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**Hemisphere Energy Closes Brokered Private Placement and
Strategic Jenner Oil Property Acquisition**

Vancouver BC, January 30, 2012. Hemisphere Energy Corporation (TSXV: HME) is pleased to announce the closing of both the brokered private placement through Canaccord Genuity Corp. and the strategic property acquisition in the Jenner area of southeast Alberta, each as originally announced on December 8, 2011.

Brokered Private Placement

Under the brokered private placement 12,323,157 Units were sold at \$0.70 each, for aggregate subscription proceeds of \$8,626,210, each Unit consisting of one common share and one-half (1/2) of a transferable share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.95 until January 27, 2014.

In connection with the brokered private placement, Hemisphere Energy paid commissions and fees equal to 7% of the gross proceeds raised, and has issued 862,620 Agent's Warrants, each entitling the holder to purchase one common share at a price of \$0.70 until January 27, 2014 and 172,512 Corporate Finance Units, each having the same terms as the Units sold pursuant to the brokered private placement.

All of the securities issued with respect to the brokered private placement are subject to a hold period in Canada until May 28, 2012.

The proceeds from the brokered private placement were used by Hemisphere Energy to close the Jenner acquisition disclosed below and will be used to fund additional capital expenditures and for general corporate purposes.

Jenner Property Acquisition

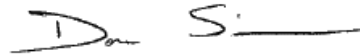
The \$6,000,000 acquisition consists of oil producing assets directly adjacent to Hemisphere Energy's current operations in the Jenner area of southeast Alberta. The assets, which include wells and associated production facilities, had an average production rate of approximately 98 barrels of oil per day during December 2011.

The Jenner acquisition includes 8.5 net sections (5,380 acres) of land of which a significant portion is covered with 3D seismic included in the acquisition. Hemisphere Energy has identified drilling locations and recompletion opportunities on the acquired lands and has plans to increase fluid capacity at the newly acquired production facilities.

Hemisphere Energy views this acquisition as strategic to expanding its core land base, increasing oil production and reserves, adding water disposal capacity and streamlining operations in the Jenner area.

Hemisphere Energy is focused on adding value per share by increasing production, reserves and cash flow through identifying and developing low to medium risk drilling opportunities and executing on strategic acquisitions and farm-ins.

HEMISPHERE ENERGY CORPORATION



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.

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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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