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TSX Venture Exchange
Trading Symbol: "HME"
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Hemisphere Energy Corporation Closes Private Placement Over One Million Dollars

Vancouver B.C., Thursday, August 26, 2010. Hemisphere Energy Corporation (TSX: HME) has closed its private placement announced July 7, 2010. The private placement consisted of five million and ten thousand units at a price of 20 cents per unit, for proceeds of \$1,002,000. Each unit consisted of one common share and one non-transferable share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of 30 cents until August 25, 2011. The proceeds will be used for development and exploration projects, financing acquisitions and general corporate purposes.

In connection with the closing of the private placement, Hemisphere Energy issued the following securities in payment of a finder's fee: 327,950 share purchase warrants to Canaccord Genuity Corp., with each warrant entitling it to purchase one common share at a price of 30 cents until August 25, 2011.

All of the securities issued in connection with the closing of this private placement, including the finder's warrants issued to Canaccord, are subject to a hold period in Canada until December 26, 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 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 S.', followed by a horizontal line.

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.