TSX-V: HME

VANCOUVER, Jan. 10, 2017 /CNW/ - Hemisphere Energy Corp. ("Hemisphere" or the "Company") (TSX-V: HME) is pleased to announce the renewal of its credit facility with no changes.

Following the mid-year review with its lender, Hemisphere's credit facility was reaffirmed at $12.5 million. All covenants and applicable margins on borrowing costs remain unchanged. As at January 9, 2017, the Company has drawn approximately $11.2 million on the credit facility.

Hemisphere owns and operates 100% of a number of Upper Mannville oil pools in the Jenner and Atlee Buffalo areas of Southern Alberta. The Company continues to focus on the development and exploitation of these pools to ensure optimal reservoir management and maximum recovery from these conventional oil assets.

In 2016, Hemisphere achieved its main objectives of expanding its waterflood schemes and installing a water recycling facility in the Atlee Buffalo Upper Mannville F pool. The Company also drilled its first producing development oil well in the Upper Mannville G pool. This well continues to produce directly to sales at approximately 55 bbl/d of oil after 5 months of production with significant room to increase the pump speed once water recycling facilities are constructed for the pool.

Hemisphere's prudent capital management through the significant downturn of the past two years has allowed the Company to cautiously prove the concept of waterflood in both its Atlee Buffalo pools, while protecting its balance sheet during a time of extreme challenge in the oil industry. Success at all of its enhanced oil recovery pilot projects thus far, in combination with strengthening market conditions, now allows Hemisphere to move forward with a shift towards full development of both Atlee Buffalo pools. A total of 66 MMBbl of original oil in place is mapped across these pools by McDaniel & Associates Consultants Ltd. (effective as of December 31, 2015), Hemisphere's independent reserve auditors, with less than 4% of the original oil recovered to date.

For more detailed information on Hemisphere's exciting development opportunities please see our corporate presentation on our website at www.hemisphereenergy.ca.

About Hemisphere Energy Corporation

Hemisphere Energy Corp. 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 drilling existing projects and executing strategic acquisitions. Hemisphere trades on the TSX Venture Exchange as a Tier 1 issuer under the symbol "HME".

Reader Advisories

This news release contains "forward-looking statements" that are based on Hemisphere's current expectations, estimates, forecasts and projections. These forward-looking statements include statements regarding Hemisphere's outlook for our future operations, plans and timing for the commencement or advancement of exploration and development activities on our properties, and other expectations, intention and plans that are not historical fact. The words "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words and phrases are intended to identify forward-looking statements. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Many of these factors are beyond the control of Hemisphere. Consequently, all forward-looking statements made in this news release are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by Hemisphere will be realized. For the reasons set forth above, investors should not place undue reliance on such forward-looking statements. Hemisphere disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

Only the portion of the "oil in place" that has been attributed as reserves in the reserve report of McDaniel & Associates Consultants Ltd. effective as of December 31, 2015 is, as of the date of this press release, categorized as reserves of the Company. All other oil in place volumes are categorized as unrecoverable at this time. A portion of the unrecoverable oil in place may in the future be determined to be recoverable and reclassified as contingent resources or reserves as additional development of the reservoir takes place, as additional technical studies are performed, as commercial circumstances change or as technological developments occur; however, it is possible that the remaining portion may never be reclassified as such or recovered.

Production rates disclosed herein are not determinative of the rates at which the wells will continue to produce and decline thereafter and may not necessarily be indicative of long?term performance or estimated ultimate recovery.

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.

SOURCE Hemisphere Energy Corp.

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; Website: www.hemisphereenergy.ca