HEMISPHERE ENERGY DECLARES QUARTERLY DIVIDEND, PROVIDES OPERATIONS UPDATE, AND ANNOUNCES 2026 THIRD QUARTER RESULTS

TSX-V: HME OTCQX: HMENF

Vancouver, British Columbia, November 26, 2026 – Hemisphere Energy Corporation ("Hemisphere" or the "Company") (TSX-V: HME) (OTCQX: HMENF) declares a quarterly dividend payment to shareholders, provides an operations update, and provides its financial and operating results for the three and nine months ended September 30, 2026.

Quarterly Dividend

Hemisphere is pleased to announce that its Board of Directors has approved a quarterly cash dividend of $0.025 per common share in accordance with the Company's dividend policy. The dividend will be paid on December 30, 2026 to shareholders of record as of the close of business on December 14, 2026. The dividend is designated as an eligible dividend for income tax purposes.

Including payment of the above-mentioned fourth quarter dividend, Hemisphere anticipates returning a minimum of $19.1 million to shareholders in 2026, including $9.4 million in quarterly base dividends, $5.7 million in two special dividends, and $4.0 million in 1.7 million of repurchased shares through the Company's Normal Course Issuer Bid ("NCIB"). Based on the Company's current market capitalization of $203 million (94.0 million shares issued and outstanding at a market close price of $2.16 per share on November 25, 2026), this represents an annualized yield of 9.4% to Hemisphere's shareholders.

Operations Update

As previously announced, a fire occurred at the Company's Atlee G pool battery on August 26, 2026 (the "Fire Incident"), resulting in the temporary shut-in of all G pool production due to significant damage at the facility. As the affected battery typically processes approximately 75% of Hemisphere's total production, the resulting downtime had a significant impact on third quarter operating and financial results. Since the Fire Incident, corporate production excluding the G pool has averaged approximately 1,100 boe/d (field estimates from August 27 to November 24, 2026; 99% heavy oil).

Damage at the G pool battery included the loss of the facility's electrical system, all three oil treaters, and certain auxiliary equipment. Hemisphere has made substantial progress in reconstructing the battery and has recently restarted polymer injection and resumed partial G pool production by returning the tank farm to service. Additional wells are expected to be brought back online and optimized as the free water knockout ("FWKO") at the facility is restarted and third-party processing capacity allows. It is anticipated that G pool production rates in December through the FWKO could reach between 1,000 and 1,500 boe/d (99% heavy oil), bringing forecasted corporate production rates to between 2,100 and 2,600 boe/d (99% heavy oil) by year-end 2026.

The Company's replacement treater is expected to provide sufficient capacity to process all G pool production, and management is estimating that it could be ready for commissioning by the end of December. A production ramp-up period is projected throughout the first quarter of 2027 as polymer injection

repressurizes the reservoir and restores it to the operating conditions experienced prior to the Fire Incident. Meanwhile, an additional back-up treater has been ordered and is targeted to be commissioned within the third quarter of 2027.

Subsequent to quarter-end, the Company received approval for an initial $15 million interim payment toward its property damage and business interruption claim. Hemisphere continues to work closely with its insurers to finalize its application for additional funds related to its November business interruption claim.

In Marsden, the Company is planning to drill up to four additional Colony wells starting in late December. Hemisphere's first two wells into the play continue to produce a combined 200 boe/d (field estimates from November 1 to 24, 2026; 100% heavy oil).

Q3 2026 Highlights

- Generated quarterly revenue of $20.8 million.
- Delivered operating netback[1] of $11.3 million or $49.96/boe for the quarter.
- Realized quarterly adjusted funds flow from operations ("AFF")[1] of $9.2 million or $40.70/boe.
- Produced an average of 2,450 boe/d (99% heavy oil) during the quarter.
- Drilled two successful horizontal wells targeting the Colony Formation in Marsden, Saskatchewan.
- Paid a quarterly base dividend of $2.4 million ($0.025/share) to shareholders.
- Purchased and cancelled 382,500 shares for approximately $1.0 million under the Company's NCIB.
- Renewed the Company's NCIB.
- Exited the third quarter with a positive working capital[1] position of $15.1 million.
- No insurance recoveries related to the Fire Incident were recognized during the third quarter. It is anticipated that all payments received before year-end will be recognized during the fourth quarter, and that subsequent payments received in 2027 will be recognized during the quarter in which they are received.

(1) Operating netback, adjusted funds flow from operations (AFF), and working capital are non-IFRS measures, or when expressed on a per share or boe basis, non-IFRS ratio, that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Non-IFRS financial measures and ratios are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Refer to the section "Non-IFRS and Other Specified Financial Measures".

Selected financial and operational highlights should be read in conjunction with Hemisphere's unaudited condensed interim consolidated financial statements and related notes, and the Management's Discussion and Analysis for the three and nine months ended September 30, 2026 which are available on SEDAR+ at www.sedarplus.ca and on Hemisphere's website at www.hemisphereenergy.ca. All amounts are expressed in Canadian dollars unless otherwise noted.

Financial and Operating Summary

($000s except per unit and share amounts)	Three Months Ended September 30 **2026**	2025	Nine Months Ended September 30 **2026**	2025
FINANCIAL				
Petroleum and natural gas revenue	**$ 20,839**	$ 23,142	**$ 79,820**	$ 74,876
Operating field netback[(1)]	**11,263**	13,961	**50,231**	46,032
Operating netback[(1)]	**11,263**	13,601	**50,038**	44,587
Cash flow provided by operating activities[(2)]	**17,057**	15,265	**31,057**	43,291
Adjusted funds flow from operations ("AFF")[(1)]	**9,178**	10,051	**38,533**	33,015
Per share, basic[(1)]	**0.10**	0.11	**0.41**	0.34
Per share, diluted[(1)]	**0.10**	0.10	**0.40**	0.34
Free funds flow[(1)]	**(89)**	4,882	**23,658**	24,449
Net income	**670**	6,931	**21,091**	22,926
Per share, basic	**0.01**	0.07	**0.22**	0.24
Per share, diluted	**0.01**	0.07	**0.22**	0.23
Dividends	**2,356**	5,244	**12,738**	12,973
Per share, basic	**0.025**	0.055	**0.135**	0.135
NCIB share repurchases	**998**	1,920	**2,047**	5,561
Capital expenditures[(1)]	**9,267**	5,170	**14,875**	8,566
Working capital[(1)]	**15,082**	10,966	**15,082**	10,966
OPERATING				
Average daily production				
Heavy oil (bbl/d)	**2,416**	3,555	**3,232**	3,725
Natural gas (Mcf/d)	**207**	101	**253**	104
Combined (boe/d)	**2,450**	3,571	**3,274**	3,743
Oil weighting	**99%**	99%	**99%**	99%
Average sales prices				
Heavy oil ($/bbl)	**$ 93.65**	$ 70.75	**$ 90.34**	$ 73.58
Natural gas ($/Mcf)	**1.50**	0.64	**1.68**	1.46
Combined ($/boe)	**$ 92.45**	$ 70.43	**$ 89.31**	$ 73.28
Operating netback ($/boe)				
Petroleum and natural gas revenue	**$ 92.45**	$ 70.43	**$ 89.31**	$ 73.28
Royalties	**(21.99)**	(12.44)	**(17.05)**	(13.41)
Operating costs	**(17.66)**	(12.66)	**(13.16)**	(11.90)
Transportation costs	**(2.84)**	(2.84)	**(2.90)**	(2.92)
Operating field netback[(1)]	**49.96**	42.49	**56.20**	45.05
Realized commodity hedging loss	**-**	(1.10)	**(0.22)**	(1.41)
Operating netback[(1)]	**$ 49.96**	$ 41.39	**$ 55.98**	$ 43.64
General and administrative expense	**(5.52)**	(3.79)	**(4.71)**	(3.76)
Interest expense and foreign exchange (loss)	**(0.29)**	(0.12)	**(0.43)**	(0.20)
Other expenses	**(2.15)**	-	**(0.54)**	-
Tax expense provision	**(1.30)**	(6.89)	**(7.19)**	(7.37)
Adjusted funds flow from operations ($/boe) [(1)]	**$ 40.70**	$ 30.59	**$ 43.11**	$ 32.31

Notes:

(1) Non-IFRS financial measure that is not a standardized financial measure under IFRS Accounting Standards ("IFRS") and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Non -IFRS and Other Financial Measures".

(2) This includes the Company's payment of current tax liabilities in February 2026 related to taxes previously deferred under the new corporate partnership structure effective January 2, 2024.

COMMON SHARES	November 25, 2026	**September 30, 2026**	December 31, 2025
Common shares outstanding	93,902,109	**94,182,609**	94,481,702
Stock options outstanding	4,074,600	**4,074,600**	5,145,600
Total fully diluted shares outstanding	97,976,709	**98,257,209**	99,627,302

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 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 quarterly dividend will be paid December 30, 2026 to shareholders of record as of the close of business on December 14, 2026; that a minimum of $19.1 million is anticipated to be returned to shareholders in 2026; that additional wells are expected to be brought back online and optimized as the free water knockout at the facility is restarted and processing capacity allows; that Atlee Buffalo G pool production rates could reach 1,000 to 1,500 boe/d through the FWKO in December and that corporate production rates will be between 2,100 and 2,600 boe/d (99% heavy oil) by year-end 2026; that a production ramp-up period is projected throughout the first quarter of 2027; and that polymer injection will repressurize the reservoir and restore it to the operating conditions experienced prior to the Fire Incident; that the Company's replacement treater is expected to provide sufficient capacity to process all G pool production, and management is estimating that it could be ready for commissioning by the end of December the timing of commissioning of an additional back-up treater; that the Company plans to drill up to four wells in Marsden starting in late December 2026; that insurance payments received before year-end will be recognized during the fourth quarter; and that subsequent payments received in 2027 will be recognized during the quarter in which they are received.

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: restarting operations as a result of the Fire Incident and the manner and outcome of such restarted operations; the availability and timing of payment of any insurance proceeds from the Fire Incident; the current and go-forward oil price environment; that Hemisphere will continue to conduct its operations in a manner consistent with past operations; that results from drilling and development activities are consistent with past operations; the quality of the reservoirs in which Hemisphere operates and continued performance from existing wells; the perspectivity of recently acquired properties and the timing and manner to explore and develop the same; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Hemisphere's reserve volumes; certain commodity price and other cost assumptions; continued availability of debt and equity financing and cash flow to fund Hemisphere's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Hemisphere operates; 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: risks relating to the recommencement of operations as a result of the Fire Incident; the availability of materials to adequately repair the damages from the Fire Incident; risks relating to sufficient insurance coverage; 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.

Non-IFRS and Other Financial Measures

This news release contains the terms adjusted funds flow from operations, free funds flow, capital expenditures, operating field netback, operating netback, and working capital/net debt, which are considered "non-IFRS financial measures" and any of these measures calculated on a per boe basis, which are considered "non-IFRS financial ratios". These terms do not have a standardized meaning prescribed by IFRS. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that these measures should not be construed as an alternative to net income (loss) or cashflow from operations determined in accordance with IFRS and these measures should not be considered more meaningful than IFRS measures in evaluating the Company's performance.

a) ***Adjusted funds flow from operations ("AFF") (Non-IFRS Financial Measure and Ratio if calculated on a per share or boe basis):*** *The Company considers AFF to be a key measure that indicates the Company's ability to generate the funds necessary to support future growth through capital investment and to repay any debt. AFF is a measure that represents cash flow generated by operating activities, before changes in non-cash working capital and adjusted for decommissioning expenditures and may not be comparable to measures used by other companies. The most directly comparable IFRS measure for AFF is cash provided by operating activities. AFF per share is calculated using the same weighted-average number of shares outstanding as in the case of the earnings per share calculation for the period.*

A reconciliation of AFF to cash provided by operating activities is presented as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
($000s, except per share amounts)	***2026***	*2025*	***2026***	*2025*
Cash provided by operating activities[(1)]	***$ 17,057***	*$ 15,265*	***$ 31,057***	*$ 43,291*
Change in non-cash working capital	***(8,189)***	*(5,462)*	***7,151***	*(10,563)*
Adjust: Decommissioning obligation expenditures	***310***	*248*	***325***	*287*
Adjusted funds flow from operations	***$ 9,178***	*$ 10,051*	***$ 38,533***	*$ 33,015*
Per share, basic	***$ 0.10***	*$ 0.11*	***$ 0.41***	*$ 0.34*
Per share, diluted	***$ 0.10***	*$ 0.10*	***$ 0.40***	*$ 0.34*

Note:

(1) This includes the Company's payment of current taxes due in February 2026 related to taxes previously deferred under the new corporate partnership structure effective January 2, 2024.

b) ***Free funds flow ("FFF") (Non-IFRS Financial Measure):*** *Calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that free funds flow provides a useful measure to determine Hemisphere's ability to improve returns and to manage the long-term value of the business.*

	Three Months Ended September 30		***Nine Months Ended September 30***	
($000s, except per share amounts)	***2026***	*2025*	***2026***	*2025*
Adjusted funds flow from operations	***$ 9,178***	*$ 10,051*	***$ 38,533***	*$ 33,015*
Capital expenditures	***(9,267)***	*(5,169)*	***(14,875)***	*(8,566)*
Free funds flow	***$ (89)***	*$ 4,882*	***$ 23,658***	*$ 24,449*
Per share, basic and diluted	***$ -***	*$ 0.05*	***$ 0.25***	*$ 0.25*

c) ***Capital expenditures (Non-IFRS Financial Measure):*** *Management uses the term "capital expenditures" as a measure of capital investment in exploration and production assets, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable IFRS measure for capital expenditures is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures is set forth below:*

	Three Months Ended September 30		***Nine Months Ended September 30***	
($000s)	***2026***	*2025*	***2026***	*2025*
Cash used in investing activities	***$ 9,559***	*$ 5,149*	***$ 15,110***	*$ 10,902*
Reclamation deposits	***(212)***	*-*	***(212)***	*-*
Change in non-cash working capital	***(80)***	*21*	***(23)***	*(2,336)*
Capital expenditures	***$ 9,267***	*$ 5,170*	***$ 14,875***	*$ 8,566*

d) ***Operating field netback (Non-IFRS Financial Measure and Ratio if calculated on a per boe basis):*** *A benchmark used in the oil and natural gas industry and a key indicator of profitability relative to current commodity prices. Operating field netback is calculated as oil and gas sales, less royalties, operating expenses, and transportation costs on an absolute and per barrel of oil equivalent basis. These terms should not be considered an alternative to, or more meaningful than, cash flow from operating activities or net income or loss as determined in accordance with IFRS as an indicator of the Company's performance.*

e) ***Operating netback (Non-IFRS Financial Measure and Ratio if calculated on a per boe basis):*** *Calculated as the operating field netback plus the Company's realized gain (loss) on derivative financial instruments on an absolute and per barrel of oil equivalent basis.*

f) ***Working capital/Net debt (Non-IFRS Financial Measure):*** *Closely monitored by the Company to ensure that its capital structure is maintained by a strong balance sheet to fund the future growth of the Company. Working capital/Net debt is used in this document in the context of liquidity and is calculated as the total of the Company's current assets, less current liabilities, excluding derivative financial instruments, decommissioning obligations, lease liabilities, and tax provisions, and including any bank debt. There is no IFRS measure that is reasonably comparable to working capital/net debt.*

The following table outlines the Company calculation of working capital/net debt:

($000s)		***As at September 30, 2026***		*As at December 31, 2025*
Current assets[(1)]	***$***	***25,747***	*$*	*27,775*
Current liabilities[(1)]		***(10,665)***		*(19,223)*
Working capital	***$***	***15,082***	*$*	*8,552*

Note:
(1) Excluding fair value of financial instruments, decommissioning obligations, and lease liabilities.

g) ***Supplementary Financial Measures and Non-IFRS Ratios***

"Adjusted Funds Flow from operations per basic share" *is comprised of funds from operations divided by basic weighted average common shares.*
"Adjusted Funds Flow from operations per diluted share" *is comprised of funds from operations divided by diluted weighted average common shares.*
"Annual Free Funds Flow" *is comprised of free funds flow from the current three-month period multiplied by four.*
"Annualized Yield" *is calculated as the dividend per common share for the stated period plus all NCIB purchases in such period divided by the closing stock price on November 25, 2026.*
"Operating expense per boe" *is comprised of operating expense, as determined in accordance with IFRS, divided by the Company's total production.*
"Realized heavy oil price" *is comprised of heavy crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's crude oil production.*
"Realized natural gas price" *is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production.*
"Realized combined price" *is comprised of total commodity sales from production, as determined in accordance with IFRS, divided by the Company's total production.*
"Royalties per boe" *is comprised of royalties, as determined in accordance with IFRS, divided by the Company's total production.*
"Transportation costs per boe" *is comprised of transportation expense, as determined in accordance with IFRS, divided by the Company's total production.*

The Company has provided additional information on how these measures are calculated in the Management's Discussion and Analysis for the year ended December 31, 2025 and the interim period ended September 30, 2026, which are available under the Company's SEDAR+ profile at www.sedarplus.ca.

Oil and Gas Advisories

Any references in this news release to initial production rates (including as a result of recent operational activities) 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 necessarily indicative of long-term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates are based on field estimates and may be based on limited data available at this time.

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.

Definitions and Abbreviations

bbl	*barrel*	*Mcf*	*thousand cubic feet*
bbl/d	*barrels per day*	*Mcf/d*	*thousand cubic feet per day*
$/bbl	*dollar per barrel*	*$/Mcf*	*dollar per thousand cubic feet*
boe	*barrel of oil equivalent*	*IFRS*	*International Financial Reporting Standards*
boe/d	*barrel of oil equivalent per day*	*US$*	*United States dollar*
$/boe	*dollar per barrel of oil equivalent*	*WTI*	*West Texas Intermediate*

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.