on enhancing its waterflood projects in Atlee Buffalo while optimizing all of its producing wells in southern Alberta. A pipeline was recently constructed at the Atlee Buffalo F pool to better distribute produced water to all of the injectors within the Company's waterflood project. During the second quarter, the Company also performed maintenance turnarounds at both the Jenner and Atlee Buffalo facilities.

As a result of the Company's successful waterfloods and well optimization, estimated field production for July 2017 was approximately 700 boe/d (95% oil). This represents a greater than 40% increase over the Company's production during the same month last year. In the Atlee Buffalo F pool, production has increased by 86% over the first seven months of 2017 to approximately 370 boe/d as pressure maintenance continues to take effect. The Atlee Buffalo G pool producing well, which was drilled and put on production in August 2016, is stable at approximately 35 bbl/d after almost a year of production and remains facility constrained.

For the remainder of 2017, the Company plans to complete a battery at the Atlee Buffalo G pool in order to test the full capability of its producing G well and to prepare for further development of the asset. Hemisphere also plans to drill up to two additional Atlee Buffalo wells to further grow reserves and production in this area by year-end.

About Hemisphere Energy Corporation

Hemisphere Energy Corporation is a producing oil and gas company focused on developing low risk conventional oil assets for minimal capital exposure through developing known pools of oil and optimizing waterflood projects. Hemisphere plans continual growth in production, reserves, and cash flow by drilling existing projects and executing strategic acquisitions. Hemisphere trades on the TSX Venture Exchange as a Tier 1 issuer under the symbol "HME".

For further information, please visit our website at www.hemisphereenergy.ca to see our corporate presentation or contact:

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Forward-looking Statements

This news release contains "forward-looking statements" that are based on Hemisphere's current expectations, estimates, forecasts and projections. The words "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words and phrases are intended to identify forward-looking statements and include statements regarding Hemisphere's outlook for our future operations, plans, and timing for the commencement or advancement of exploration and development activities on our properties; Hemisphere's plans to complete a battery at the Atlee Buffalo G pool; Hemisphere's plan to drill up to two wells in Atlee Buffalo, and other expectations, intentions, and plans that are not historical fact.

Forward-looking statements are based on a number of material factors, expectations, or assumptions of Hemisphere which have been used to develop such statements and information but which may prove to be incorrect. Although Hemisphere believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Hemisphere can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that Hemisphere will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities are consistent with past operations; the quality of the reservoirs in which Hemisphere operates and continued performance from existing wells; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Hemisphere's reserve volumes; certain commodity price and other cost assumptions; continued availability of debt and equity financing and cash flow to fund Hemisphere's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Hemisphere operates; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Hemisphere to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Hemisphere has an interest in to operate the field in a safe, efficient and effective manner; the ability of Hemisphere to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Hemisphere to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Hemisphere operates; and the ability of Hemisphere to successfully market its oil and natural gas products.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Hemisphere's products, the early stage of development of some of the evaluated areas and zones; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Hemisphere or by third party operators of Hemisphere's properties, increased debt levels or debt service requirements; inaccurate estimation of Hemisphere's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Hemisphere's public disclosure documents, (including, without limitation, those risks identified in this news release and in Hemisphere's Annual Information Form).

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Hemisphere does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Oil and Gas Advisories

A barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Production rates disclosed herein are not determinative of the rates at which the wells will continue to produce and decline thereafter and may not necessarily be indicative of the long term performance or estimated ultimate recovery.

Definitions and Abbreviations

bbl	barrel
bbl/d	barrels per day
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
Mcf	thousand cubic feet

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.