



HEMISPHERE ENERGY CORPORATION ENTERS INTO SEISMIC OPTION AGREEMENT AND PROVIDES OPERATIONAL UPDATE

TSX-V: HME

June 19, 2012 - Hemisphere Energy Corporation ("Hemisphere") (TSX-V: HME) is pleased to announce it has entered into a seismic option and farm-in agreement (the "Agreement") in the Jenner area of southeast Alberta.

Seismic Option and Farm-in Agreement

The Agreement requires Hemisphere to acquire 3D seismic data on or before August 15, 2012. Hemisphere will then have the option to drill a test well on or before November 15, 2012, subject to surface access, rig availability and regulatory approval.

Under the terms of the Agreement, Hemisphere will pay 100% of seismic costs and 100% of any drilling, completion and tie-in costs to earn 100% of the earned lands before payout, subject to a convertible overriding royalty. Once initial obligations are fulfilled, Hemisphere will have the option to acquire additional 3D seismic and drill additional wells to earn into a maximum of 6.5 sections of land in the Jenner area of southeast Alberta.

Operational and Production Update

Hemisphere has recently completed upgrades to its existing facilities by adding a new water disposal pump and a heated free-water-knockout separator. These upgrades provide greater fluid handling capacity for future drilling, optimization of existing wells and reducing overall operating costs.

Based on field estimates, Hemisphere's production for the first week of June was approximately 450 barrels-of-oil-equivalent per day with a 93% oil and natural gas liquids weighting.

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".

For further information, please contact:

Don Simmons, President & Chief Executive Officer

Telephone: (604) 685-9255

Email: info@hemispherenergy.ca

Web site: www.hemispherenergy.ca

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.