

FORM 51-101F3

CANADIAN NATIONAL INSTRUMENT 51-101

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Hemisphere Energy Corporation (“Hemisphere Energy” or the “Company”) is responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as February 28, 2010, estimated using forecast prices and costs.

An independent qualified reserves auditor has evaluated the Company’s reserves data. The report of the independent qualified reserves auditor will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

- (a) reviewed the Company’s procedures for providing information to the independent qualified reserves auditor;
- (b) met with the independent qualified reserves auditor to determine whether any restrictions affected the ability of the independent qualified reserves auditor to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves auditor.

The Reserves Committee of the board of directors has reviewed the Company’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2, which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

(signed) "*Don Simmons*"
Don Simmons
President and Chief Executive Officer

(signed) "*Dorlyn Evancic*"
Dorlyn Evancic
Chief Financial Officer

(signed) "*Greg Sadler*"
Greg Sadler
Director and Chairman of the
Reserves Committee

(signed) "*Bruce McIntyre*"
Bruce McIntyre
Director and Member of the
Reserves Committee

(signed) "*Gregg Vernon*"
Gregg Vernon
Director and Member of the
Reserves Committee

(signed) "*Charlie N. O'Sullivan*"
Charlie N. O'Sullivan
Chairman of the Board

June 25, 2010