



Hemisphere ENERGY

TSX-V: HME OTCQX: HMENF

www.hemisphereenergy.ca



DECEMBER 2023

Hemisphere Energy is a dividend-paying Canadian oil company focused on maximizing value per share growth with the sustainable development of its high netback, ultra-low decline conventional heavy oil assets using enhanced oil recovery (EOR) techniques.

Current production (October 1 - November 15, 2023) **~3,350 boe/d**

TSX Venture (Canada) **HME**

OTCQX (USA) **HMENF**

Share Price (TSX-V) (November 20, 2023) **\$1.28**

Basic Shares Outstanding **99.7 million**

Fully Diluted Shares Outstanding **105.3 million**

Insider Ownership (Basic / Fully Diluted) **14.5% / 17%**

Market Capitalization⁽¹⁾ (November 20, 2023) **\$127 million**

Working Capital⁽²⁾ (September 30, 2023) **\$2.2 million**

Enterprise Value (November 20, 2023) **\$125 million**

(1) Market capitalization reports the non-diluted issued and outstanding common shares as of November 27, 2023 multiplied by the closing price of the common shares on that date.
(2) Non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to "Non-IFRS and Other Financial Measures" section in the Advisory Statements of the Company's most recent Corporate Presentation available on www.hemisphereenergy.ca.

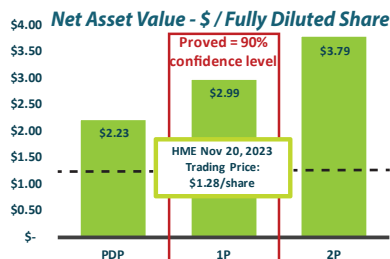
Q3 2023 HIGHLIGHTS

Average Production	3,056 boe/d (99% heavy oil)
Revenue	\$24.3 million / \$86.57/boe
Operating Field Netback ⁽¹⁾	\$15.9 million / \$56.40/boe
Adjusted Funds Flow (AFF) ⁽¹⁾	\$11.7 million / \$41.65/boe
Capital Expenditures ⁽¹⁾	\$8.7 million
Free funds flow (FFF) ⁽¹⁾	\$3.0 million
Working Capital ⁽¹⁾	\$2.2 million

(1) Operating field netback, AFF, FFF per barrel, capital expenditures, FFF, and working capital are non-IFRS financial measures that are not standardized financial measures under International Financial Standards ("IFRS") and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Non-IFRS and Other Financial Measures" section in the Advisory Statements of the Company's most recent Corporate Presentation available on www.hemisphereenergy.ca.

2022 YEAR-END RESERVES⁽¹⁾

	Reserves / NPV10 BT
Proved Developed Producing (PDP)	8.2 Mmboe / \$228 million
Proved (1P)	12.2 Mmboe / \$309 million
Proved + Probable (2P)	16.0 Mmboe / \$395 million



(1) Reserve volumes and net present values are as attributed by McDaniel & Associates Consultants Ltd. discounted at 10% and before tax (NPV10 BT), in the independent reserve report prepared for Hemisphere in accordance with NI 51-101 effective as of December 31, 2022 and run at the January 1, 2023 3-Consultant Average Price (the "McDaniel Reserve Report"), and including all corporate abandonment, decommissioning, and reclamation estimates. The 3-Consultant Average Price Forecast is bbl, an average of the published price forecasts for McDaniel, GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. at January 1, 2023. It uses a US\$78.51/bbl WTI average price between 2023-27 (+2%/yr thereafter).



Straightforward

Applying proven EOR technology (polymer flood) to conventional oil pools to maximize recovery



Unique

Ultra-low production decline rate results in minimal sustaining capital and years of cashflow harvesting



Focus on Shareholder Value and Return



Strong

Debt free and low decommissioning liabilities leaves more cash for growth & shareholder return



Profitable

High free funds flow yield with:

- ☞ 8% dividend yield
- ☞ NCIB share buybacks
- ☞ Special dividend payments

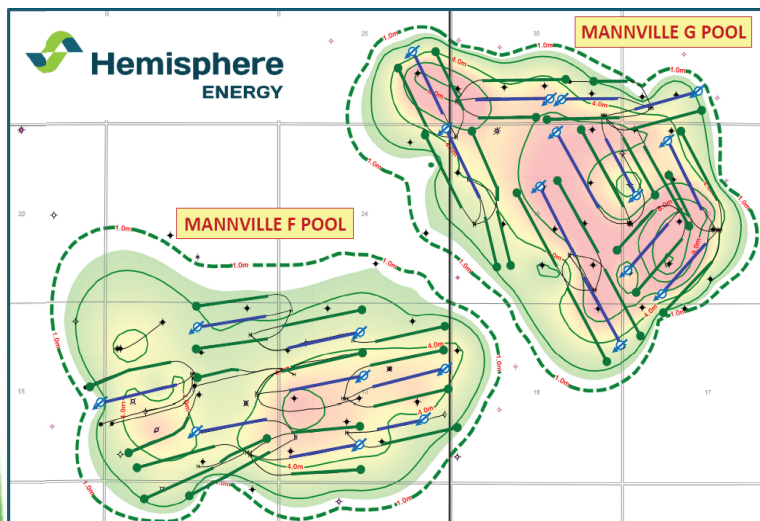
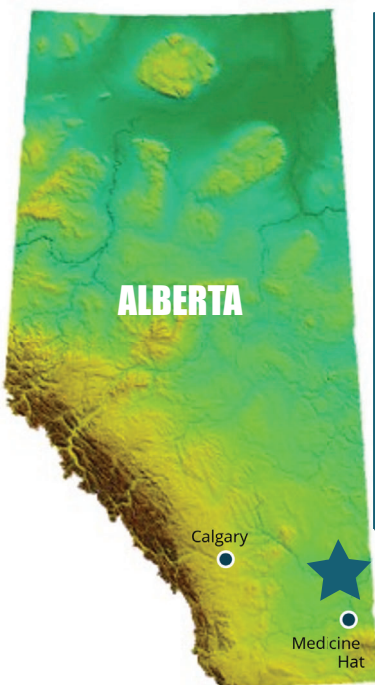


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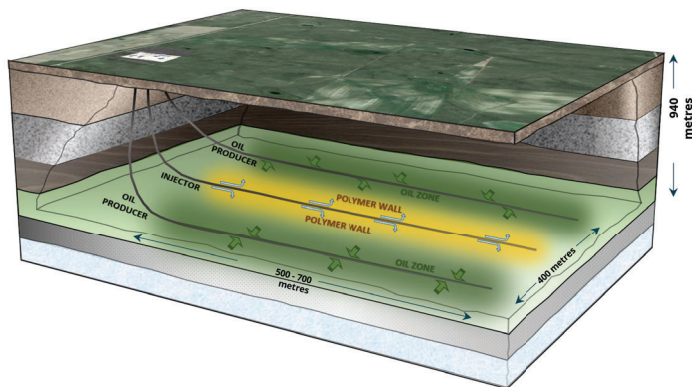
ENERGY



Atlee Buffalo, Alberta

- Exceptionally high-quality reservoirs (Upper Mannville F & G pools)
- Reservoirs under polymer floods (implemented 2021 and 2022) providing maximum resource recovery at minimal decline rates
- Pure 100% owned and operated play
- 'Cash flow harvest' mode
 - Producing ~3,350 boe/d with minimal decline under polymer flood
 - Proved remaining reserves = 11 million barrels for just \$29 million remaining capital spending
- Injectors are just as important as producers
- Wells get better over time as polymer flood response occurs

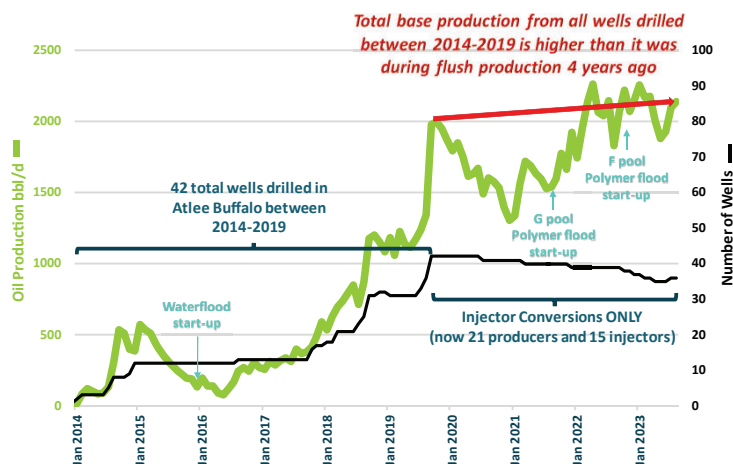
Polymer flooding is successfully used in hundreds of oil pools by companies around the world



Typical Reservoir Response

- Increase in oil production
- Decrease in decline rate
- Increase in overall oil recovery
- Decrease in water production handling costs

- Proven method of enhanced oil recovery (EOR)
- Comparable to waterflood, but polymer is added to injection water to increase its viscosity (similar to olive oil) and reduce its ability to easily 'streak' through the reservoir and break through to producers
- 'Wall' is built between polymer-water and oil to re-energize the reservoir and push more oil towards producing wells



Disclaimer: All amounts are expressed in Canadian dollars unless otherwise noted. Any forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. The forward-looking information and statements contained in this document speak only as of the date of this document, 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. For a full description of Hemisphere's Advisory Statements, please refer to the most recent Corporate Presentation available for review on Hemisphere's website at www.hemisphereenergy.ca (accessible via QR code provided). For a full description of Hemisphere's Forward-Looking Statements and Risk Factors, please refer to the most recently filed annual information form available for review on Hemisphere's website at www.hemisphereenergy.ca or on SEDAR+ at www.sedarplus.ca. Neither 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 document. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 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.

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