



HEMISPHERE ENERGY PROVIDES PRODUCTION AND OPERATIONAL UPDATES

TSX-V: HME

Vancouver, British Columbia, December 13, 2017 – Hemisphere Energy Corporation (TSX-V: HME) ("Hemisphere" or the "Company") is pleased to announce updates on its corporate production and highlights from its recent fall development program.

Production Update

Following Hemisphere's fall drilling program in Atlee Buffalo, field-estimated corporate production has averaged approximately 950 boe/d (95% oil) over the last two weeks, representing a 40% increase over the Company's third-quarter production rate of 681 boe/d (95% oil), and highlighting the development potential of both the Atlee Buffalo F and G pools. Based on pressure data recorded, two of the six newly drilled wells will become injectors (one in each of the Upper Mannville F and G pools) in order to best optimize pressure maintenance across the pools. Neither of these wells will be produced while awaiting regulatory approval for injection.

Operational Update

Hemisphere has recently finished upgrades to its Atlee Buffalo F pool oil battery with the addition of a SKUD (inclined free water knockout) in order to increase production capacity. The Company is currently awaiting injection approval on two non-producing wells in this pool to further optimize existing production.

The construction of a new Atlee Buffalo G pool oil battery has also been completed with start-up initiated in late November. This new battery provides Hemisphere with a centralized facility to separate and re-inject produced water to reduce trucking costs and significantly increase pressure maintenance across the pool. Hemisphere is currently awaiting injection approval on one non-producing well in this pool.

Hemisphere is also pleased to report it recently acquired additional acreage in Atlee Buffalo offsetting its existing landbase. The 7,433 acres of new land more than doubles Hemisphere's position in the area and provides the Company with new opportunities to evaluate within the immediate vicinity of its current operations.

About Hemisphere Energy Corporation

Hemisphere Energy Corporation is a producing oil and gas company focused on developing conventional oil assets with low risk drilling opportunities. Hemisphere plans continual growth in production, reserves, and cash flow by focusing on existing assets with significant growth potential and executing strategic acquisitions. Hemisphere trades on the TSX Venture Exchange as a Tier 1 issuer under the symbol "HME".

For further information, please visit the Company's website at www.hemisphereenergy.ca to view its corporate presentation or contact:

Don Simmons, President & Chief Executive Officer
Telephone: (604) 685-9255
Email: info@hemisphereenergy.ca

Scott Koyich, Investor Relations
Telephone: (403) 619-2200
Email: scott@briscocapital.com

Forward-looking Statements

This news release contains "forward-looking statements" that are based on Hemisphere's current expectations, estimates, forecasts and projections. The words "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words and phrases are intended to identify forward-looking statements and include statements regarding Hemisphere's operational developments anticipated to result from the Company's fall drilling program and other expectations, intentions, and plans that are not historical fact.

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: that Hemisphere will continue to conduct its operations in a manner consistent with past operations; 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 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; 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 information and 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 differ materially from those anticipated in such forward-looking information or statements including, without limitation: 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 information and 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 or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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

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.