



HEMISPHERE ENERGY ANNOUNCES \$10 MILLION BOUGHT DEAL FINANCING

TSX-V: HME

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Vancouver, British Columbia (April 25, 2014) – Hemisphere Energy Corporation (“Hemisphere” or the “Company”) is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Dundee Securities Ltd., Industrial Alliance Securities Inc., Integral Wealth Securities Ltd. and PI Financial Corp. (collectively, the “Underwriters”), which have agreed to purchase, on a bought deal basis, 13,333,500 common shares (the “Common Shares”) of the Company at a price of \$0.75 per Common Share, for aggregate gross proceeds to \$10,000,125 (the “Offering”).

The Company will grant the Underwriters an option to purchase up to 2,000,025 Common Shares (the “Over-Allotment Option”), exercisable for a period of 30 days following the date of the closing to cover over-allotments, if any.

Hemisphere will use the net proceeds from the Offering to accelerate its capital program focused on continuing development of the Company’s Atlee Buffalo and Jenner properties, as well as for general corporate purposes.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

The Common Shares will be offered by way of short form prospectus to be filed in Alberta, British Columbia and Ontario and such other provinces and territories (excluding Quebec) as the Company and the Underwriters may agree. Closing of the Offering is expected to occur on or about May 14, 2014 and is subject to certain conditions including, but not limited to, the receipt of all necessary approval including the approval of the TSX Venture Exchange.

About Hemisphere Energy Corporation

Hemisphere is an oil and gas 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 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 the closing of the Offering, the use of proceeds, 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.