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TSX Venture Exchange

Trading Symbol: "HME"

News Release #12-2

Hemisphere Energy Announces New Farm-in on Jenner Property

Vancouver BC, January 25, 2012. Hemisphere Energy Corporation (TSXV: HME) announces it has entered a farm-in agreement to earn lands in the Jenner area of southeast Alberta. The agreement requires Hemisphere to commence the drilling of one horizontal well by March 31, 2012, subject to surface access, rig availability and regulatory approval.

Under the terms of the agreement Hemisphere will pay 100% of the drilling, completion and tie-in costs to earn 100% of the earned lands before payout, subject to a convertible overriding royalty. Once the obligations of the commitment well are fulfilled Hemisphere will have the option of drilling a second well to earn additional lands.

Hemisphere 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 is focused on building and developing core areas that provide low to medium risk drilling opportunities to increase production, reserves and cash flow.

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

HEMISPHERE ENERGY CORPORATION

A handwritten signature in black ink, appearing to read "Don Simmons".

Don Simmons – P.Geol
President & CEO

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.