



HEMISPHERE ENERGY COMMENCES WINTER DRILLING PROGRAM

TSX-V: HME

Vancouver, British Columbia, January 6, 2014 – Hemisphere Energy Corporation (TSX-V: HME) is pleased to announce that it has commenced operations for its winter drilling program with three development wells planned in the Atlee Buffalo and Jenner areas of southeast Alberta.

Hemisphere's first well of the winter drilling program is underway in the newly acquired Atlee Buffalo property. The horizontal development well is targeting the oil-bearing sandstones of the Glauconitic formation. Hemisphere anticipates the well taking approximately one week to drill before the rig moves to the Jenner area to drill the remaining planned wells.

In Jenner, Hemisphere plans to drill two development horizontal wells targeting the Glauconitic formation. The wells will be located near existing pipeline infrastructure and will utilize the recently completed upgrades to increase the fluid handling capacity at Hemisphere's main facility.

Hemisphere has drilled 12 consecutive successful Glauconitic horizontal oil wells in its Jenner property where it has two oil processing facilities, access to more than 35 sections of land and a growing inventory of low-risk development drilling locations and medium-risk exploration prospects.

Hemisphere also announces that it has granted 685,000 incentive stock options to officers, directors, employees and consultants of the company in accordance with the company's stock option plan. The options are exercisable over a five-year period at an exercise price of \$0.55 cents per share.

About Hemisphere Energy Corporation

Hemisphere Energy Corporation is an exploration and production, oil and gas 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 as a Tier 1 issuer 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.

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