



HEMISPHERE ENERGY ANNOUNCES PRODUCTION GROWTH AND COMPLETION OF SUCCESSFUL SUMMER DRILLING PROGRAM

TSX-V: HME

Vancouver, British Columbia, September 18, 2018 – Hemisphere Energy Corporation (TSX-V: HME) ("Hemisphere" or the "Company") is pleased to provide an update on its recent field operations.

Hemisphere has successfully completed the drilling component of its 11 well summer program, of which 10 wells will be produced and one well used as a water injector at this time.

Based on field estimates, corporate production has averaged approximately 1430 boe/d (98% oil) during the week of September 8-14 as wells have gradually been turned on through the month. The final two new wells are scheduled to be on production by the end of September, with pump speeds and oil rates expected to be further optimized at all of the Company's wells into October.

The Company recently completed an expansion at its Atlee Buffalo Upper Mannville F pool facility by adding a heated free water knockout to enhance water separation and oil treating capacity. Hemisphere is also currently adding throughput at the Upper Mannville G pool facility by installing a SKUD (inclined free water knockout) and oil treater. The facility is presently causing production restrictions, and with the expansion planned to be complete by mid-October, management expects additional growth in production rates from this pool through the fourth quarter.

"This is just the start of the growth we expect to see from this drilling program," says Don Simmons, CEO of Hemisphere Energy. "The wells look great and the waterflood is working. Once the new facility work is complete, it will be exciting to see what our pools are capable of."

Hemisphere will continue to provide operational updates on corporate production growth as additional wells are brought on and facility debottlenecking work is finalized.

Please see our website at www.hemisphereenergy.ca for the company's updated corporate presentation.

About Hemisphere Energy Corporation

Hemisphere Energy Corporation is a producing oil and gas company focused on the development of low risk conventional oil assets for minimal capital exposure by drilling known pools of oil and optimizing waterflood projects. Hemisphere plans continued 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".

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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 regarding Hemisphere's expectation that pump speeds and oil rates will be further optimized at all of the Company's wells into October, management's expectation that it will see additional growth in production rates from the Atlee G pool through the fourth quarter once the facility expansion work is completed, its plans for continual growth in production, reserves, and cash flow by drilling existing projects and executing strategic acquisitions and the expected growth to result from the Company's 2018 summer drilling program.

Forward-looking statements are based on a number of material factors, expectations, or assumptions of Hemisphere which have been used to develop such statements but which may prove to be incorrect. Although Hemisphere believes that the expectations reflected in such forward-looking statements 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; 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 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 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

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.