



HEMISPHERE ENERGY PROVIDES AN OPERATIONS UPDATE ON ITS ATLEE BUFFALO POLYMER PROJECT

TSX-V: HME OTCQB: HMENF

Vancouver, British Columbia, May 6, 2021 – Hemisphere Energy Corporation ("Hemisphere" or the "Company") is pleased to provide an update on its Upper Mannville G pool polymer project in the Atlee Buffalo area of southeast Alberta.

Hemisphere has made significant progress on the construction work at its G pool facility that will allow the Company to convert its currently active waterflood into a polymer flood. Hemisphere is awaiting the delivery of its specialized polymer skid, scheduled in early June, for the final phase of field installation. Polymer injection is anticipated to start by the end of the second quarter.

Polymer flooding is an enhanced oil recovery (EOR) method that is commonly used across the world to improve oil recovery from reservoirs. While similar to waterflooding, it uses a more viscous solution than water as the injectant in order to improve sweep efficiency and oil displacement in the reservoir. Water is mixed with polymer powder at a specialized polymer skid before being pumped through existing injectors into the oil pool. The process is designed to prevent high mobility water from creating undesirable pathways through the reservoir and causing premature water breakthrough at producing wells, thereby leaving valuable oil stranded. The intent of all polymer projects is to increase oil production, decrease water production, and increase overall oil recovery.

Hemisphere's reservoir modelling shows tremendous potential upside to polymer flood conversion in this pool. While modelling shows the potential for production from existing G pool wells to grow by 80% from current rates of approximately 1400 boe/d by the end of 2022, the Company's corporate guidance has budgeted conservative growth of only 25% from these existing wells. Further growth over the next two years is anticipated to occur through a 10 well drilling program at both the Upper Mannville F and G pools, resulting in 2022 exit production of 3000 boe/d, as previously released in our two-year plan.

"This pool has incredible deliverability, and we are highly optimistic about its potential performance under polymer flood. We're already a much stronger company than we were a few years ago when we started developing these assets, and it is this project that will really move the needle for Hemisphere," said Don Simmons, President and CEO of Hemisphere Energy.

About Hemisphere Energy Corporation

Hemisphere is a Canadian oil company focused on sustainable growth of its high netback, low decline conventional heavy oil assets through water and polymer flood enhanced recovery methods. Hemisphere trades on the TSX Venture Exchange as a Tier 1 issuer under the symbol "HME" and on the OTCQX Best Market under the symbol "HMENF".

For further information, please visit the Company's website at www.hemisphereenergy.ca to view its corporate presentation or contact:

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Forward-looking Statements

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: Management's anticipation that Polymer injection will start by the end of the second quarter; Hemisphere's reservoir modelling shows tremendous potential upside to polymer flood conversion in this pool; that the Company's corporate guidance has budgeted conservative growth; Hemisphere's anticipation that further growth over the next two years will occur through a 10 well drilling program at both the F and G pools; and management's belief that it is this project will really move the needle for Hemisphere.

In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of Hemisphere which have been used to develop such statements and information, but which may prove to be incorrect. Although Hemisphere believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Hemisphere can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that Hemisphere's reservoir modelling as described herein is complete and accurate in all material respects; that Hemisphere will have access to all facilities and equipment, including polymer skids, to conduct the operations described herein in the timelines described herein; decline rates on current wells and future wells, including those subject to polymer flooding; that Hemisphere's anticipated production rates will be substantially the same as those described herein; that Hemisphere will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities are consistent with past operations; the quality of the reservoirs in which Hemisphere operates and continued performance from existing wells; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Hemisphere's reserve volumes; certain commodity price and other cost assumptions; continued availability of debt and equity financing and cash flow to fund Hemisphere's current and future plans and expenditures (including those described herein); the impact of increasing competition; the general stability of the economic and political environment in which Hemisphere operates; the impact of COVID-19 on the Company's operations and demand for oil and natural gas; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Hemisphere to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Hemisphere has an interest in to operate the field in a safe, efficient and effective manner; the ability of Hemisphere to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Hemisphere to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Hemisphere operates; and the ability of Hemisphere to successfully market its oil and natural gas products.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: Hemisphere being able to execute on its previously announced two year plan, in the manner substantially described therein, risks inherent with reservoir modelling and differences from actual results from modelled results; the risk that the wells subject to polymer injections will respond in a manner that is different than those forecasts and modelled by Hemisphere; changes in commodity prices; changes to, or restrictions of, labour, supplies, and infrastructure as a result of COVID-19; changes in the demand for or supply of Hemisphere's products, the early stage of development of some of the evaluated areas and zones; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Hemisphere or by third party operators of Hemisphere's properties, increased debt levels or debt service requirements; the ability of the Company to meet the guidance set forth herein; inaccurate estimation of Hemisphere's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Hemisphere's public disclosure documents, (including, without limitation, those risks identified in this news release and in Hemisphere's annual information form).

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Hemisphere does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Oil and Gas Advisories

"Boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. Boe's 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. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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