



Hemisphere ENERGY



TSX-V: HME
OTCQX: HMENF
www.hemisphereenergy.ca

NOVEMBER 2024

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.

Q3 2024 Production 3,621 boe/d (99% oil)

TSX Venture (Canada) HME

OTCQX (USA) HMENF

Share Price (TSX-V) (November 20, 2024) **\$1.84**

Basic Shares Outstanding 97.5 million

Fully Diluted Shares Outstanding 103.8 million

Insider Ownership (Basic / Fully Diluted) ~16% / ~19%

Market Capitalization⁽¹⁾ (November 20, 2024) **\$179.5 million**

Working Capital⁽²⁾ (September 30, 2024) **\$6.5 million**

Enterprise Value (November 20, 2024) **\$173.0 million**

(1) Market capitalization reports the non-diluted issued and outstanding common shares as of November 20, 2024 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.

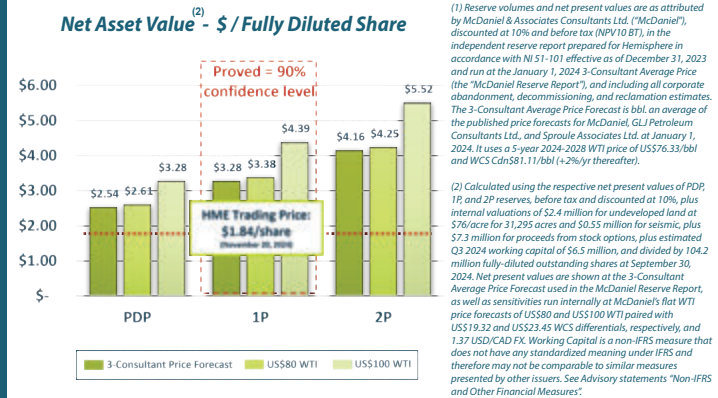
2024 CORPORATE GUIDANCE^(1,2,3)

		US\$65 WTI	US\$75 WTI	US\$85 WTI
Average Annual Production	boe/d	3,400	3,400	3,400
Adjusted Funds Flow (AFF)	\$ million	31	40	49
AFF per basic share	\$/share	0.32	0.41	0.49
Capital Expenditures & ARO	\$ million	21	21	21
Free Funds Flow (FFF)	\$ million	10	19	28
FFF per basic share	\$/share	0.10	0.19	0.28
Dividend per basic share	\$/share	0.10	0.10	0.10

(1) Operating field netback, AFF, AFF 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.
(2) Key Assumptions include WCS Differential of US\$15.50/bbl; USD/CAD Exchange of 1.35; Quality Adjustment of \$7.50/bbl; Open of \$14.85/bbl.
(3) See "Advisory Statements - 2024 Corporate Guidance Assumptions" in the Company's most recent Corporate Presentation available on www.hemisphereenergy.ca.

2023 YEAR-END RESERVES⁽¹⁾

	Reserves / NPV10 BT
Proved Developed Producing (PDP)	8.2 MMboe / \$248 million
Proved (1P)	12.1 MMboe / \$325 million
Proved + Probable (2P)	16.3 MMboe / \$416 million



Focus on Shareholder Value and Return

Base Quarterly Dividends



Share Buybacks



Special Dividends

Simple

- Long-life, high value Canadian oil assets
- Years of sustainable cash flow

Strong

- Debt-free with minimal abandonment liabilities
- More cash leftover for shareholder returns

Unique

- 97% of production under Enhanced Oil Recovery (Polymer Flood)
- Ultra-low decline rate

Profitable

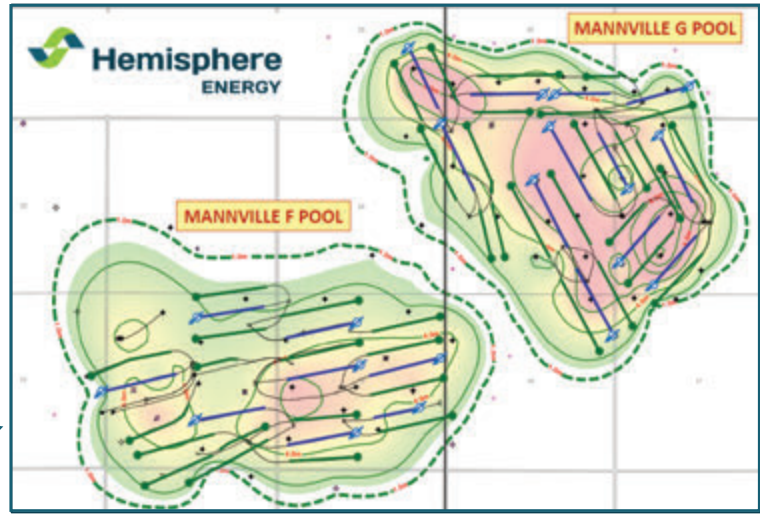
- High netback barrels with low capital requirements
- High free cash flow yield



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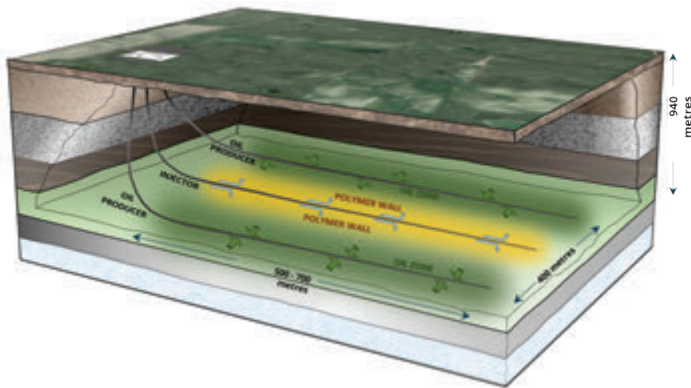
Hemisphere
ENERGY



Atlee Buffalo, Alberta

- ✔ 97% of corporate production is from the Atlee Buffalo Mannville F & G Pools
- ✔ Pure 100% owned and operated play
- ✔ Exceptionally high-quality reservoirs
- ✔ Both pools are under polymer flood (implemented in 2021/22)
 - Maximize resource recovery
 - Minimize decline rates
- ✔ Injectors are just as important as producers
 - Producers get better over time as polymer flood response occurs
- ✔ 'Cash flow harvest' mode
 - ~3,600 boe/d with production inclining under polymer flood
 - Proved remaining reserves of 11 million barrels for just \$24 million remaining booked capital spending (ie F&D ~\$2/boe)

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



- ✔ Proven method of enhanced oil recovery (EOR)
- ✔ Typical reservoir response:
 - Increase in oil production
 - Decrease in decline rate
 - Increase in overall oil recovery
 - Decrease in water production handling costs

New Land Base in Marsden, Saskatchewan

- ✔ Purchased ~13 sections of land
- ✔ Well delineated large oil-in-place development resource
- ✔ Reservoir simulation indicates horizontal wells combined with polymer flood could yield significantly higher recovery factor from the pool
- ✔ Reserve upside - currently represents just 5% of the 2P NPV10 BT valuation in the McDaniel Reserve Report
- ✔ Wells are estimated to cost \$1-1.5 million (DCT)
- ✔ Of 5 wells drilled in Q1, 2 are injectors and 3 are producers
- ✔ Built an oil battery with polymer skid
- ✔ Commenced polymer injection in late August - pressure and production response anticipated mid-2025
- ✔ Low cost-of-entry and significant development opportunity beyond initial pilot if successful

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 AIF 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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