



## **HEMISPHERE ENERGY ANNOUNCES RESULTS OF FIRST TWO WELLS FROM ATLEE BUFFALO SUMMER DRILLING PROGRAM**

**TSX-V: HME**

Vancouver, British Columbia, August 26, 2014 – Hemisphere Energy Corporation (TSX-V: HME) is pleased to provide an update on operations from its five well summer drilling program in the Atlee Buffalo area of southeast Alberta. With two of the five wells from the drilling program having been on production for over 30 days Hemisphere's average corporate production rate during the first three weeks of August has increased to an average of 670 barrels of oil equivalent per day (boed). This production rate does not include the three remaining wells of the summer program as they were brought on production commencing early in the fourth week of August.

Hemisphere's summer drilling program was the largest drilling campaign in the history of the company and was executed on schedule with drilling operations coming in 10 percent under budget. The program followed up Hemisphere's first successful Atlee Buffalo well drilled in the first quarter of 2014, which has already produced over 16,000 barrels of oil equivalent and is still producing approximately 66 boed.

Hemisphere's first two wells of the summer program were drilled from the same surface pad location as the Company's original well and were completed, equipped and placed on production approximately four weeks after drilling operations finished. The wells targeted the oil-bearing sandstones of the Glauconitic formation and encountered excellent reservoir along the horizontal sections.

These two new horizontal wells have now been on production for over 30 days and are producing within Hemisphere's internal forecasted range. Current rates are approximately 100 boed (93% oil) and 65 boed (88% oil) respectively.

The remaining three new horizontal wells were drilled from a second surface pad location where drilling operations finished in mid-July. These wells also encountered excellent reservoir and were recently placed on production following complete, equip and tie-in operations. Production data will be released once stabilized rates have been achieved and results are available.

Hemisphere has continued to build its land position in Atlee Buffalo since the original acquisition in November 2013. The Company plans to increase oil recovery from existing pools with the use of horizontal wells and future pressure maintenance schemes. Hemisphere has close to 100 percent working interest in 10.5 contiguous sections covering two significant Glauconitic oil pools with current recovery factors of less than five percent.

Hemisphere is reviewing the recent introduction of the Enhanced Oil Recovery Program (EORP) announced by Alberta Energy in the summer of 2014. The Alberta Government is encouraging the use of enhanced oil recovery methods to assist in optimizing hydrocarbon resources in the province. It is

believed that the changes are very positive and may affect the type of pressure maintenance scheme ultimately implemented at Atlee Buffalo.

The Hemisphere team is extremely encouraged by the continued success of horizontal wells in Atlee Buffalo and the associated robust economics. The next phase of drilling is anticipated to start in late September with up to four more horizontal wells in Atlee and one vertical test well in Jenner.

### **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".

For further information, please contact:

Don Simmons, President & Chief Executive Officer

Telephone: (604) 685-9255

Email: [info@hemisphereenergy.ca](mailto:info@hemisphereenergy.ca)

Website: [www.hemisphereenergy.ca](http://www.hemisphereenergy.ca)

Scott Koyich, Investor Relations

Telephone: (403) 619-2200

Email: [scott@briscocapital.com](mailto:scott@briscocapital.com)

### **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.*

*A barrel of oil equivalent ("boe") 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.*

### **Definitions and abbreviations**

*boed      barrels of oil equivalent per day*

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