



## HEMISPHERE ENERGY ESTABLISHES NEW \$35 MILLION CREDIT FACILITY AND ANNOUNCES EARLY PAYOUT OF ITS TERM LOAN

TSX-V: HME    OTCQX: HMENF

Vancouver, British Columbia, July 28, 2021 – Hemisphere Energy Corporation ("Hemisphere" or the "Company") is pleased to announce that it has entered into a new extendible two year committed term facility with ATB Financial (the "Lender"), providing for borrowings of up to \$35,000,000 (the "Credit Facility"). As part of entering into the Credit Facility, the Company has fully repaid and terminated its existing term loan with Cibolo Energy Partners (the "Former Term Loan"). The refinancing resulting from the new Credit Facility is expected to provide additional flexibility to the Company, and is anticipated to result in a significant reduction in corporate interest costs for Hemisphere moving forward.

Hemisphere's Former Term Loan was instrumental in allowing the Company to grow its operations, reserves, and cash flow over the past four years such that Hemisphere could return to a reserve-based loan with a Canadian institution that offers a long-term partnership to help support further growth.

Hemisphere's 2021 plans remain unchanged from previously announced guidance. The Company intends to drill up to three wells in Atlee Buffalo by the end of the third quarter, and will use any excess cash flow to further pay down debt.

### **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 Venture Marketplace under the symbol "HMENF".

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### **Note Regarding Forward-Looking Statements and Other Advisories**

*This document contains forward-looking information. This information relates to future events and the Company's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Hemisphere believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the*

*plans, intentions or expectations upon which they are based will occur. This press release contains forward-looking information concerning, among other things, Hemisphere's expectations on the benefits of its new Credit Facility, including increased flexibility and a reduction in corporate interest costs, and Hemisphere's plans to drill up to three wells in Atlee Buffalo by the end of the third quarter and use any excess cash flow to further pay down debt. The reader is cautioned that such information, although considered reasonable by the Company, may prove to be incorrect. A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this document including, but not limited to, the risk that the anticipated benefits of the Credit Facility may not be achieved and the risk that the Company may not be able to successfully execute its business strategy or growth plans. Readers are cautioned that the foregoing list of factors is not exhaustive. Although the forward-looking statements contained in this document are based upon assumptions which management of Hemisphere believes to be reasonable, Hemisphere cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, Hemisphere has made assumptions regarding, among other things, the ability of Hemisphere to fund generate free cash flow, to have access to capital, service providers and others to execute on its three well program, 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; 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. These forward-looking statements are made as of the date of this document and Hemisphere disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.*

***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.***