



HEMISPHERE ENERGY CORPORATION APPOINTS VICE PRESIDENT OF EXPLORATION

TSX-V: HME

July 5, 2012 - Hemisphere Energy Corporation ("Hemisphere" or the "Company") (TSX-V: HME) is pleased to announce the appointment of Mr. Andrew Arthur as Vice President of Exploration.

Mr. Arthur is a professional geologist bringing over 24 years of both domestic and international oil and gas industry experience to Hemisphere. He has been a key technical member in many exploration and development projects having drilled several hundred wells across the Western Canada Sedimentary Basin. Exposure to all facets of the oil and gas industry has led him to progressively senior exploration roles.

Mr. Arthur graduated with his Bachelor of Science in Geology (Honours) from the University of British Columbia in 1985. With sponsorship from the Geological Survey of Canada, he continued at the University of British Columbia, completing his Master of Science in Geology in 1987. Mr. Arthur is a member of the Association of Professional Engineers and Geoscientists of Alberta.

In conjunction with this appointment, the Company has granted Mr. Arthur an option to purchase a total of 350,000 shares of the Company at an exercise price of \$0.61 each. These stock options are granted pursuant to the Company's Stock Option Plan and are for a term of five years from the date of grant.

About Hemisphere Energy Corporation

Hemisphere Energy Corporation is a junior exploration and production company focused on developing core areas that provide low to medium risk drilling opportunities to increase production, reserves and cash flow. Hemisphere's continued growth plan is through drilling existing prospects and executing strategic acquisitions and farm-ins. Hemisphere trades on the TSX Venture Exchange under the symbol "HME".

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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.

Barrels of oil equivalent ("boes") may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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.