HEMISPHERE ENERGY PROVIDES OPERATIONS UPDATE

TSX-V: HME OTCQX: HMENF

Vancouver, British Columbia, September 17, 2026 – Hemisphere Energy Corporation ("Hemisphere" or the "Company") (TSX-V: HME) (OTCQX: HMENF) provides an update on its operations at Marsden, Saskatchewan and Atlee Buffalo, Alberta.

Marsden, Saskatchewan

Hemisphere recently drilled two successful horizontal wells targeting the Colony Formation in the Marsden area. The wells have been on production for three weeks at approximately 100 bbl/d each (100% heavy oil, based on field estimates from August 26 to September 15). With these positive initial production rates, the Company will begin evaluation of the Colony Formation for further development in 2027.

Atlee Buffalo, Alberta

In Atlee Buffalo, the Company's focus is on restoring production that was shut-in following the previously announced fire at its Atlee G pool battery. The Company continues to assess options to resume production as quickly and safely as possible while working closely with its insurance providers regarding its property damage and business interruption claim. Hemisphere's combined total single-claim coverage for an approved claim is $40 million, including six months of business interruption insurance following a 30-day waiting period.

Hemisphere's immediate priority is to repair the damaged electrical system and restore power to the facility. Electrical work is underway and expected to be complete by mid-October. In parallel, the Company has sourced one replacement treater to date, and is advancing the site engineering design. Hemisphere will provide further updates on the equipment replacement schedule as procurement plans are finalized.

September production is currently averaging approximately 1,000 boe/d (99% heavy oil). Management anticipates production will remain near this level until the G pool is brought back online. Subject to construction timing, partial production from the G pool may commence before the end of November. Returning to previous production levels will likely require additional equipment and time to restart polymer injection and ramp all wells up to optimized rates. The Company expects to fully return to normal operations and restore production to its previous levels during the first quarter of 2027.

The Hemisphere team would like to thank its shareholders for their continued support, as well as its field staff and contractors for their hard work and dedication as the Company rebuilds its facility and brings production back online.

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, low decline conventional heavy oil assets through polymer flood enhanced oil 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".

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 in this news release constitute forward-looking statements or forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. 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. Without limitation, this news release contains forward-looking statements regarding the Company's expectation that it will begin evaluation of the Colony Formation for further development in 2027; the expected timing for the completion of ongoing electrical work at Atlee Buffalo; anticipated downtime at the Company's Atlee Buffalo oil battery; potential timing for partial production and full production from the G pool; expected insurance coverages and limits; the timing and feasibility of partial production measures and production restoration; and the Company's intention to provide further updates as additional information becomes available.

Forward-looking statements are based on material factors, expectations and assumptions that Hemisphere considers reasonable as of the date hereof, but which may prove to be incorrect. Such assumptions include, among other things: ongoing assessment of fire-related damage; the timing and cost of restoring operations; the availability of equipment, personnel, contractors and approvals; the availability, timing and sufficiency (as well as applicability) of insurance coverage and proceeds; the Company's ability to complete clean-up, debris removal and rebuilding activities, including electrical system rebuilding; the ability to restore production in a safe and efficient manner and in a manner consistent with prior practices; and the Company's ability to maintain its dividend policy.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties that may cause actual results to differ materially from those anticipated, including, without limitation: changes to damage assessments; unidentified liabilities, including environmental liabilities; delays or cost increases related to clean-up, debris removal, equipment procurement, electrical system rebuilding, facility repair or production restoration; insurance limits, exclusions, deductibles, waiting periods, disputes or delays; ability to restore the productive capacity of the Company's wells (including those under polymer flood); changes in commodity prices; changes in demand for or supply of Hemisphere's products; unanticipated operating results or production declines; changes in tax, environmental, royalty or other regulatory matters; changes in development plans; increased debt levels or debt service requirements; inaccurate reserve estimates; limited or unfavourable access to capital markets; increased costs; insufficient insurance coverage; competitive risks; and other risks described in Hemisphere's public disclosure documents, including its 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.

All amounts are expressed in Canadian dollars unless otherwise noted.

Oil and Gas Advisories

A barrel of oil equivalent ("boe") 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.

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not indicative of long-term performance or ultimate recovery. Test results and initial production rates disclosed herein, particularly those short in duration, may not necessarily be indicative of long-term performance or of ultimate recovery. A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of the Company or the subject properties.

Definitions and Abbreviations

bbl	*Barrel*
bbl/d	*barrels per day*
boe	*barrel of oil equivalent*
boe/d	*barrel of oil equivalent per day*

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.