



HEMISPHERE ENERGY DECLARES SPECIAL DIVIDEND AND PROVIDES OPERATIONS UPDATE

TSX-V: HME OTCQX: HMENF

Vancouver, British Columbia, September 24, 2024 – Hemisphere Energy Corporation ("Hemisphere" or the "Company") is pleased to announce that its board of directors has approved the declaration of a special dividend to shareholders and provide an update from field operations.

Special Dividend

Given the strong financial position and performance outlook of the Company, Hemisphere is pleased to announce that its board of directors has approved the declaration of a special dividend of C\$0.03 per common share, in accordance with its dividend policy. The special dividend will be paid on October 25, 2024 to shareholders of record on October 11, 2024, and is designated as an eligible dividend for Canadian income tax purposes. It is in addition to the Company's quarterly base dividend of C\$0.025 per common share.

Hemisphere has committed \$17.4 million to shareholder returns to date in 2024, including quarterly base dividend payments in February, June, and September, special dividend payments in July and October, and shares repurchased and cancelled under the Company's normal course issuer bid. This return of capital is funded entirely by the Company's free cash flow, and is made possible by its high netback, ultra-low decline enhanced oil recovery ("EOR") assets.

Operations Update

The Company has drilled six successful horizontal wells into its southeast Alberta Atlee Buffalo F and G pools over the past two months, with two remaining wells to drill as part of its summer development program. Drilling operations are expected to be finished early in the fourth quarter, and wells brought on production as they are tied-in through the remainder of the year.

Hemisphere has also commenced polymer injection at its new pilot EOR project in Marsden, Saskatchewan. Management anticipates that it could take until mid-2025 to increase reservoir pressure and evaluate production response at the three producers.

About Hemisphere Energy Corporation

Hemisphere 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 through polymer flood EOR 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".

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

Certain statements included in this news release constitute forward-looking statements or forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In particular, but without limiting the generality of the foregoing, this news release includes forward-looking statements including that a special dividend will be paid to shareholders on October 25, 2024 to shareholders of record on October 11, 2024; plans for drilling two remaining wells in its southeast Alberta Atlee Buffalo F and G pools with drilling operations expected to be finished early in the fourth quarter with wells brought on production as they are tied-in through the remainder of the year; and management's expectation that it could take until mid-2025 to increase reservoir pressure and evaluate production response at three producers at its new pilot EOR project in Marsden, Saskatchewan.

Forward-looking statements 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: the timing for payment of the special dividend; no delays in the anticipated timing for delivery of the polymer skid and EOR project; 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 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 defer materially from those anticipated in such forward-looking statements including, without limitation: changes in project timelines and workstreams; changes in commodity prices; 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; 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 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, whether as a result of new information, future events or otherwise, except as may be 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.