

Management

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Commentary by Dan Steffens

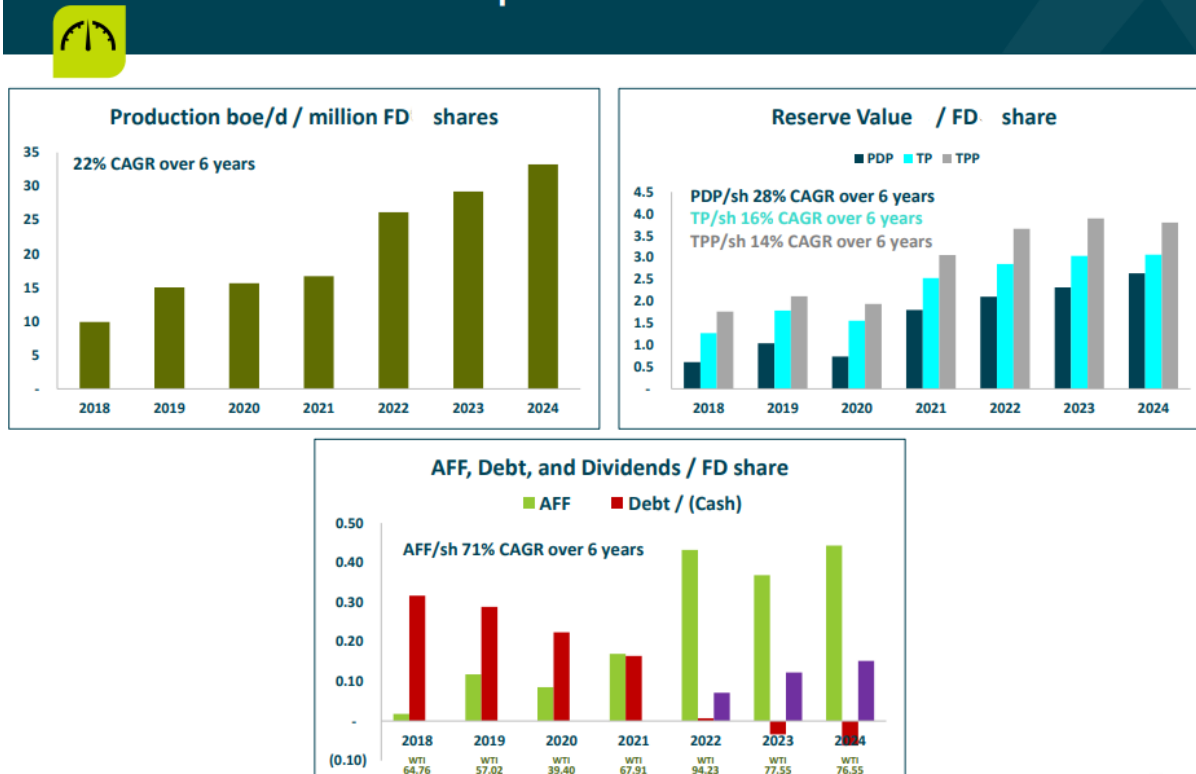
Hemisphere Energy Corporation (HME.V and HMFNF) is a Canadian Junior upstream oil & gas company in our High Yield Income Portfolio. **It generates strong enough cash flow from operations to fund all production growth going forward.** The Company's production increased by 10.9% year-over-year in 2024. Hemisphere's guidance is that production will increase ~12.6% in 2025.

Given the strong financial position and performance outlook of the Company, Hemisphere's board of directors has approved the declaration of a special dividend of C\$0.03 per common share, in accordance with its dividend policy. The special dividend will be paid on April 28, 2025 to shareholders of record on April 17, 2025, and is designated as an eligible dividend for Canadian income tax purposes. **It is in addition to the Company's quarterly base dividend of C\$0.025 per common share.**

Hemisphere reported solid Q4 2024 results with no surprises. I expect production from the two polymer floods to increase over the next 18 months to a plateau of ~4,500 Boepd. Future production and reserve growth depends on the success of the Company's Marsden polymer flood pilot **or additional acquisitions.**

The balance sheet is pristine. Shareholder returns (dividends and stock buybacks) are very generous. Based on the Company's guidance and my forecast, dividends should be at least \$0.16Cdn per share in 2025; 9.3% annual yield.

Track Record and Compound Annual Growth Rate ⁽¹⁾



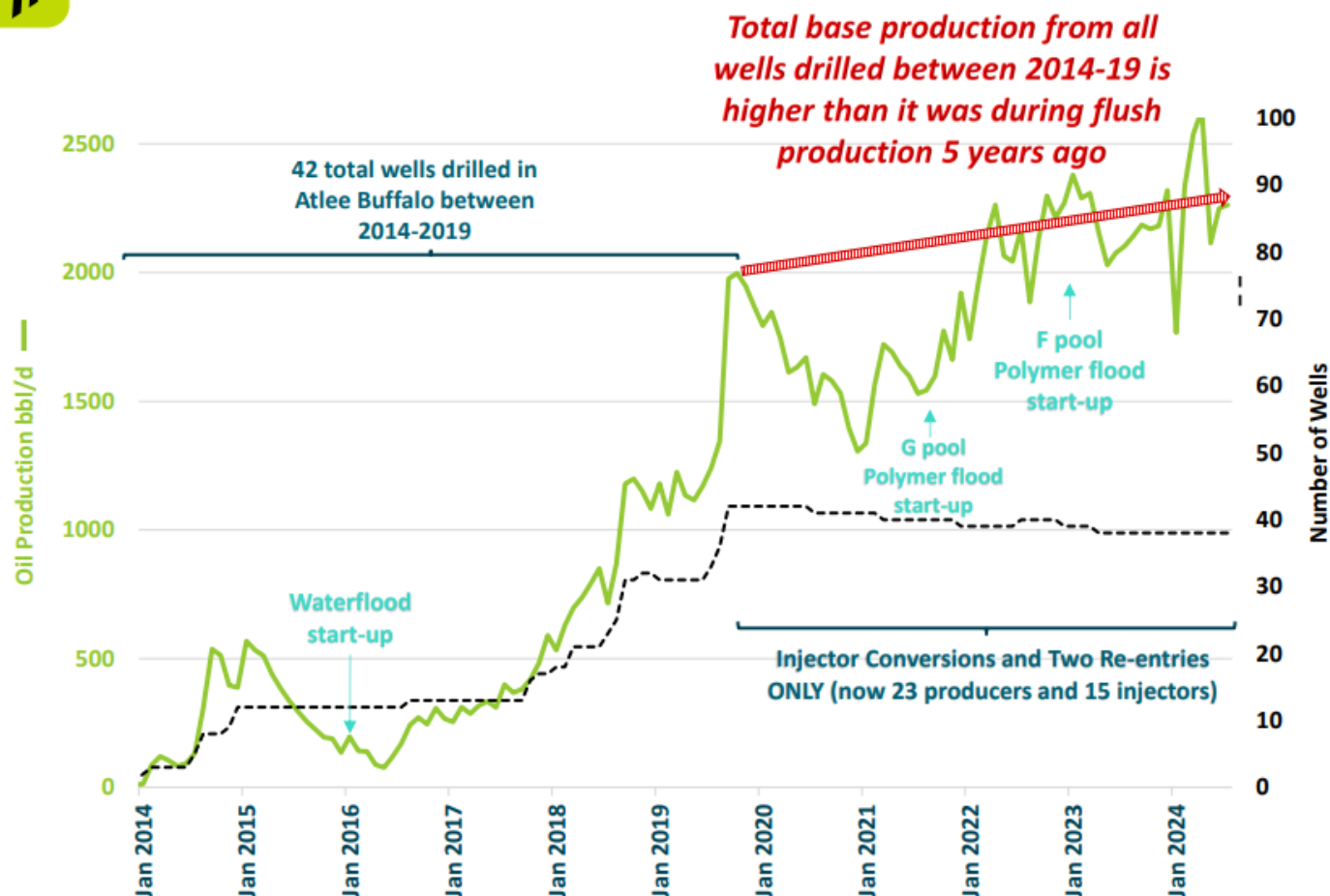
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Up until recently the only negative I had for Hemisphere is that it did not have any “Running Room” beyond Atlee Buffalo. A big catalyst in 2025 for Hemisphere will be results in Saskatchewan where they have recently completed 5 horizontal wells in an area which the Company calls the **Marsden Oil Play**. It is a large oil pool with lots of oil in place that is well defined by vertical wells.

Hemisphere believes that Marsden has the potential to be a successful polymer flood, which could be larger than Buffalo Atlee. It could double the Company’s oil production within a few years.

Marsden represents just 5% of the 2P NPV10 before tax valuation of Hemisphere’s 2024 reserves. Hemisphere was very tightlipped about Marsden in the 2024 results. In my opinion, the share price is undervalued even without success at Marsden. **Marsden is therefore “pure upside” for shareholders and it could be significant.**

How Have HME’s Polymer Floods Helped Arrest ‘Decline’?



Returning Free Cash Flow to Shareholders

The Company's Q4 production was 3,359 Boepd, slightly below Q3 production of 3,621 Boepd. Q4 production in the first half of the quarter was affected by planned maintenance activities at the G-pool facilities.

2024 full year production of 3,463 Boepd was 10.8% above 2023 production of 3,125 Boepd. 2024 guidance was 3,400 Boepd. The Company's guidance for 2025 is 3,900 Boepd. **Q1 2025 production was running at 3,800 Boepd.**

Atlee Buffalo is a Very Successful Polymer Flood

Production at Atlee Buffalo is not expected to peak until late in 2025, at which time it will slowly decline. Successful polymer floods can plateau and stay near the peak rate of production for several years as the polymer continues to sweep more oil to the producing wells.

Hemisphere's team did extensive work before the Company acquired the Marsden leasehold. They believe that the polymer flood pilot project will prove that there are significant volumes of oil still to be recovered from field, which is well defined by vertical wells. *If the pilot is unsuccessful, Hemisphere will be pursuing other acquisitions.*

Hemisphere is a very profitable company, even at the current NYMEX strip prices.

- 2024 earnings per share (C\$ 0.34) was well above 2024 earnings per share (C\$ 0.24).
- Royalties were 20%, typical for a Canadian heavy oil producer.
- 2024 cash lifting costs (LOE and transportation) were a low C\$15.51/Boe
- All other cash expenses, primarily G&A and finance expenses, were only C\$4.42/Boe.
- Realized oil prices in Western Canada have increased thanks to completion of the Trans Mountain Pipeline. Hemisphere's realized heavy oil price should be C\$70 to C\$75 per barrel in 2025.
- **Bottomline:** Hemisphere can generate lots of free cash flow even at today's lower than expected oil prices.

The Company entered 2025 in great shape. They have confirmed that production has increased quarter-over-quarter in Q1 2025. Hemisphere will complete the development of their two polymer floods within Atlee Buffalo this year. **It is important to note that my production forecast for Hemisphere does not include any oil production from their Marsden Project.** Their five well pilot project at Marsden is well underway, and we should get an indication that the polymer flood will be successful in a few months. If they confirm that the polymer flood is going to work at Marsden, the share price should move up quickly, because today the stock is trading at a deep discount to PV10 NAV.

My Fair Value Estimate for HME.V is \$3.80 Cdn/share

This translates to approximately \$2.65US/share for HMENF

Disclosure: I have a long position in HMENF and I do not intend on buying or selling it in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this report.

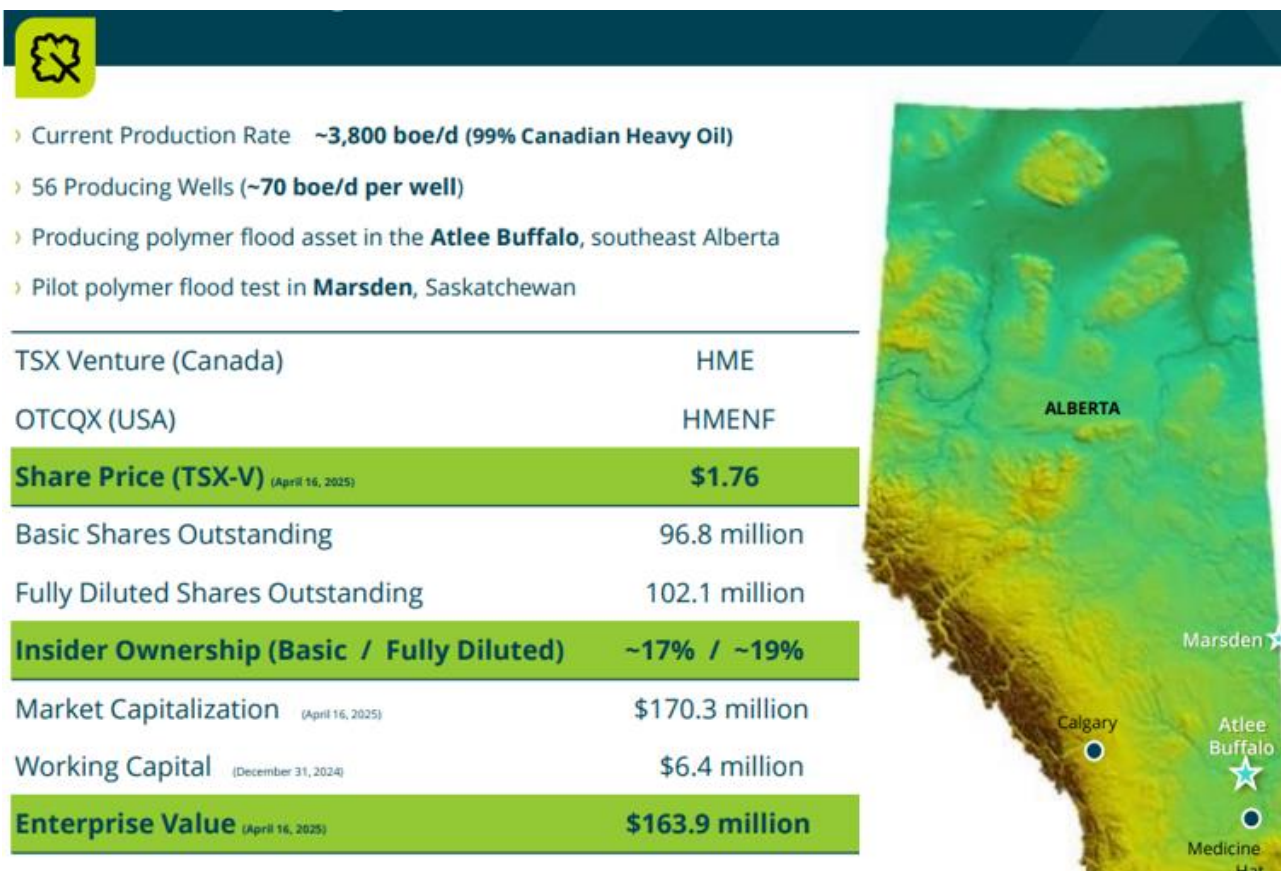
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Hemisphere Energy Corporation is a dividend paying Canadian oil company focused on sustainable growth of its high netback, low decline conventional heavy oil assets through enhanced recovery methods. Hemisphere is dedicated to creating shareholder value by following its core principles of building a company that is Simple, Clean, Profitable, and Unique.

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". The Company's assets are in southeast Alberta, Canada and are 100% owned and operated by Hemisphere. They are currently developing two significantly sized oil pools in their core area of Atlee Buffalo. **In 2024 the Company drilled five HZ development wells in a new area at Marsden, in Western Saskatchewan.**

Atlee Buffalo is Hemisphere's core area, located approximately 85 kilometers north of Medicine Hat. Hemisphere made its first acquisition in the area in late 2013 and owns 15,560 gross acres (15,560 net acres) as of November 30, 2023. The property has two oil pools delineated by vertical wells and defined by 3D seismic.



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2024 Highlights (\$Cdn)

- Increased annual production by 10% to a record of 3,436 boe/d (99% heavy oil).
- Generated annual revenue of \$99.9 million, an 18% increase over the previous year.
- Achieved a 16% increase in annual adjusted funds flow from operations ("AFF") to \$45.8 million.
- Invested \$22 million to drill nine wells, upgrade facilities, and purchase land at Atlee Buffalo in Alberta, as well as drill five wells (three production wells and two injection wells) and build the facilities required to test a pilot polymer flood at Marsden, Saskatchewan.
- Generated \$23.9 million of annual free funds flow ("FFF"), a 6% increase over annual FFF reported for 2023.
- Achieved robust operating and transportation costs of \$15.60/boe.
- **Distributed \$9.8 million in quarterly base dividends to shareholders during the year.**
- **Distributed \$5.9 million in special dividends to shareholders during the year.**
- Purchased and cancelled 3.4 million shares at an average price of \$1.62 per share under the Company's normal course issuer bid ("NCIB"), returning \$5.5 million to shareholders during the year.
- Exited 2024 with a positive working capital position of \$6.4 million compared to \$3.6 million at December 31, 2023.

Focus on shareholder value and return



Simple

› Long life, high value Canadian oil assets

= Years of sustainable cash-flow

Base Quarterly Dividends



Strong

› Debt free with minimal abandonment liabilities

= More cash leftover for shareholder returns

Share Buybacks



Profitable

› High netback barrel with low capital requirements

= High free cash flow yield



Unique

› 97% of production under Enhanced Oil Recovery (Polymer Flood)

= Ultra-low decline rate

Special Dividends

Financial and Operating Summary

- The balance sheet is strong: The 2024 equity ratio (=equity/balance sheet total) at December 31, 2024 was an excellent 66.8%
- The 2024 ratio (66.8%) was comparable with 2023 (67.5%).
- **Hemisphere has no long term** and as such a debt/EBITDA ratio is meaningless.
- The balance sheet allows generous shareholder returns.

(\$000s except per unit and share amounts)	Three Months Ended December 31		Years Ended December 31	
	2024	2023	2024	2023
FINANCIAL				
Petroleum and natural gas revenue	\$ 23,361	\$ 22,423	\$ 99,935	\$ 84,472
Operating field netback	13,714	13,517	60,106	51,843
Operating netback	13,627	14,428	59,844	52,118
Cash provided by operating activities	12,284	13,496	46,548	44,241
Adjusted funds flow from operations ("AFF")	10,415	11,295	45,796	39,411
Per share, basic	0.11	0.11	0.47	0.39
Per share, diluted	0.10	0.11	0.46	0.39
Free funds flow	7,092	9,144	23,944	22,539
Net income	7,342	3,981	33,103	24,195
Per share, basic	0.08	0.04	0.34	0.24
Per share, diluted	0.07	0.04	0.33	0.24
Dividends	5,366	5,489	15,703	13,083
Per share, basic	0.055	0.055	0.160	0.130
NCIB share repurchases	1,375	2,085	5,461	4,095
Capital expenditures	3,323	2,151	21,852	16,872
Working capital	6,418	3,589	6,418	3,589
Average daily production				
Heavy oil (bbl/d)	3,341	3,364	3,416	3,100
Natural gas (Mcf/d)	110	132	120	147
Combined (boe/d)	3,359	3,386	3,436	3,125
Oil weighting	99%	99%	99%	99%
Average sales prices				
Heavy oil (\$/bbl)	\$ 75.96	\$ 72.36	\$ 79.89	\$ 74.53
Natural gas (\$/Mcf)	1.42	2.19	1.39	2.56
Combined (\$/boe)	\$ 75.59	\$ 71.97	\$ 79.48	\$ 74.07
Operating netback (\$/boe)				
Petroleum and natural gas revenue	\$ 75.59	\$ 71.97	\$ 79.48	\$ 74.07
Royalties	(13.54)	(14.07)	(16.08)	(14.71)
Operating costs	(13.89)	(11.49)	(11.36)	(10.87)
Transportation costs	(3.78)	(3.03)	(4.24)	(3.03)
Operating field netback	44.38	43.38	47.80	45.46
Realized commodity hedging gain (loss)	(0.28)	2.92	(0.21)	0.24
Operating netback	\$ 44.10	\$ 46.30	\$ 47.59	\$ 45.70
General and administrative expense	(4.74)	(5.63)	(3.91)	(4.05)
Interest expense and foreign exchange (loss)	(0.41)	(0.44)	(0.40)	(0.58)
Current tax expense	(5.25)	(3.98)	(6.86)	(6.51)
Adjusted funds flow from operations (\$/boe)	\$ 33.70	\$ 36.25	\$ 36.42	\$ 34.56

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Q4 and YE 2024 Financial Highlights



	Three Months Ended December 31, 2024	Year Ended December 31, 2024
Average Production	3,359 boe/d (99% heavy oil)	3,436 boe/d (99% heavy oil)
Revenue	\$23.4 million / \$75.59/boe	\$99.9 million / \$79.48/boe
Operating Netback	\$13.6 million / \$44.10/boe	\$59.8 million / \$47.59/boe
Adjusted Funds Flow (AFF)	\$10.4 million / \$33.70/boe	\$45.8 million / \$36.42/boe
Capital Expenditures	\$3.3 million	\$21.9 million
Free Funds Flow (FFF)	\$7.1 million	\$23.9 million
Working Capital	\$6.4 million	\$6.4 million

Balancing Growth with Return to Shareholders



Price Sensitivity	\$US / bbl	\$65 WTI	\$75 WTI	\$85 WTI
Average Annual Production	boe/d	3,900	3,900	3,900
Adjusted Funds Flow (AFF)	\$ million	40	51	61
AFF per Basic Share	\$/share	0.41	0.52	0.63
Capital Expenditures & ARO	\$ million	17	17	17
Free funds flow (FFF)	\$ million	24	34	44
Base Dividends per Basic Share	\$/share	0.10	0.10	0.10

2025 Capital Expenditures - \$17 million

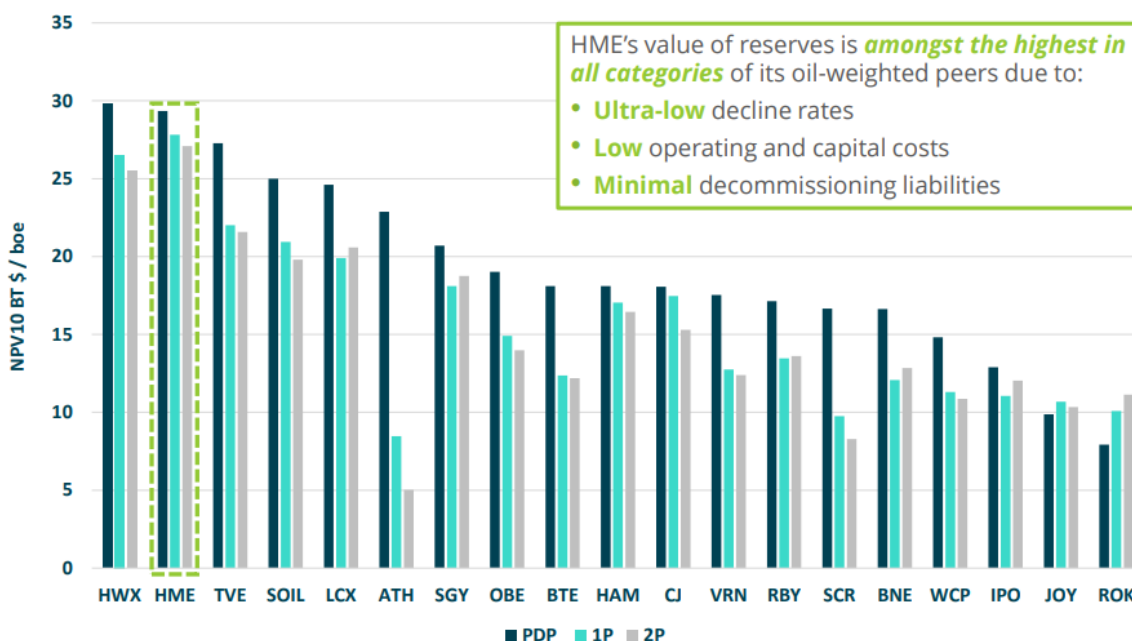
- › Drilling and optimization
- › Facilities and equipment
- › Exploration and land acquisition
- › Heavily weighted to Q3 for flexibility

Key Assumptions

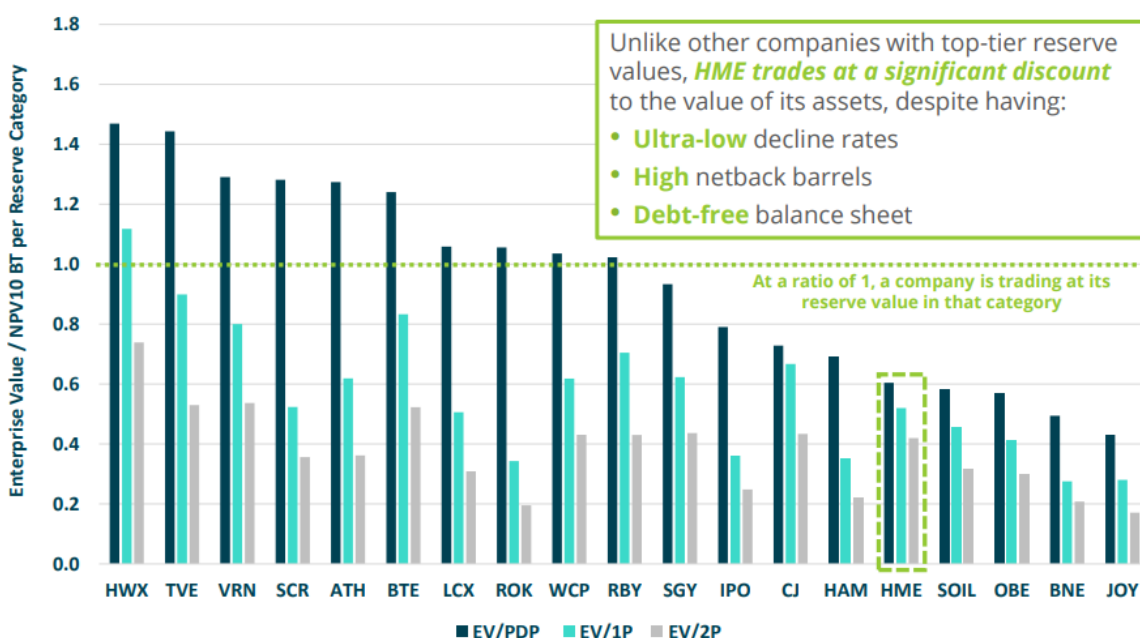
- › WCS Differential: US\$14.00/bbl
- › USD/CAD Exchange: 1.43
- › Quality adjustment: C\$7.00/bbl
- › Opex: C\$15.25/boe

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Best per Barrel Value of Reserves ⁽¹⁾



Enterprise Value vs Reserve Value ⁽¹⁾



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Shareholder Return

- Hemisphere paid in 2024 regular and special dividends for a total C\$ 0.16 per share and bought back 3.4 million shares for a total of C\$ 4.7 M.
- Total shareholder returns in 2024 are equivalent to a generous 11.8%.
- Shareholder returns in 2025 should see a continuation of the regular quarterly dividend of C\$ 0.025.
- The special dividends are oil price dependent. < *Special Dividend of C\$ 0.03/share will be paid on 4/28/2025*
- **Shareholder returns in 2025 can increase versus 2024 as the FCF can increase with a lower 2025 capex (C\$ 17 M) than in 2024 (C\$ 22 M).**
- With WTI= \$ 65US/bbl, total shareholder 2025 returns of 10% to 15% are possible.
- After 2025, shareholder returns may need to decline if the Marsden Polymer Flood is unsuccessful.

COMMON SHARES	April 16, 2025	December 31, 2024	December 31, 2023
Common shares issued and outstanding	96,786,752	97,389,735	99,340,339
Stock options	5,341,600	6,021,600	7,563,000
Total fully diluted shares outstanding	102,128,352	103,411,335	106,903,339

“During Don Simmons’s presentation at our Houston luncheon on December 9th we were told that Hemisphere plans to continue to buyback and retire their shares.” – Dan Steffens

Base Dividends

- › Quarterly dividend of \$0.025/share is fully funded by free cash flow
 - › Paid out \$30 million (\$0.30/share) over 12 quarters since inception in June 2022
 - › Implied annual yield of ~5.7% at current market cap
- › Last dividend of \$0.025/share was paid on February 26, 2025

Special Dividends

- › Three special dividends of \$0.03/share paid to date (November 2023, July 2024, and October 2024)
 - › Paid out \$8.9 million (\$0.09/share) since inception
- › Next special dividend of \$0.03/share to be paid on April 28, 2025 to shareholders of record on April 17, 2025

Normal Course Issuer Bid (NCIB)

- › Strategic and opportunistic share buyback
- › Bought and cancelled ~1.0 million shares YTD in 2025 (\$1.8 million or \$1.83/share)
- › Bought and cancelled 13.5 million shares since September 2019 inception (\$15.3 million or \$1.13/share)

Remaining free funds flow available for accelerated capital spending, acquisitions, and/or additional special dividends

Returned to Shareholders in 2024
\$21.2 million | 11.9% annualized yield⁽¹⁾

Total Returned to Shareholders
June 2022-April 2025 | \$53.6 million⁽²⁾

Reserves (Analysis by Harry van Neck)

- 2024 proven reserves (10.4 M BoE) were down -5.4% on 2023 (11.1 M BoE).
- The proven reserves are equivalent to a mediocre 8.0 years of 2025 production (3.9 K BoE/d). Industry average is 9.5-10.0 years.
- The 2029-2024 Reserves Replacement Ratio (RRR) was a good 1.57 (industry average 0.89-0.95)
- The RRR has been trending down in recent years. The 2024 RRR was a lowish 0.56 (industry average 0.90).
- The reserves and RRR combined cannot sustain the production at current levels.
- Production can grow if the Marsden polymer pilot is successful. Only minimal reserves at Marsden (0.8 M BoE =8% of total) have been booked in 2024.

Third-Party Audited Estimate of Future Cash Flow



2024 Year End Reserves⁽¹⁾

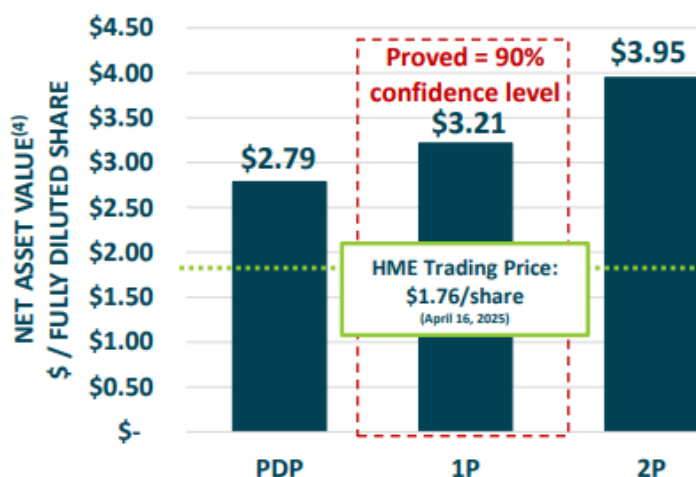
Proved Developed Producing (PDP) Reserves / NPV10 BT	9.3 MMboe / \$273 million
Proved (1P) Reserves / NPV10 BT	11.4 MMboe / \$317 million
Proved + Probable (2P) Reserves / NPV10 BT	14.5 MMboe / \$393 million

Significance of Reserve Reports

- › Best comparison of a company's assets and future cash flows
- › Includes future development capital, operating & transportation costs, royalties, existing and future decommissioning liabilities

RLI and Future Development Costs

- › 1P-2P reserve life index of 9.1-11.6 years
- › 1P-2P reserves expected to be recovered with just \$26-37 million in capital spending



Operations Update and Outlook

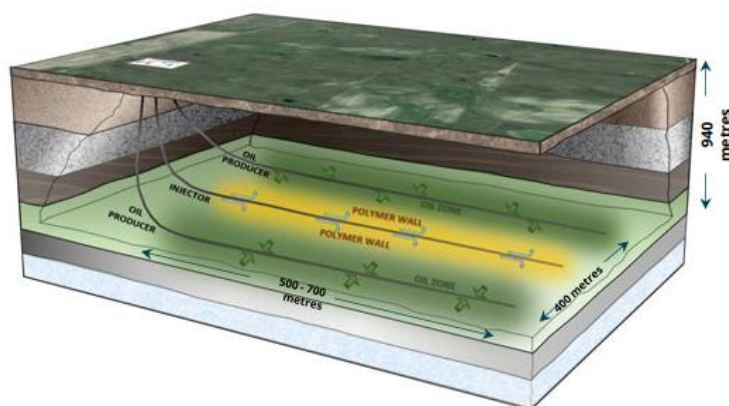
- 2024 marked another strong year for Hemisphere, with record production levels of over 3,400 boe/d (99% heavy oil), near record AFF of \$45.8 million, record shareholder returns of over \$21 million (\$0.21/share) through dividends and share buybacks, and an increase in its net cash position at year end to \$6.4 million. The Company's first quarter 2025 field estimated production has since grown to 3,800 boe/d (99% heavy oil) through continued success of its polymer floods, despite no new wells being drilled since the third quarter of 2024. *< Altee Buffalo is nearing full development, but production should continue to increase as the polymer flood sweeps more oil to the producing wells.*
- Given the strong financial position and performance outlook of the Company, Hemisphere recently announced a special dividend of C\$0.03 per common share to be paid on April 28, 2025 to shareholders of record on April 17, 2025.
- As seen over the first two weeks of April, pricing outlook for the oil market is experiencing significant volatility influenced by geopolitical developments, supply-demand dynamics, and trade tensions. Hemisphere's 2025 budget is extremely flexible with minimal capital spending planned until summer. The Company's robust balance sheet, ultra-low decline assets, and limited sustaining capital requirements for 2025 position Hemisphere well to withstand these economic headwinds.

Polymer flooding has been successfully used by oil companies all around the world since the 1950's

- › **Proven** method of enhanced oil recovery
- › Polymer is added to injection water to **increase its viscosity** (similar to olive oil) and reduce its ability to easily 'streak' through the reservoir and break through to producers
- › Polymer-water is pumped into injector wells to **re-energize (build pressure)** the reservoir and push more oil towards producer wells

Typical Reservoir Response

- › **Increase** in oil production
- › **Decrease** in decline rate
- › **Increase** in overall oil recovery
- › **Decrease** in water production handling costs



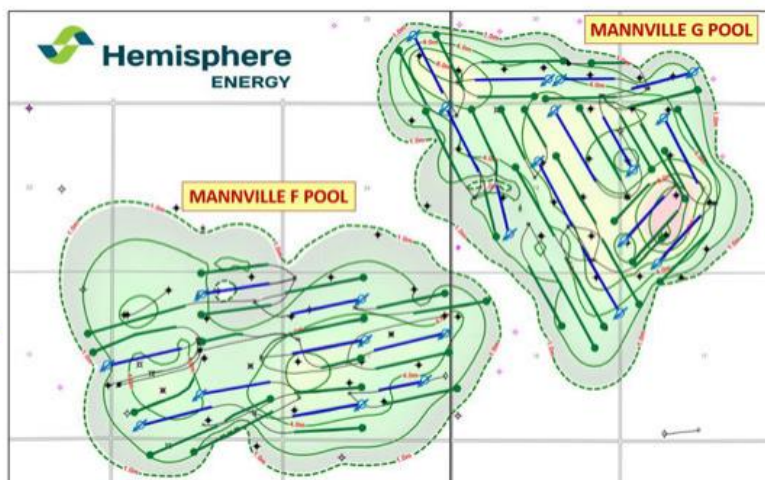
Atlee Buffalo, Alberta - EOR Polymer Flood Oil Pools



Conventional Oil Asset + Enhanced Oil Recovery (EOR)

- › 97% of corporate production is from Atlee Buffalo
- › 100% owned and operated
- › High-quality reservoirs (porosity and permeability)

- › Both pools are under EOR **polymer flood**
 - › **Maximize** resource recovery
 - › **Minimize** decline rates
- › **Injectors are just as important as producers**
 - › Producers get better over time as polymer flood response occurs
- › **'Cash-flow harvest' mode**
 - › Proved reserves of over **11 million barrels** for just \$26 million of remaining booked capital spending



Hedging Considerations

- Continually monitor WTI Oil and WCS Differential hedge pricing
- Layer in protection for up to 12 months
- Look for near-term wellhead price protection and longer-term floor protection

Product	Type	Volume	Price	Index	Term
Crude oil	Collar	175 bbl/d	US\$50.00 (put buy) / US\$90.50 (call sell)/bbl	WTI-NYMEX	Apr. 1, 2025 – Jun. 30, 2025
Crude oil	Swap	750 bbl/d	C19.50	WCS Differential	Apr. 1, 2025 – Jun. 30, 2025
Crude oil	Swap	1,250 bbl/d	C18.90	WCS Differential	Apr. 1, 2025 – Jun. 30, 2025
Crude oil	Collar	175 bbl/d	US\$50.00 (put buy) / US\$79.55 (call sell)/bbl	WTI-NYMEX	Jul. 1, 2025 – Sep. 30, 2025
Crude oil	Swap	750 bbl/d	C19.45	WCS Differential	Jul. 1, 2025 – Sep. 30, 2025
Crude oil	Collar	200 bbl/d	US\$50.00 (put buy) / US\$80.00 (call sell)/bbl	WTI-NYMEX	Oct. 1, 2025 – Dec. 31, 2025

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Harry van Neck's analysis

Reserves and Production

Reserves are industry average. RRR is high. Fluids are 99% oil. Production will be flat at 3.0 – 3.5 K BoE/d. Reserves and production (99% oil) can double if the ongoing polymer injection trial in 2024/2025 in Marsden (Saskatchewan) is successful. *< Oil production increased in Q1 2025 despite no new wells being completed. This is proof that the two polymer floods are successfully sweeping more oil to the producing wells. Hemisphere expects production to increase to ~4,200 Boepd in Q4 2025.*



Balance sheet

Balance sheet is rock solid. Equity ratio (71%) is excellent. No long-term debt. Debt/EBITDA ratio is irrelevant.

Equity ratio 2022	Equity ratio 2023	Equity ratio 2024	Equity ratio 2025	Equity ratio 2026
67.9%	67.5%	Q3 71.3% - 2024 70%	>75%	>75%

Profitability and shareholder returns (excl Marsden – can double with Marsden)

WTI= \$ 70/bbl	2024	2025	2026	2026	2026
EPS and PE	Eps = C\$ 0.25, PE 5.1	Eps = C\$ 0.24, PE 5.4	Eps = C\$ 0.24 – PE 5.5	Eps = C\$ 0.24, PE 5.5	Eps = C\$ 0.23 – PE 5.6
Shareholder returns	10.2%	14.5%	14.5%	14.5%	14.3%

Summary

Hemisphere operates conventional heavy oil with water and polymer injection in western Canada. It has adequate reserves and a good RRR. Reserves and production can double if the polymer pilot in Marsden is successful (upside not included in the model). **The balance sheet is rock solid.** Hemisphere is very profitability and has a low PE ratio. Shareholder returns are high. Hemisphere is a small cap (market value US\$ 120 M only).

Canadian Dollars													
Hemisphere Energy (HME.V and HMENF) Net Income and Cash Flow 2022 - 2026 (last updated 4/22/2025)													
	Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Forecast Qtr1 2025	Forecast Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast Year 2026
REVENUES:													
Oil and natural gas revenues	\$96,699,000	\$84,472,000	\$20,961,000	\$28,938,000	\$26,675,000	\$23,361,000	\$99,935,000	\$25,164,540	\$23,182,068	\$25,155,330	\$27,396,680	\$100,898,618	\$122,174,625
Less: Royalties	(24,475,000)	(16,770,000)	(3,943,000)	(6,257,000)	(5,841,000)	(4,184,000)	(20,225,000)	(4,655,440)	(4,404,593)	(4,905,289)	(5,479,336)	(19,444,658)	(24,434,925)
Total Revenues	72,224,000	67,702,000	17,018,000	22,681,000	20,834,000	19,177,000	79,710,000	20,509,100	18,777,475	20,250,041	21,917,344	81,453,960	97,739,700
EXPENSES:													
Operating expenses + Transportation	13,954,000	15,858,000	4,060,000	4,830,000	5,251,000	5,462,000	19,603,000	5,395,680	5,526,976	5,602,041	5,889,380	22,414,077	24,637,500
Exploration and evaluation	140,000	124,000	37,000	55,000	37,000	36,000	165,000	25,000	50,000	75,000	50,000	200,000	200,000
DD&A	7,884,000	9,017,000	2,273,000	2,622,000	2,773,000	2,578,000	10,246,000	2,815,871	2,884,391	3,017,874	3,172,666	11,890,801	13,714,875
Impairment of property & equipment	842,000	4,815,000	0	0	0	0	0	0	0	0	0	0	0
General and Adm	4,071,000	4,624,000	1,018,000	1,154,000	1,282,000	1,464,000	4,918,000	1,300,000	1,300,000	1,400,000	1,600,000	5,600,000	6,000,000
Stock based compensation	2,618,000	846,000	6,000	6,000	6,000	7,000	25,000	10,000	10,000	10,000	20,000	50,000	100,000
TOTAL EXPENSES	29,509,000	35,284,000	7,394,000	8,667,000	9,349,000	9,547,000	34,957,000	9,546,551	9,771,367	10,104,915	10,732,046	40,154,878	44,652,375
OPERATING EARNING	42,715,000	32,418,000	9,624,000	14,014,000	11,485,000	9,630,000	44,753,000	10,962,550	9,006,108	10,145,126	11,185,298	41,299,082	53,087,325
OTHER INCOME (EXPENSES)													
Finance expense (Loan and lease interest)	(929,000)	(611,000)	(121,000)	(153,000)	(68,000)	(98,000)	(440,000)	(75,000)	(75,000)	(75,000)	(75,000)	(300,000)	(300,000)
Accretion & Amortization (non-cash expenses)	(154,000)	(196,000)	(49,000)	(50,000)	(50,000)	(49,000)	(198,000)	(50,000)	(50,000)	(50,000)	(50,000)	(200,000)	(200,000)
Other finance income (expense)	251,000	0	0	0	0	0	0	0	0	0	0	0	0
Change in fair value of warrant liability	(6,783,000)	0	0	0	0	0	0	0	0	0	0	0	0
Foreign exchange gain (loss) - cash	(97,000)	(44,000)	(11,000)	(23,000)	(1,000)	(27,000)	(62,000)	0	0	0	0	0	0
Foreign exchange gain (loss) - unrealized	0	0	0	0	0	0	0	0	0	0	0	0	0
Realized gains (loss) on financial instruments	(6,275,000)	274,000	167,000	(164,000)	(178,000)	(87,000)	(262,000)	0	0	0	0	0	0
Unrealized gain (loss) on financial instruments	932,000	625,000	(622,000)	146,000	209,000	(73,000)	(340,000)	0	0	0	0	0	0
Gain on disposition	0	0	0	0	0	75,000	75,000	0	0	0	0	0	0
INCOME BEFORE INCOME TAXES	29,660,000	32,466,000	8,988,000	13,770,000	11,397,000	9,371,000	43,526,000	10,837,550	8,881,108	10,020,126	11,060,298	40,799,082	52,587,325
INCOME TAXES													
Current	212,000	7,429,000	0	0	0	27,000	27,000	0	0	0	0	0	1,051,747
Deferred	8,131,000	842,000	2,210,000	3,383,000	2,801,000	2,002,000	10,396,000	2,546,824	2,087,060	2,354,730	2,599,170	9,587,784	11,306,275
NET INCOME	\$21,317,000	\$24,195,000	\$6,778,000	\$10,387,000	\$8,596,000	\$7,342,000	\$33,103,000	\$8,290,725	\$6,794,048	\$7,665,396	\$8,461,128	\$31,211,298	\$40,229,304
Common Stock	101,978,939	99,340,339	97,389,735	97,389,735	97,389,735	97,389,735	97,389,735	96,800,000	96,500,000	96,000,000	95,500,000	96,200,000	94,000,000
Earnings per share	\$0.21	\$0.24	\$0.07	\$0.11	\$0.09	\$0.08	\$0.34	\$0.09	\$0.07	\$0.08	\$0.09	\$0.32	\$0.43
Cashflow per share (before CapEx)	\$46,002,000	\$38,975,000	\$11,965,000	\$16,338,000	\$14,048,000	\$11,675,000	\$54,026,000	\$13,638,420	\$11,775,499	\$12,973,000	\$14,152,964	\$52,539,883	\$64,750,454
PRODUCTION													
Natural Gas (mcfpd)	158	147	135	111	121	110	119	132	156	171	180	160	300
Oil (bbls/d)	2,801	3,099	3,110	3,609	3,601	3,341	3,443	3,725	3,770	3,900	4,100	3,874	4,450
NGLs (bbls/d)	0	0	0	0	0	0	0	0	0	0	0	0	0
boepd	2,827	3,124	3,133	3,628	3,621	3,359	3,463	3,747	3,796	3,929	4,130	3,900	4,500
PRODUCT PRICES in \$Cdn	55.3%	10.5%	Canadian Dollars					Canadian Dollars					
Natural Gas (\$/mcf)	5.04	2.53	\$ 2.26	\$ 1.13	\$ 0.65	\$ 1.42	\$ 1.37	\$ 1.75	\$ 1.75	\$ 2.50	\$ 3.00	\$ 2.25	\$ 3.25
Oil (\$/bbl)	88.15	74.80	\$ 74.56	\$ 87.58	\$ 79.96	\$ 75.67	79.44	\$ 75.00	\$ 67.50	\$ 70.00	\$ 72.50	\$ 71.25	\$ 75.00
NGLs (\$/bbl)	45.00	40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 45.00
Gross Revenue check (prod * ave price)	90,412	84,746	21,128	28,774	26,497	23,274	99,673	25,165	23,182	25,155	27,397	100,899	122,175
								26,280	25,740	N/A	N/A	104,190	N/A

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