



Suite 570-789 West Pender Street, Vancouver BC V6C 1H2

Telephone: +1-604-685-9255
Facsimile: +1-604-685-9676
Web-site: www.hemisphereenergy.ca

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Hemisphere Energy Announces Jenner Oil Property Acquisition and Brokered Private Placement

Vancouver BC, December 8, 2011. Hemisphere Energy Corporation (TSXV: HME) is pleased to announce it has an agreement to purchase oil producing assets in the Jenner area of southeast Alberta and entered into an agreement with Canaccord Genuity Corp. ("Canaccord") for a brokered private placement.

Property Acquisition

The acquisition includes wells and associated production facilities currently producing approximately 105 barrels of oil per day. The purchase price is \$6 million and it is anticipated that the acquisition will close in early February 2012, subject to financing.

The property consists of 8.5 net sections (5380 acres) of land and operated oil production in the Jenner area directly adjacent to Hemisphere Energy's existing operations. A significant portion of the land is covered with 3D seismic included in the acquisition.

Hemisphere views the acquisition as strategic to expanding its Jenner landbase, adding production and reserves, increasing fluid handling and water disposal infrastructure, and streamlining operations.

Brokered Private Placement

Hemisphere has arranged a brokered private placement with Canaccord to raise up to \$7,500,500 by the sale of up to 10,715,000 units ("Units") on a commercially reasonable efforts basis. Each Unit will be priced at \$0.70 and will consist of one common share and one-half (1/2) of a share purchase warrant, with each whole warrant to entitle the holder to purchase one additional common share at a price of \$0.95 for a period of 24 months from closing. Hemisphere has also granted Canaccord an over-allotment option, pursuant to which it will have an option to solicit the sale of additional Units to raise additional gross proceeds of up to \$2,500,400, exercisable at any time in whole or in part until 48 hours prior to closing.

Proceeds from the brokered private placement will be used by Hemisphere to close the Jenner acquisition, fund capital expenditures, and general corporate purposes.

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

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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.

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