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TSX Venture Exchange
Trading Symbol: "HME"
News Release #11-17

Hemisphere Energy Announces Flow-Through Private Placement

Vancouver B.C., October 26, 2011. Hemisphere Energy Corporation (TSXV: HME) announces a non-brokered private placement of up to 2,000,000 flow-through shares at a price of \$0.65 per share, subject to regulatory approval. The proceeds of up to \$1,300,000 to be raised pursuant to this private placement will be used to fund exploration and development expenditures.

Hemisphere Energy currently has oil production from its Jenner property in southeast Alberta, natural gas production from its Sylvan Lake and Wainwright properties in central Alberta and liquids-rich natural gas production from its Trutch property in northeast British Columbia.

Hemisphere Energy is focused on building and developing a balanced portfolio of core areas that provide low to medium risk drilling opportunities that support ongoing growth of production, reserves and cash flow.

HEMISPHERE ENERGY CORPORATION

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

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.