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TSX Venture Exchange
Trading Symbol: "HME"
News Release #10-07

Hemisphere Energy Closes Acquisition of Natural Gas Producing Trutch Property in Northeast British Columbia

Vancouver BC, July 27, 2010. Hemisphere Energy Corporation (TSXV: HME) is pleased to announce that it has closed the acquisition of the liquid-rich natural gas producing Trutch Property in northeast British Columbia from Canada Gas Corp. (TSXV: CJC). The acquisition includes a range of 9%-30% working interest in various assets throughout the property and increases Hemisphere Energy's production and land position in the region. Total consideration for the acquisition was \$300,000 in cash and \$50,000 by the issuance of 214,225 Hemisphere Energy shares at a deemed price of \$0.2334 each, being the average closing price over the 30 calendar day period ending April 27, 2010. These shares are subject to a hold period until November 24, 2010.

Hemisphere Energy currently has production from 4 Halfway liquid-rich natural gas wells on its Trutch Property in northeast British Columbia and 10 Edmonton Sand natural gas wells on its Sylvan Lake Property in central Alberta.

Hemisphere Energy has an inventory of low risk development drilling locations within its Trutch and Sylvan Lake properties. Hemisphere Energy focuses on developing projects with low risk drilling opportunities, multiple zones of potential and long-life reserves that will increase Hemisphere Energy's production, reserves and cash flow.

Hemisphere Energy's management and board view the market conditions as providing an excellent opportunity to aggressively pursue value-added acquisitions and farm-ins. Hemisphere Energy is evaluating other opportunities that complement its producing Trutch and Sylvan Lake properties in western Canada.

HEMISPHERE ENERGY CORPORATION

A handwritten signature in black ink, appearing to read 'Don Simmons', is positioned above the printed name and title.

Don Simmons
President & CEO

For further information on Hemisphere Energy Corporation, visit our website or call Don Simmons, President and CEO at (604) 685-9255.

Forward-looking Statements

This news release contains "forward-looking statements" that are based on Hemisphere's current expectations, estimates, forecasts and projections. These forward-looking statements 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, and other expectations, intention and plans that are not historical fact. The words "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words and phrases are intended to identify forward-looking

statements. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Many of these factors are beyond the control of Hemisphere. Consequently, all forward-looking statements made in this news release are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by Hemisphere will be realized. For the reasons set forth above, investors should not place undue reliance on such forward-looking statements. Hemisphere disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

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. This news release may contain forward looking statements based on assumptions and judgments of management regarding future events or results that may prove to be inaccurate as a result of factors beyond its control, and actual results may differ materially from the expected results.