

## Management

**Don Simmons**, President & CEO

**Ian Duncan**, COO

**Dorlyn Evancic**, CFO

**Ashley Ramsden-Wood**, CDO

**Andrew Arthur**, VP Exploration

[www.hemisphereenergy.ca](http://www.hemisphereenergy.ca)

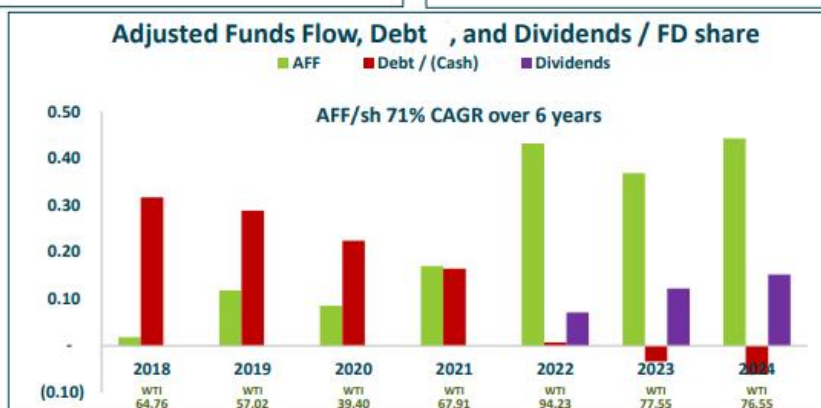
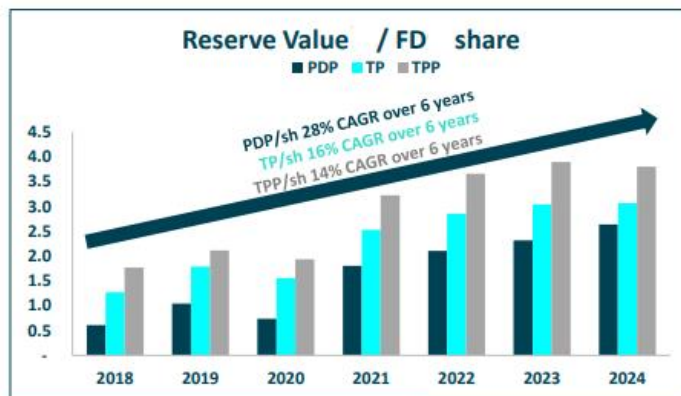
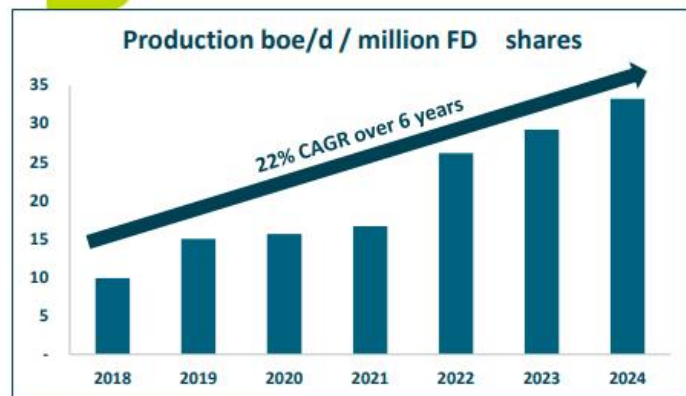
## Commentary by Dan Steffens

**Hemisphere Energy Corporation (HME.V and HMENF)** 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.

Hemisphere Energy delivered strong Q1 and Q2 2025 results; posting record production and robust financial results. Key drivers in 1H 2025 include a 13.3% YOY increase in production and a strong balance sheet. Shareholder value was supported through consistent dividend payments and aggressive share buybacks. With solid liquidity, low capex, and expected positive outcomes from polymer flood initiatives, Hemisphere is well-positioned for continued growth and steady returns.

**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; **7.5% annual yield.**

## Track Record and Compound Annual Growth Rate <sup>(1)</sup>



Up until recently the only negative I had for Hemisphere is that it did not have any “Running Room” beyond Altee Buffalo. A big catalyst in 2025 for Hemisphere should be positive results in Saskatchewan where they have completed 5 horizontal wells and now have a polymer flood underway 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.**

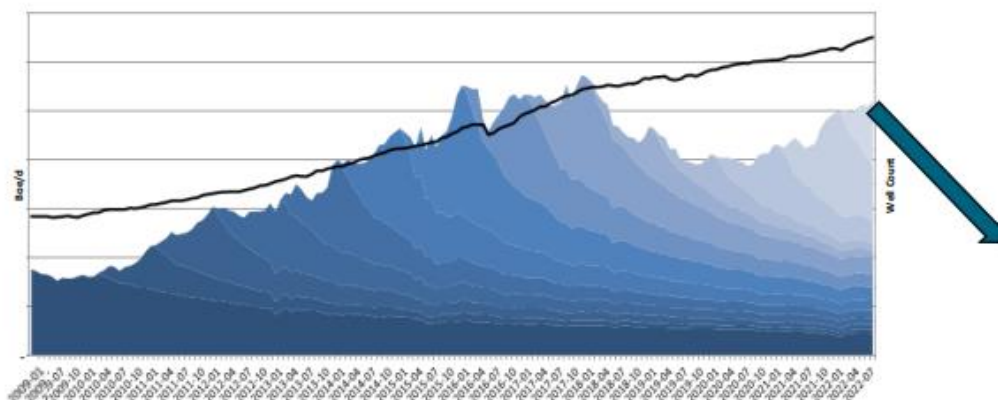
Marsden represents just 5% of the 2P NPV10 before tax valuation of Hemisphere’s 2024 reserves. Hemisphere remains tightlipped about Marsden. In my opinion, the share price is undervalued even without success at Marsden. We should know if the polymer flood is working in Q4 2025. **Marsden is “pure upside” for shareholders and it could be significant.**

## EOR = Lower Decline = More Free Cash Flow<sup>(1)</sup>



### ‘Typical’ Oil & Gas Co:

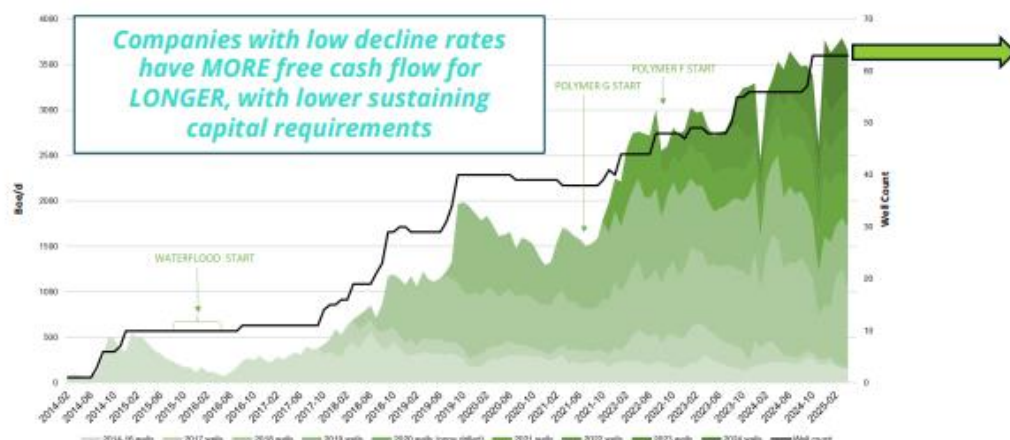
**Treadmill style drilling  
with corporate production  
decline rates of 20% - 30%**



*Average of estimated 2024  
Canadian corporate decline rates :*  
Large - 16%  
Intermediate - 29%  
Junior - 30%

### Hemisphere Energy:

**Polymer flood with wells  
generally getting better or  
staying flat over time**



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## Marsden, Saskatchewan – Polymer Flood Pilot Project



### *Looking for oil in an old field with a new idea*

#### Large delineated oil-in-place development resource

- › Where better to find oil than where it has already been found!
- › Historical vertical wellbores help define the oil reservoir
- › Reservoir simulation indicates horizontal wells combined with polymer flood could yield a significantly higher recovery factor from the pool

#### HME has purchased ~13 sections of land, drilled a 5-well pad, and built an oil battery with polymer injection skid

- › No legacy production, facilities, or wellbore liabilities

#### Pilot polymer flood project commenced

- › Estimated DCT well costs of \$1-1.5 million
- › 5 wells drilled in Q1 2024 (2 injectors and 3 producers)
- › Commenced polymer injection in late Q3 2024 – pressure and production response anticipated late 2025
- › Low cost-of-entry and significant development opportunity beyond initial pilot if successful

#### Reserve upside

- › Marsden asset currently represents just 5% of the 2P NPV10 BT valuation of the McDaniel Reserve Report

HME.V continues to trade at a deep discount to what I believe is “Fair Value” not including the significant upside potential if the Marsden polymer flood is successful. The current share price offers investors a nice dividend yield and significantly upside potential by year-end. The Fair Value Estimate below is lower than my previous profile only because I am now using lower oil prices for 2H 2025 and for the year 2026 in all of my forecast models.

Sales of heavy crude oil generate 99.9% of Hemisphere’s revenues.

### *My Fair Value Estimate for HME.V is \$2.95Cdn/share*

*This translates to approximately \$2.15US/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. The Company's current production is from 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. The Company started polymer injections in September 2024.**

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). The property has two oil pools delineated by vertical wells and defined by 3D seismic, which are now successful polymer floods.

## Canadian oil company: Management Team Aligned with Shareholders



TSX Venture (Canada)	HME
OTCQX (USA)	HMENF
<b>Share Price (TSX-V)</b> (August 14, 2025)	<b>\$1.94</b>
Basic Shares Outstanding	95.2 million
Fully Diluted Shares Outstanding	100.3 million
<b>Insider Ownership</b> (Basic / Fully Diluted)	<b>~17% / ~19%</b>
Market Capitalization (August 14, 2025)	\$184.6 million
Working Capital (June 30, 2025)	\$13.9 million
<b>Enterprise Value</b> (August 14, 2025)	<b>\$170.7 million</b>

- Q2 2025 Production Rate: **3,826 boe/d (99% Canadian Heavy Oil)**
- 56 Producing Wells (**average ~70 boe/d per well**)
- Producing polymer flood asset in the **Atlee Buffalo**, southeast Alberta
- Pilot polymer flood test in **Marsden**, Saskatchewan

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## Second Quarter 2025 Highlights (\$Cdn)

- Attained quarterly production of 3,826 boe/d (99% heavy oil).
- Generated \$24.4 million, or \$70.06/boe, in revenue.
- Achieved total operating and transportation costs of \$14.18/boe.
- Delivered an operating field netback of \$14.9 million, or \$42.77/boe.
- Realized quarterly adjusted funds flow from operations ("AFF") of \$10.3 million, or \$29.47/boe.
- Executed a \$2.2 million capital expenditure program, including preparatory spending for Hemisphere's upcoming drilling program.
- Generated free funds flow of \$8.1 million, or \$0.07/share.
- Distributed \$2.4 million, or \$0.025/share, in base dividends to shareholders during the quarter.
- Distributed \$2.9 million, or \$0.03/share, in special dividends to shareholders during the quarter.
- Purchased and cancelled 1.3 million shares for \$2.3 million under the Company's Normal Course Issuer Bid ("NCIB").
- Renewed the Company's \$35 million two-year extendible credit facility.
- Exited the first quarter with positive working capital of \$13.9 million.

## Per Share Growth & Shareholder Return



### **Focused**

› Long life, high value Canadian oil assets

**Years of sustainable cash-flow**



### **Strong**

› Debt free, building cash, minimal liabilities

**More cash leftover for shareholders**



### **Profitable**

› High margin oil barrel & low capital requirements

**Maximize free cash flow**



### **Unique**

› Enhanced Oil Recovery (EOR) – Polymer Flood

**Ultra-low decline rate**

**Base Quarterly Dividends**



**Share Buybacks**



**Special Dividends**

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## Second Quarter 2025 Financial and Operating Summary

(\$000s except per unit and share amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
<b>FINANCIAL</b>				
Petroleum and natural gas revenue	\$ 24,395	\$ 28,938	\$ 51,734	\$ 49,899
Operating field netback	14,890	17,851	32,071	30,809
Operating netback	13,990	17,687	30,986	30,812
Cash flow provided by operating activities	11,846	14,795	28,028	17,479
Adjusted funds flow from operations ("AFF")	10,261	13,578	22,965	23,664
Per share, basic (\$/share)	0.11	0.14	0.24	0.24
Per share, diluted (\$/share)	0.10	0.14	0.23	0.24
Free funds flow	8,070	10,599	19,568	15,037
Net income	7,053	10,387	15,995	17,165
Per share, basic (\$/share)	0.07	0.11	0.17	0.17
Per share, diluted (\$/share)	0.07	0.10	0.16	0.17
Dividends	5,301	2,467	7,729	4,938
Per share, basic (\$/share)	0.055	0.025	0.080	0.050
NCIB share repurchases	2,340	1,730	3,641	2,897
Capital expenditures	2,191	2,979	3,397	8,627
Working capital	13,894	11,582	13,894	11,582
<b>OPERATING</b>				
<b>Average daily production</b>				
Heavy oil (bbl/d)	3,810	3,609	3,812	3,360
Natural gas (Mcf/d)	101	111	106	123
Combined (boe/d)	3,826	3,628	3,830	3,380
Oil weighting	99%	99%	99%	99%
<b>Average sales prices</b>				
Heavy oil (\$/bbl)	\$ 70.33	\$ 88.07	\$ 74.93	\$ 81.54
Natural gas (\$/Mcf)	1.66	1.13	1.86	1.75
Combined (\$/boe)	\$ 70.06	\$ 87.65	\$ 74.64	\$ 81.11
<b>Operating netback (\$/boe)</b>				
Petroleum and natural gas revenue	\$ 70.06	\$ 87.65	\$ 74.64	\$ 81.11
Royalties	(13.11)	(18.95)	(13.86)	(16.58)
Operating costs	(11.40)	(9.63)	(11.54)	(10.33)
Transportation costs	(2.78)	(5.00)	(2.97)	(4.12)
Operating field netback	42.77	54.07	46.27	50.08
Realized commodity hedging gain (loss)	(2.59)	(0.49)	(1.57)	0.00
Operating netback	\$ 40.18	\$ 53.58	\$ 44.70	\$ 50.08
General and administrative expense	(3.75)	(3.50)	(3.74)	(3.53)
Interest expense and foreign exchange loss	(0.18)	(0.53)	(0.23)	(0.49)
Tax expense provision	(6.78)	(8.42)	(7.60)	(7.59)
Adjusted funds flow from operations (\$/boe)	\$ 29.47	\$ 41.13	\$ 33.13	\$ 38.47

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## Q2 2025 Financial Highlights



	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
<b>Average Production</b>	<b>3,826 boe/d (99% heavy oil)</b>	<b>3,830 boe/d (99% heavy oil)</b>
Revenue	\$24.4 million / \$70.06/boe	\$51.7 million / \$74.64/boe
EBITDA	\$12.7 million / \$36.39/boe	\$28.3 million / \$40.90/boe
<b>Adjusted Funds Flow (AFF)</b>	<b>\$10.3 million / \$29.47/boe</b>	<b>\$23.0 million / \$33.13/boe</b>
Capital Expenditures	\$2.2 million	\$3.4 million
<b>Free Funds Flow (FFF)</b>	<b>\$8.1 million</b>	<b>\$19.6 million</b>
Working Capital	\$13.9 million	\$13.9 million

## Balancing Growth with Return to Shareholders



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



## Third-Party Evaluated Estimate of Future Cash Flow



### 2024 Year End Reserves

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

### 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



*“Any upstream company that is virtually debt free, generates lots of free cash flow, pays a healthy dividend and is buying back stock should be trading for at least the PV10 Net Asset Value per share of it proved reserves (\$3.33Cdn). As of the date of this report HME.V was trading at a \$0.80 discount to the PV10 NAV of just its PDP reserves.” – Dan Steffens*



## Shareholder Return

- Hemisphere's Board of Directors has approved a quarterly base cash dividend of \$0.025 per common share in accordance with the Company's dividend policy. The dividend was paid on September 12, 2025 to shareholders of record as of the close of business on August 29, 2025. The dividend is designated as an eligible dividend for income tax purposes.

SHARE CAPITAL	August 13, 2025	June 30, 2025	December 31, 2024
Common shares outstanding	95,168,202	95,897,878	97,389,735
Stock options outstanding	5,113,600	5,188,600	6,021,600
Total fully diluted shares outstanding	100,281,802	101,086,478	103,411,335

## Returning Free Cash Flow to Shareholders



### Base Dividends

- › **Quarterly dividend of \$0.025/share** is fully funded by free cash flow
  - › Implied **annual yield of ~5.2%** at current market cap
  - › Paid out **\$32.4 million (\$0.325/share)** over 13 quarters since inception in June 2022
  - › **Next quarterly dividend of \$0.025/share** to be paid on September 12, 2025 to shareholders of record on August 29, 2025

### Special Dividends

- › Five special dividends of \$0.03/share paid to date (Nov23, Jul24, Oct24, Apr25, and Aug25)
  - › Paid out **\$14.7 million (\$0.15/share)** since inception

### Normal Course Issuer Bid (NCIB)

- › Strategic and opportunistic share buyback
- › Bought and **cancelled 2.8 million shares YTD in 2025** (\$5.0 million or \$1.81/share)
- › Bought and **cancelled 15.3 million shares since September 2019 inception** (\$18.5 million or \$1.21/share)

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

**Returned to Shareholders in 2024**  
**\$21 million | 11.9% annualized yield**

**Total Returned to Shareholders**  
**June 2022-August 2025 | \$65.5 million**

## Operations Update

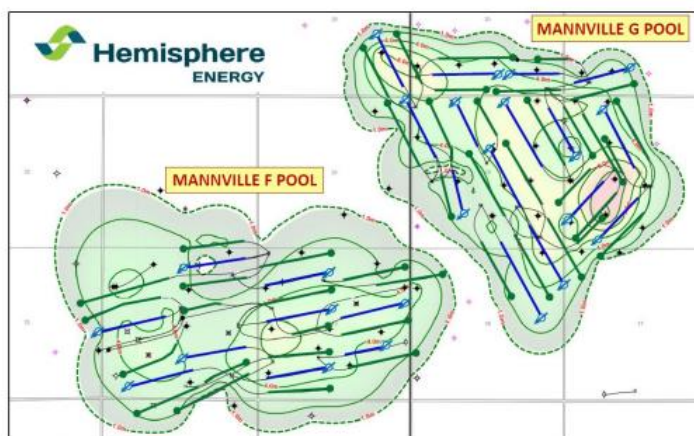
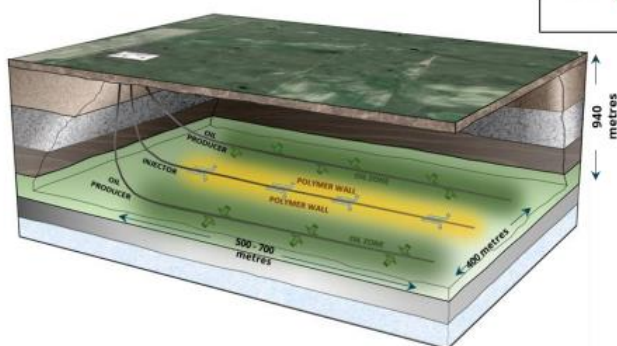
- With significant volatility in the economy and oil markets earlier this year, Hemisphere elected to defer the majority of its capital spending into the latter third of the year. With relatively flat base production, the Company has focused on balance sheet strength and shareholder returns through its share buyback program, base quarterly dividends, and the announcements of two special dividends year-to-date.
- The Company's drilling program is now scheduled to commence late in the third quarter. It will include several development wells in Atlee Buffalo in addition to at least one new well in Marsden, which will test a second oil-bearing zone on Hemisphere's lands adjacent to its oil treating facilities and active polymer pilot project. *< 2025 production forecast is flat until Q4 2025. Then ramp up to ~4,200 Boepd 2025 exit rate.*
- Management will continue to closely monitor oil market volatility and adjust capital spending accordingly. With almost \$14 million in working capital, an undrawn credit line, and stable cash flow from its production base, Hemisphere is in a unique position to act on potential acquisition opportunities and continued shareholder returns in addition to executing its drilling program.

## Atlee Buffalo, Alberta - EOR - Polymer Floods



### Conventional Oil + EOR = Cash Flow Engine

- > 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
- > **'Cash-flow harvest' mode**
  - > Proved reserves in Atlee F/G pools of over **10 million barrels** for just \$16 million of remaining booked capital spending



## Hedging Considerations

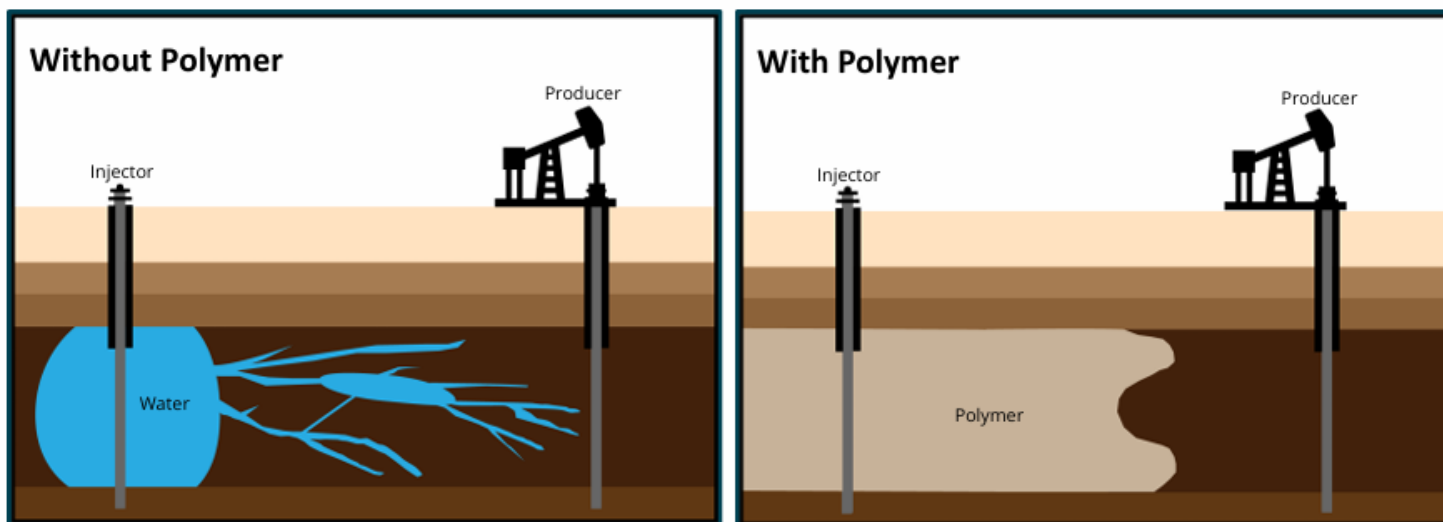
- Continually monitor WTI Oil and WCS Differential hedge pricing
- Layer in protection for up to 12 months
- Look for near-term wellhead price protection and longer-term floor protection

As of the date of this report, Hemisphere's collars are not expected to impact their realized oil price in 2025.

Product	Type	Volume	Price	Index	Term
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	C\$19.45	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
Crude oil	Collar	200 bbl/d	US\$50.00(put buy) / US\$68.00(call sell)/bbl	WTI-NYMEX	Jan. 1, 2026 – Mar. 31, 2026

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

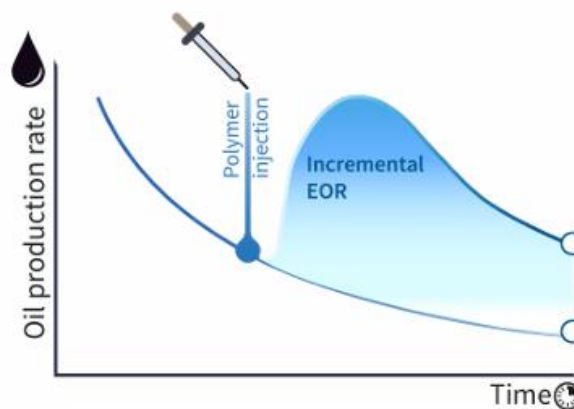
- › Polymer is added to injection water to **increase its viscosity** (similar to olive oil) and reduce its ability to easily 'streak' through the reservoir and break through to producers
- › Polymer-water is pumped into injector wells to **re-energize (build pressure)** the reservoir and push more oil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



How does polymer Respond?  
**Polymer Flooding EOR = More Oil → Faster**



***Polymer flooding works with the right rock, oil quality, and play type***



## Typical Reservoir Response

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

TSX-V: HME  
OTCQX: HMFNF

## Atlee Buffalo Tank Battery



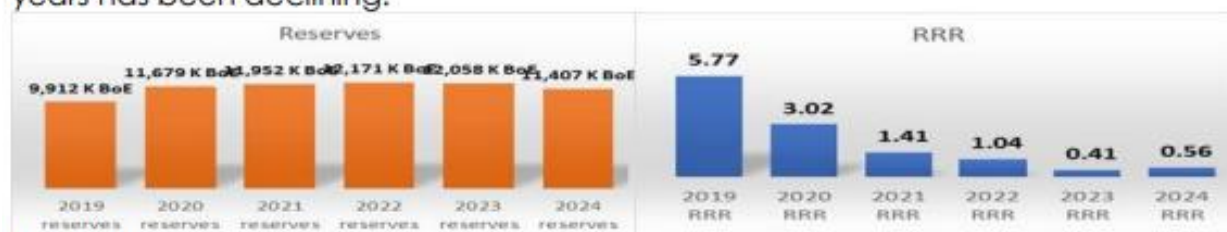
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## Harry van Neck's analysis

### Proven reserves

Hemisphere proven reserves are industry average. The RRR was high, but in recent years has been declining.



### Production

Production will peak in 2026 at 4.1 K BoE/d and then start a steady, slow decline. Marsden potentially can double production.



### Balance sheet

The balance sheet is extremely sound. The equity ratio is excellent. Long-term debt is non-existent and a debt/EBITDA ratio has no meaning.

### Profitability

Hemisphere is very profitable and has a low PE. Profits will slowly decline due to the declining production. Marsden can dramatically increase profits.



### Shareholder returns

Shareholder returns are high.

Hemisphere's production is now expected to be 4,200 Boepd at the end of 2025.

Canadian Dollars														
Hemisphere Energy (HME.V and HMENF)														
Net Income and Cash Flow 2022 - 2026 (last updated 9/19/2025)														
	Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Actual Qtr1 2025	Actual Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast Year 2026	
<b>REVENUES:</b>														
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	\$27,339,000	\$24,395,000	\$24,157,743	\$24,782,721	\$100,674,464	\$112,468,500	< Forecasts include cash settlements on hedges
Less: Royalties	(24,475,000)	(16,770,000)	(3,943,000)	(6,257,000)	(5,841,000)	(4,184,000)	(20,225,000)	(5,045,000)	(4,564,000)	(4,348,394)	(4,460,890)	(18,418,283)	(20,806,673)	< Variable rate of 18% in 2H 2025. 18.5% in 2026
Total Revenues	72,224,000	67,702,000	17,018,000	22,681,000	20,834,000	19,177,000	79,710,000	22,294,000	19,831,000	19,809,349	20,321,831	82,256,180	91,661,828	Alberta's Royalty Rate increases with oil price
<b>EXPENSES:</b>														
Operating expenses + Transportation	13,954,000	15,858,000	4,060,000	4,830,000	5,251,000	5,462,000	19,603,000	5,115,000	4,940,000	5,006,709	5,405,690	20,467,399	23,405,625	< \$14.25/boe
Exploration and evaluation	140,000	124,000	37,000	55,000	37,000	36,000	165,000	36,000	36,000	50,000	40,000	162,000	180,000	
DD&A	7,884,000	9,017,000	2,273,000	2,622,000	2,773,000	2,578,000	10,246,000	2,888,000	2,972,000	3,004,025	3,243,414	12,107,439	14,043,375	< \$8.55/boe
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	1,289,000	1,305,000	1,325,000	1,400,000	5,319,000	5,600,000	
Stock based compensation	2,618,000	846,000	6,000	6,000	6,000	7,000	25,000	8,000	550,000	10,000	10,000	578,000	60,000	
TOTAL EXPENSES	29,509,000	35,284,000	7,394,000	8,667,000	9,349,000	9,547,000	34,957,000	9,336,000	9,803,000	9,395,734	10,099,104	38,633,838	43,289,000	
<b>OPERATING EARNING</b>	42,715,000	32,418,000	9,624,000	14,014,000	11,485,000	9,630,000	44,753,000	12,958,000	10,028,000	10,413,615	10,222,727	43,622,342	48,372,828	
<b>OTHER INCOME (EXPENSES)</b>														
Finance expense (Loan and lease interest)	(929,000)	(611,000)	(121,000)	(153,000)	(68,000)	(98,000)	(440,000)	(66,000)	(50,000)	(50,000)	(50,000)	(216,000)	(260,000)	< Primarily bank fees for on-going credit facility
Accretion & Amortization (non-cash expenses)	(154,000)	(196,000)	(49,000)	(50,000)	(50,000)	(49,000)	(198,000)	(49,000)	(50,000)	(50,000)	(50,000)	(199,000)	(200,000)	and Lease Interest net of interest income
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)	(29,000)	(15,000)	0	0	(44,000)	0	
Foreign exchange gain (loss) - unrealized	0	0	0	0	0	0	0	41,000	2,000	0	0	43,000	0	
Realized gains (loss) on financial instruments	(6,275,000)	274,000	167,000	(164,000)	(178,000)	(87,000)	(262,000)	(185,000)	(900,000)	0	0	(1,085,000)	0	< Cash settlements on hedges
Unrealized gain (loss) on financial instruments	932,000	625,000	(622,000)	146,000	209,000	(73,000)	(340,000)	(813,000)	515,000	0	0	(298,000)	0	< Non-Cash MTM adjustment on hedges
Gain on disposition	0	0	0	0	0	75,000	75,000	0	0	0	0	0	0	
<b>INCOME BEFORE INCOME TAXES</b>	29,660,000	32,466,000	8,988,000	13,770,000	11,397,000	9,371,000	43,526,000	11,857,000	9,530,000	10,313,615	10,122,727	41,823,342	47,912,828	
<b>INCOME TAXES</b>														Income tax split based on HME guidance
Current	212,000	7,429,000	0	0	0	27,000	27,000	2,907,000	2,360,000	2,268,995	2,227,000	9,762,995	10,540,822	< 22%
Deferred	8,131,000	842,000	2,210,000	3,383,000	2,801,000	2,002,000	10,396,000	8,000	117,000	309,408	303,682	738,090	1,437,385	< 03%
<b>NET INCOME</b>	\$21,317,000	\$24,195,000	\$6,778,000	\$10,387,000	\$8,596,000	\$7,342,000	\$33,103,000	\$8,942,000	\$7,053,000	\$7,735,211	\$7,592,045	\$31,322,256	\$35,934,621	< At 12/31/2024 HME had \$23 million of "Tax Pools"
Common Stock	101,978,939	99,340,339	97,389,735	97,389,735	97,389,735	97,389,735	97,389,735	96,983,982	95,897,878	95,000,000	94,000,000	95,470,465	92,000,000	< 2025 is common stk o/s at end of each Qtr
Earnings per share	\$0.21	\$0.24	\$0.07	\$0.11	\$0.09	\$0.08	\$0.34	\$0.09	\$0.07	\$0.08	\$0.08	\$0.33	\$0.39	A stock repurchase plan is on-going
	\$46,002,000	\$38,975,000	\$11,965,000	\$16,338,000	\$14,048,000	\$11,675,000	\$54,026,000	\$12,679,000	\$10,249,000	\$10,958,645	\$10,839,141	\$44,725,786	\$49,355,380	< First Call EPS forecasts
Cashflow per share (before CapEx)	\$0.451	\$0.392	\$0.123	\$0.168	\$0.144	\$0.120	\$0.555	\$0.131	\$0.107	\$0.115	\$0.115	\$0.468	\$0.536	< Capex Budgets: \$22 million in 2024 & \$17 million in 2025 (5/21)
														< Fair Value of 6 X 2025 to 2026 CFPS = \$2.95 Cdn
<b>PRODUCTION</b>														HMENF = \$2.15 US (73%)
Natural Gas (mcfpd)	158	147	135	111	121	110	119	111	101	114	140	117	300	First Call's price target
Oil (bbls/d)	2,801	3,099	3,110	3,609	3,601	3,341	3,443	3,814	3,809	3,800	4,100	3,881	4,450	\$ 2.78 Cdn < \$2.02US
NGLs (bbls/d)	0	0	0	0	0	0	0	0	0	0	0	0	0	Most of the gas is burned for power in the field
	2,827	3,124	3,133	3,628	3,621	3,359	3,463	3,833	3,826	3,819	4,123	3,900	4,500	< 2025 and 2026 don't include production at Marsden
PRODUCT PRICES in \$Cdn	55.3%	10.5%	Canadian Dollars					Canadian Dollars					12.6%	15.4%
Natural Gas (\$/mcf)	5.04	2.53	\$ 2.26	\$ 1.13	\$ 0.65	\$ 1.42	\$ 1.37	\$ 2.05	\$ 1.66	\$ 2.00	\$ 2.50	\$ 2.05	\$ 3.00	< Per Don S. 2025 exit rate should be over 4,200 BOPD
Oil (\$/bbl)	88.15	74.80	\$ 74.56	\$ 87.58	\$ 79.96	\$ 75.67	79.44	\$ 79.50	\$ 67.74	\$ 69.04	\$ 65.62	70.47	\$ 69.04	< Year over year production growth
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	< Oil prices are net of cash settlements on hedges shown below
														and differentials of \$20Cdn/bbl. Oil prices here are in \$Cdn/bbl
Gross Revenue check (prod * ave price)	90,412	84,746	21,128	28,774	26,497	23,274	99,673	27,310	23,495	24,158	24,783	99,745	112,469	< Revenues in \$Cdn
								27,310	23,495	23,590	22,510	94,110	89,700	< First Call Revenue forecasts