# Hemisphere Energy Announces Tertiary Recovery Project Start-Up in Atlee Buffalo F Pool

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Vancouver, September 22, 2022 - Hemisphere Energy Corp. (TSXV: HME) (OTCQX: HMENF) ("Hemisphere" or the "Company") is pleased to provide an update on its operations in Southern Alberta.

Hemisphere completed construction of its new injection plant at the Atlee Buffalo F pool battery during the summer and moved into the early stages of tertiary recovery for the pool in August. Through the fourth quarter, the Company plans to expand its oil battery with the addition of a new treater, allowing for higher production from the pool over the coming years.

The surfactant-polymer ("SP") flood is expected to help reduce water channeling in the reservoir by slowing down movement of the injectant relative to the oil, and to maximize reservoir sweep by reducing interfacial tension between oil and water. The addition of surfactant may also serve as an injectant aid, allowing more volumes of injectant to cycle through the reservoir over the life of the project. Overall recovery of oil from the pool is modelled to increase by up to 50% under this flood, as compared to waterflood alone. Management believes there will be a gradual production response to the SP flood with limited impact in the coming year. This strategic investment is expected to add long term value to shareholders by supporting the Company's low decline and extending the life of its assets.

Drilling and Operations Update

In September, Hemisphere commenced a drilling program across its Southern Alberta assets. Up to four wells will be drilled in this program to test potential new pools, pool extensions, and new production technologies. Successful wells are anticipated to be brought online through the fourth quarter.

Well data from the spring drilling program indicated that the northwest portion of the G pool requires pressure maintenance, with seven producers and only one injector in the area. As a result, the Company recently converted one production well to an injection well, and is waiting on approval to convert another shortly. These conversions are expected to lead to increased production at offsetting producing wells in the future. Hemisphere anticipates third quarter production to be between 2,800-2,900 boe/d (99% heavy crude oil), due to low reservoir pressure in the area of the new wells, along with unplanned facility downtime at Hemisphere's G pool facility in August and a planned G pool facility turnaround in late September.

About Hemisphere Energy Corporation

Hemisphere is a Canadian oil company focused on maximizing shareholder value through the development and operation of its high netback, low decline, long-life conventional heavy oil assets. The Company generates significant free cash flow that allows it to return capital to shareholders through both a variable dividend and Normal Course Issuer Bid ("NCIB") program. 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: Hemisphere's plans to expand its F pool oil battery through the fourth quarter with the addition of a new treater, allowing for higher production from the pool over the coming years; the expectation that the SP flood will help reduce water channeling in the reservoir by slowing down movement of the injectant relative to the oil, and to maximize reservoir sweep by reducing interfacial tension between oil and water; that the addition of surfactant may also serve as an injectant aid, allowing more volumes of injectant to cycle through the reservoir over the life of the project; that overall recovery of oil from the F pool is modelled to increase by up to 50% under this flood, as compared to waterflood alone; that management believes there will be a gradual production response to the SP flood with limited impact in the coming year; the expectation that this strategic investment will add long term value to shareholders by supporting the Company's low decline and extending the life of its assets; that successful wells from the drilling program are anticipated to be brought online through the fourth quarter; that these conversions are expected to lead to increased production at offsetting producing wells in the future; and that Hemisphere anticipates third quarter production to be between 2,800-2,900 boe/d (99% heavy crude oil).

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: the length of time that oil and gas operations will be impaired by the outbreak of Covid-19; 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 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 impacts of inflation and increases to costs; 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: 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.

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.

Definitions and Abbreviations

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| 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 | NGL | natural gas liquids |
| boe/d | barrel of oil equivalent per day | IFRS | International Financial Reporting Standards |
| $/boe | dollar per barrel of oil equivalent | G&A | General and Administrative Costs |
| WCS | Western Canadian Select | US$ | United States Dollar |

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