



Resource Recovery Return

July 2024

Corporate Presentation

VENTURE
50
2024

The Hemisphere Strategy:

Focus on shareholder value and return



Simple

- › Long-life reserve base from conventional assets
- › **Years of sustainable cash-flow**



Strong

- › Debt-free with minimal abandonment liabilities
- › **More cash leftover for shareholder returns**



Profitable

- › High-value barrel with low capital cost asset base
- › **High free cash flow yield**



Unique

- › Enhanced Oil Recovery (Polymer Flood)
- › **Ultra-low production decline rate**

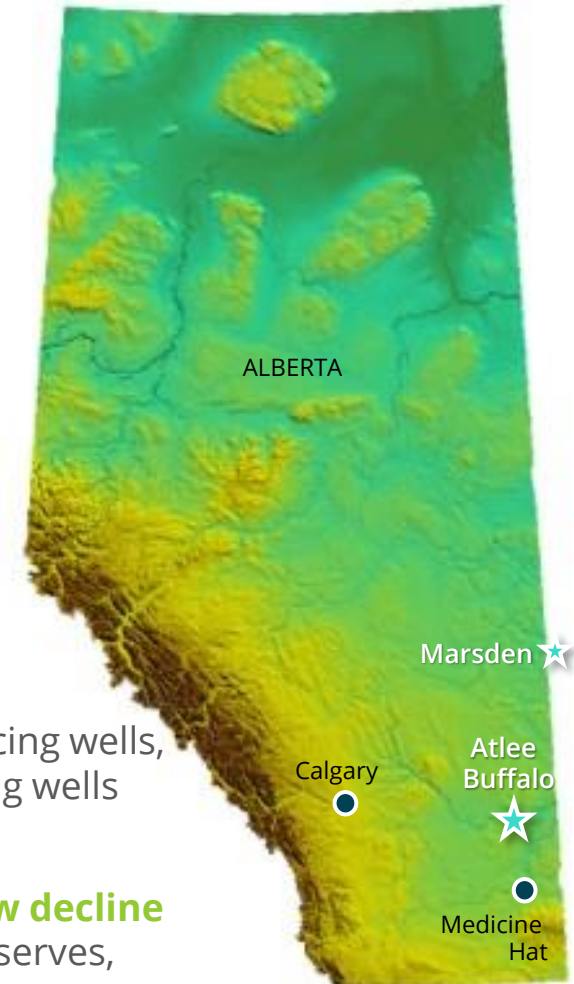
Production growth with base quarterly dividend plus share buybacks and special dividends

Canadian Oil Company: Focused on High Value Oil Assets



TSX Venture (Canada)	HME
OTCQX (USA)	HMENF
Share Price (TSX-V) (July 15, 2024)	\$1.78
Basic Shares Outstanding	98.4 million
Fully Diluted Shares Outstanding	104.7 million
Insider Ownership (Basic / Fully Diluted)	~16% / ~20%
Market Capitalization ⁽¹⁾ (July 15, 2024)	\$175 million
Working Capital ⁽²⁾ (March 31, 2024)	\$4 million
Enterprise Value (July 15, 2024)	\$171 million

- › Current production rate of **~3,500 boe/d⁽³⁾** comes from 45 total producing wells, giving an average of over **75 boe/d per well**, with 37 of these producing wells under **EOR polymer flood** in Atlee Buffalo
- › Hemisphere's operations have excellent free cash flow due to **ultra-low decline rates**, low operating expenses, low capital-intensive assets, long life reserves, and minimal decommissioning liabilities / inactive assets



(1) Market capitalization reports the non-diluted issued and outstanding common shares as of July 15, 2024 multiplied by the closing price of the common shares on that date.

(2) Non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. See Advisory statements "Non-IFRS and Other Financial Measures" and "Financial Information".

(3) Based on current field estimates of corporate production between Apr 1 - May 25, 2024, as disclosed in Hemisphere's news release dated May 29, 2024.

The Bottom Line: Q1 2024 Financial Highlights



Quarter Ended March 31, 2024

Average Production	3,133 boe/d (99% heavy oil)
Revenue	\$21.0 million / \$73.53/boe
Operating Netback ⁽¹⁾	\$13.1 million / \$46.04/boe
Adjusted Funds Flow (AFF)⁽¹⁾	\$10.1 million / \$35.38/boe
Capital Expenditures ⁽¹⁾	\$5.6 million
Free Funds Flow (FFF)⁽¹⁾	\$4.4 million
Working Capital ⁽¹⁾	\$4.2 million



The Timeline: Hemisphere's Track Record and CAGR ⁽¹⁾

2013/14

- > Purchased oil asset in Atlee Buffalo, Alberta

2017

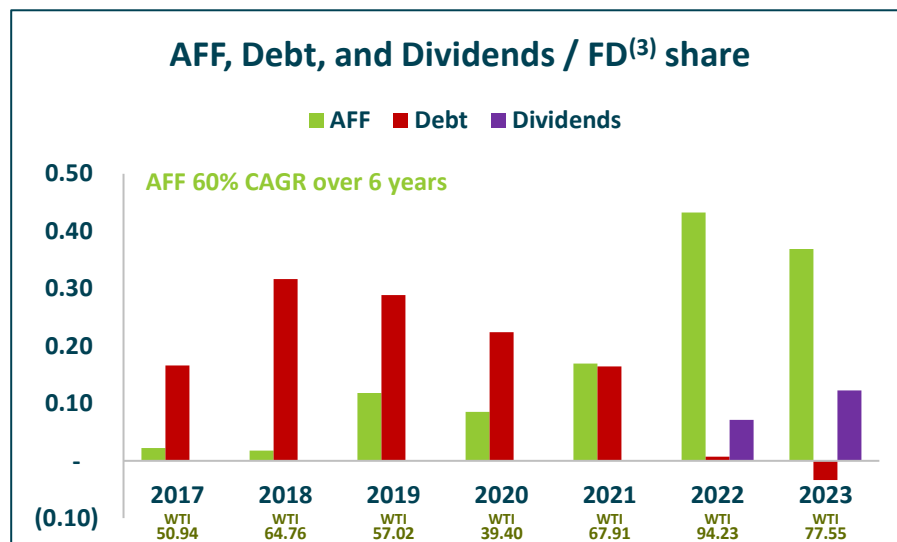
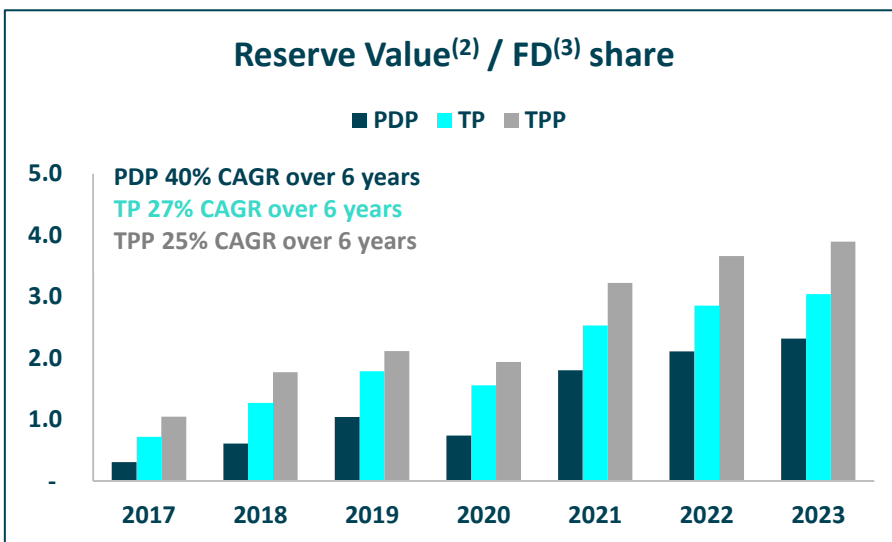
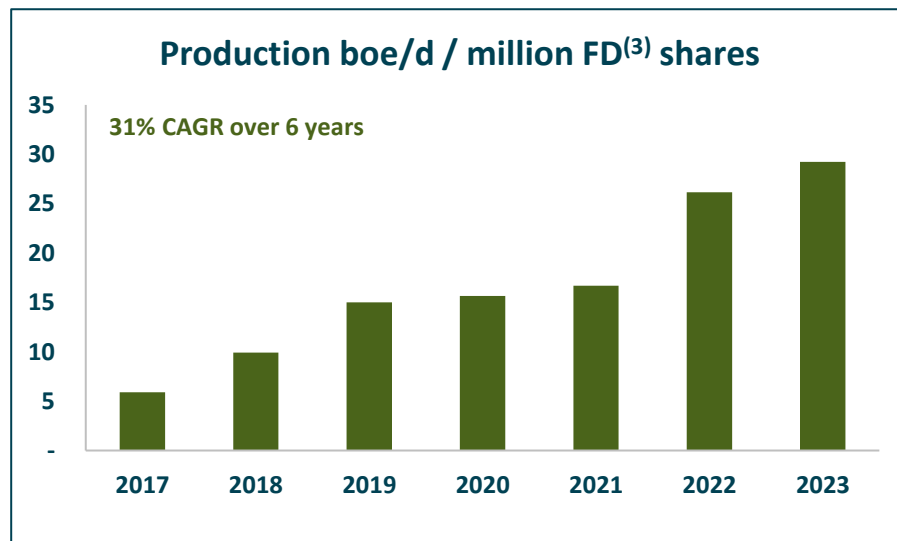
- > Secured US\$35MM loan to develop reserves

2022

- > Paid down loan and initiated quarterly dividend

2023

- > Purchased oil asset in Marsden, Saskatchewan



(1) CAGR is the compound annual growth rate representing the measure of annual growth over multiple time periods.

(2) Reserve values are as attributed by McDaniel & Associates Consultants Ltd, discounted at 10% and before tax (NPV10 BT), in the independent reserve reports prepared for Hemisphere for each respective year.

(3) Fully Diluted Shares of as at December 31 of each year-end.

Balancing Growth with Return to Shareholders



Price Sensitivity	\$US / bbl	\$65 WTI	\$75 WTI	\$85 WTI
Average Annual Production	boe/d	3,400	3,400	3,400
Adjusted Funds Flow (AFF)	\$ million	31	40	49
AFF per Basic Share	\$/share	0.32	0.41	0.49
Capital Expenditures & ARO ⁽⁶⁾	\$ million	21	21	21
Free funds flow (FFF)	\$ million	10	19	28
FFF per Basic Share	\$/share	0.10	0.19	0.28
Base Dividends per Basic Share	\$/share	0.10	0.10	0.10

2024 Budget - \$20.8 million

- › 13 development wells
- › Facilities and equipment
- › Exploration and land acquisition

Key Assumptions⁽⁷⁾

- › WCS Differential: US\$15.50/bbl
- › USD/CAD Exchange: 1.35
- › Quality adjustment: C\$7.50/bbl
- › Opex: C\$14.85/boe



(1) AFF, AFF per basic share, capital expenditures, FFF, and FFF per basic share set forth on this slide are each forward looking non-IFRS financial measures that are not standardized financial measures under International Financial Reporting Standards and may not be comparable to similar financial measures disclosed by other issuers. See Advisory Statements "Non-IFRS and Other Financial Measures".
 (2) See Advisory Statements "Forward Looking Information and Statements" and "Forward Looking Financial Information".
 (3) See Advisory Statements "2024 Corporate Guidance Assumptions".
 (4) Using a 2024 weighted-average of 99.2 million basic shares issued and outstanding.
 (5) The amounts above do not include potential future purchases through the Company's Normal Course Issuer Bid (NCIB).
 (6) Includes \$0.5 million in Asset Retirement Obligations (ARO).
 (7) See also "Advisory Statements – 2024 Corporate Guidance Assumptions".

The Underlying Value is in our Ultra-Low Decline Reserves: Third-Party Audited Estimate of Future Cash Flow



2023 Year End Reserves⁽¹⁾

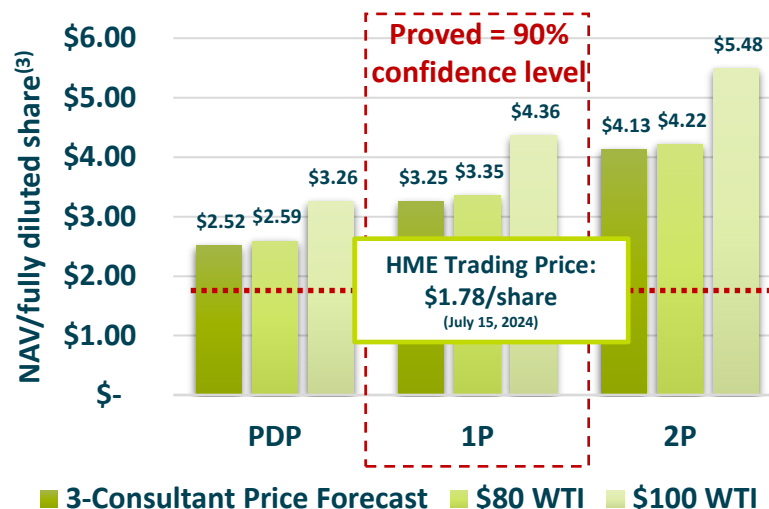
Proved Developed Producing (PDP) Reserves / NPV10 BT	8.2 MMboe / \$248 million
Proved (1P) Reserves / NPV10 BT	12.1 MMboe / \$325 million
Proved + Probable (2P) Reserves / NPV10 BT	16.3 MMboe / \$416 million

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 (field netback)

Superior Metrics⁽²⁾

- › Proved Finding, Development & Acquisition costs of \$14.82/boe based on 2-year average
- › Proved Reserve Life Index of 10.6 years

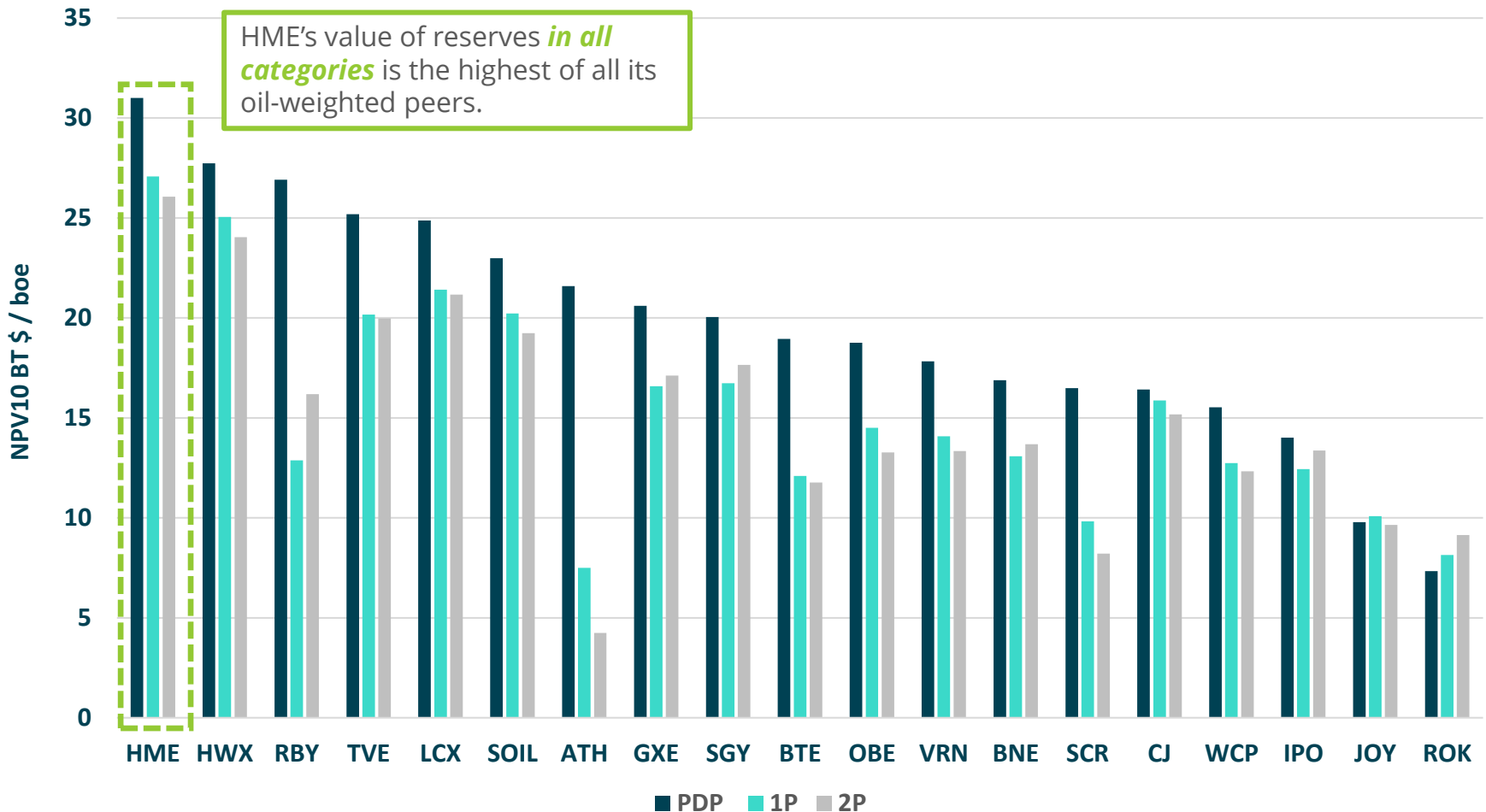


(1) Reserve volumes and net present values are as attributed by McDaniel & Associates Consultants Ltd, discounted at 10% and before tax (NPV10 BT), in the independent reserve report prepared for Hemisphere in accordance with NI 51-101 effective as of December 31, 2023 and run at the January 1, 2024 3-Consultant Average Price (the "McDaniel Reserve Report"), and including all corporate abandonment, decommissioning, and reclamation estimates. The 3-Consultant Average Price Forecast is bbl. an average of the published price forecasts for McDaniel, GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. at January 1, 2024. It uses a 5-year 2024-2028 WTI price of US\$76.33/bbl and WCS Cdn\$81.11/bbl (+2%/yr thereafter).

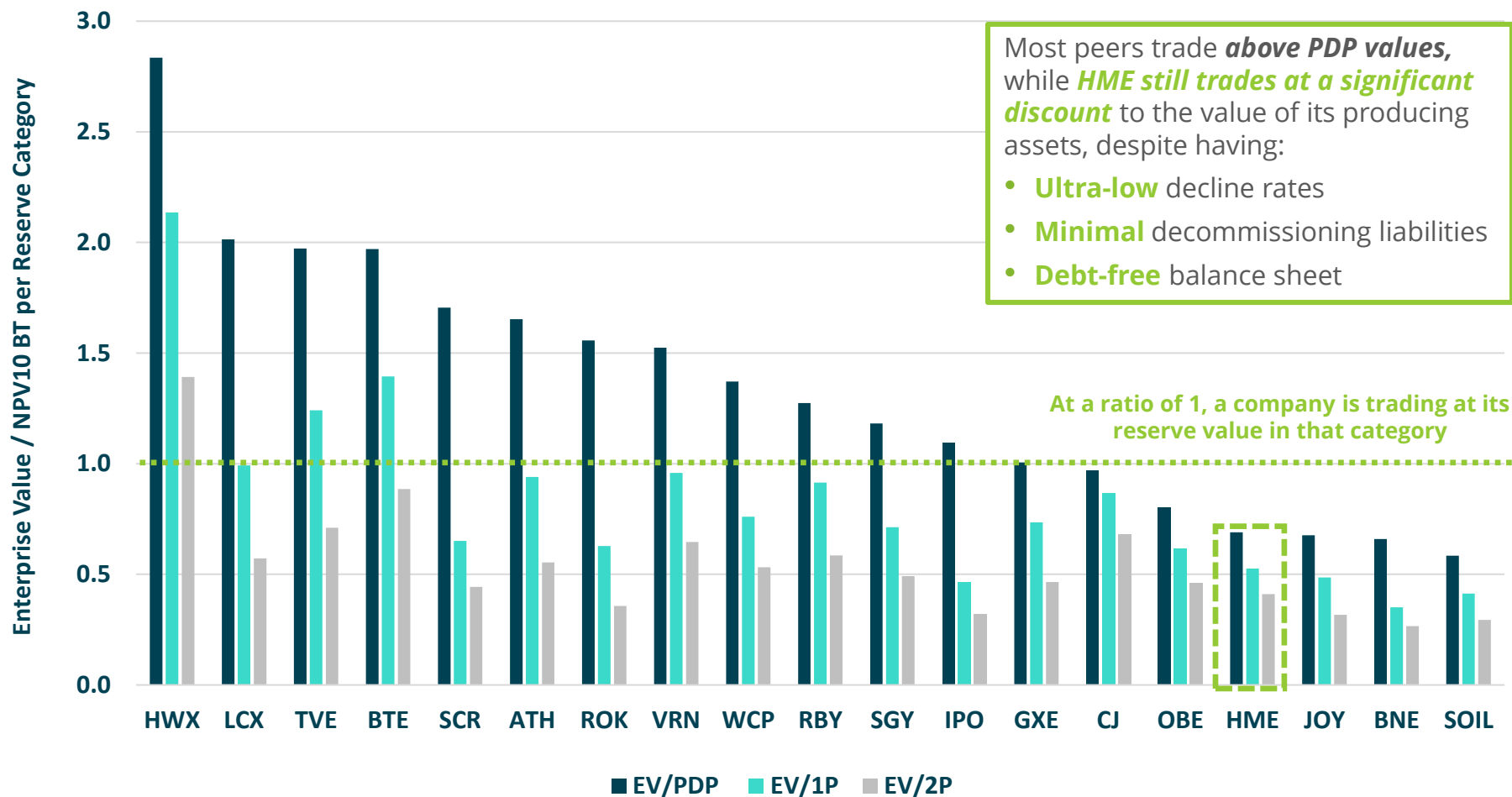
(2) As disclosed in Hemisphere's news release dated March 12, 2024. FD&A costs, recycle ratio, and reserve life index do not have any standardized meanings under IFRS and therefore are considered non-IFRS ratios and may not be comparable to similar measures presented by other entities. For additional information related to these measures see "Non-IFRS and Other Financial Measures".

(3) Calculated using the respective net present values of PDP, 1P, and 2P reserves, before tax and discounted at 10%, plus internal valuations of \$2.4 million for undeveloped land at \$76/acre for 31,295 acres and \$0.55 million for seismic, plus \$8.5 million for proceeds from stock options, plus Q1 2024 working capital of \$4.2 million, and divided by 104.7 million fully-diluted outstanding shares at March 31, 2024. Net present values are shown at various price forecasts including the 3-Consultant Average Price Forecast used in the McDaniel Reserve Report, as well as sensitivities run internally at McDaniel's flat WTI price forecasts of US\$80 and US\$100 WTI paired with US\$19.32 and US\$23.45 WCS differentials, respectively, and 1.37 USD/CAD FX. Working Capital is a non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. See Advisory statements "Non-IFRS and Other Financial Measures".

Top-Tier Oil Resource: Best per Barrel Value of Reserves ⁽¹⁾



Exceptional Opportunity in the Market: Enterprise Value vs Reserve Value ⁽¹⁾



(1) Internally generated using market price as at July 15, 2024, with shares outstanding and Q1'24 net debt as at March 31, 2024 in each case as publicly disclosed by each company, divided by the 2023 third party reserve evaluation of each company's NPV10 BT (Net Present Value of Future Net Revenues discounted at 10%, before tax), as set forth in each company's public record. Net debt is a non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable among the peer group, or to similar measures presented by other entities. See Advisory statements "Non-IFRS and Other Financial Measures". Peer group includes Canadian public oil-weighted companies - ATH, BNE, BTE, CJ, GXE, HWX, IPO, JOY, LCX, OBE, RBY, ROK, SCR, SGY, SOIL, TVE, VRN, WCP.

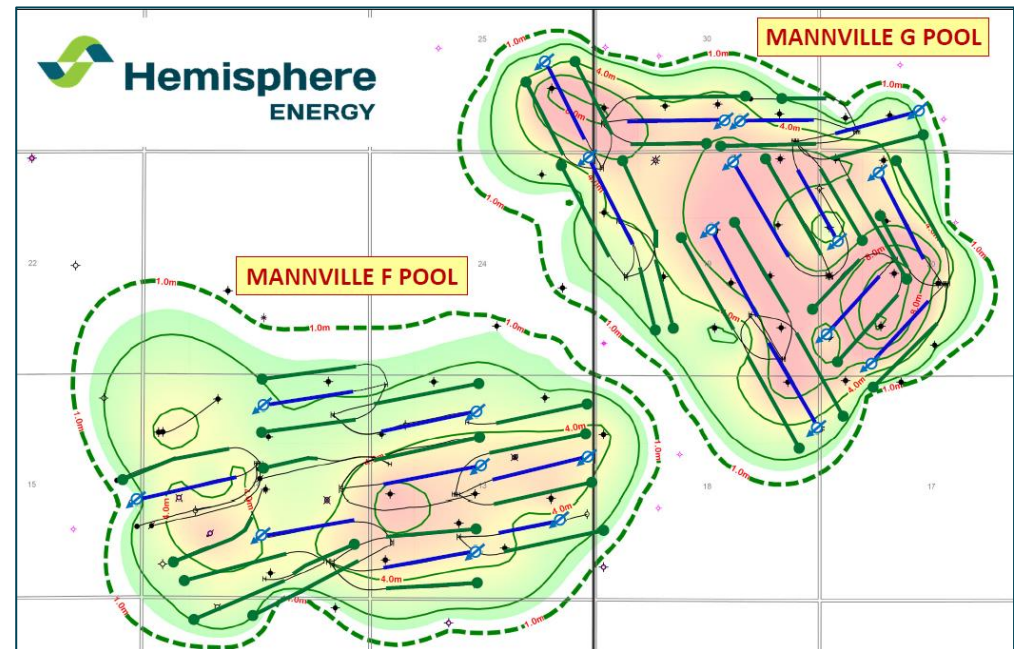


Heart of the Company: Atlee Buffalo, Alberta - EOR Polymer Flood Oil Pools



It doesn't get much more straightforward than this ...

- › Exceptionally high-quality reservoirs (Upper Mannville F & G pools)
- › Both pools are under polymer flood (implemented in 2021/22), providing maximum resource recovery at minimal decline rates
- › Pure 100% owned and operated play
- › **'Cash-flow harvest' mode**
 - › 97% of corporate production is from the Atlee F & G pools
 - › **~3,400 boe/d** with production inclining under polymer flood
 - › Proved remaining reserves = 11 million barrels for just \$24 million remaining capital spending
- › Injectors are just as important as producers
- › Wells get better over time as polymer flood response occurs



How Does Polymer Work?

Polymer Flooding Reduces Oil Declines

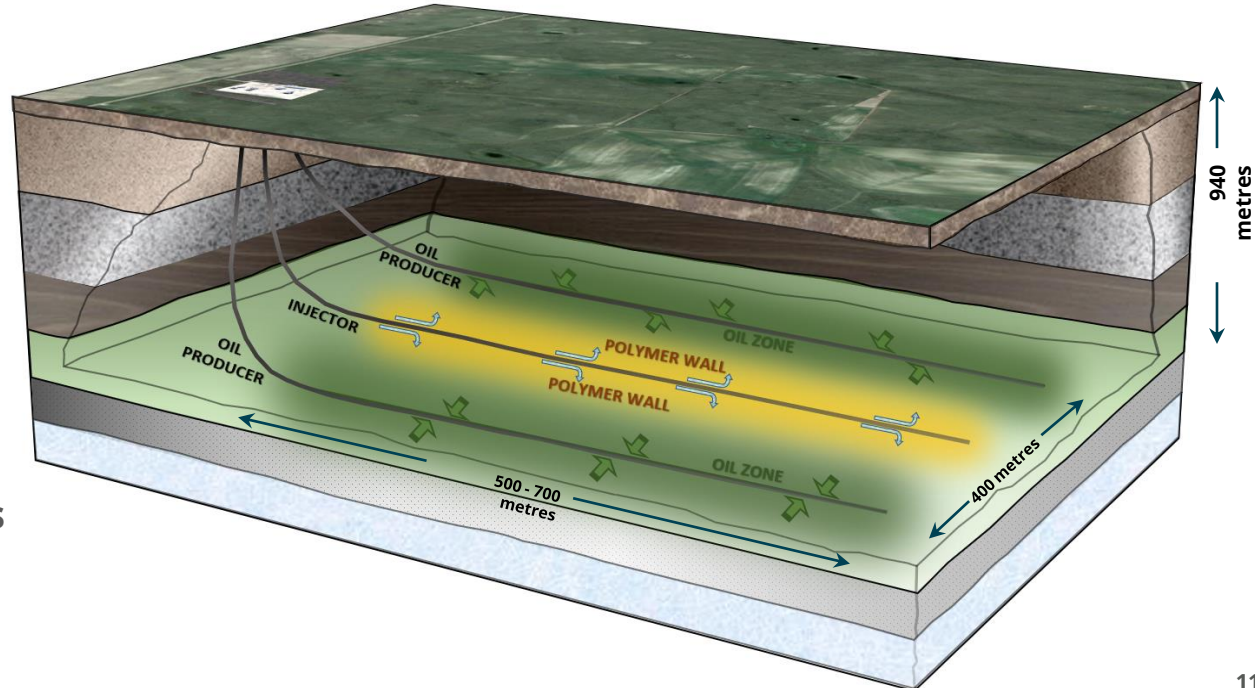


Polymer flooding has been around since the 1950's and is successfully used by companies all around the world

- › **Proven** method of enhanced oil recovery (EOR)
- › Comparable to waterflood, but 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
- › 'Wall' is built between polymer-water and oil to **re-energize** the reservoir and push more oil towards producing wells

Typical Reservoir Response

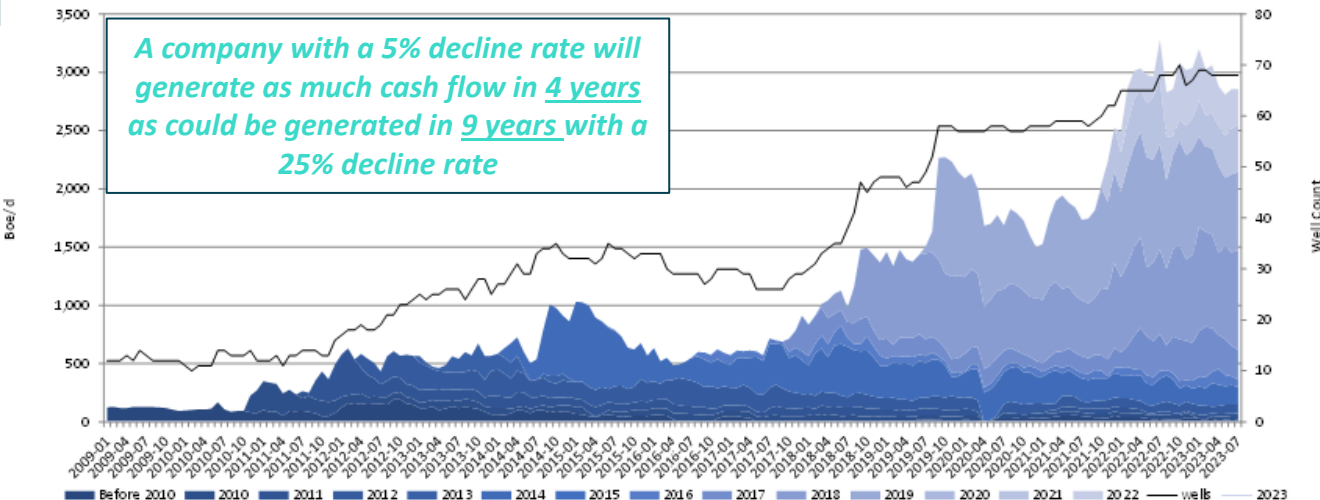
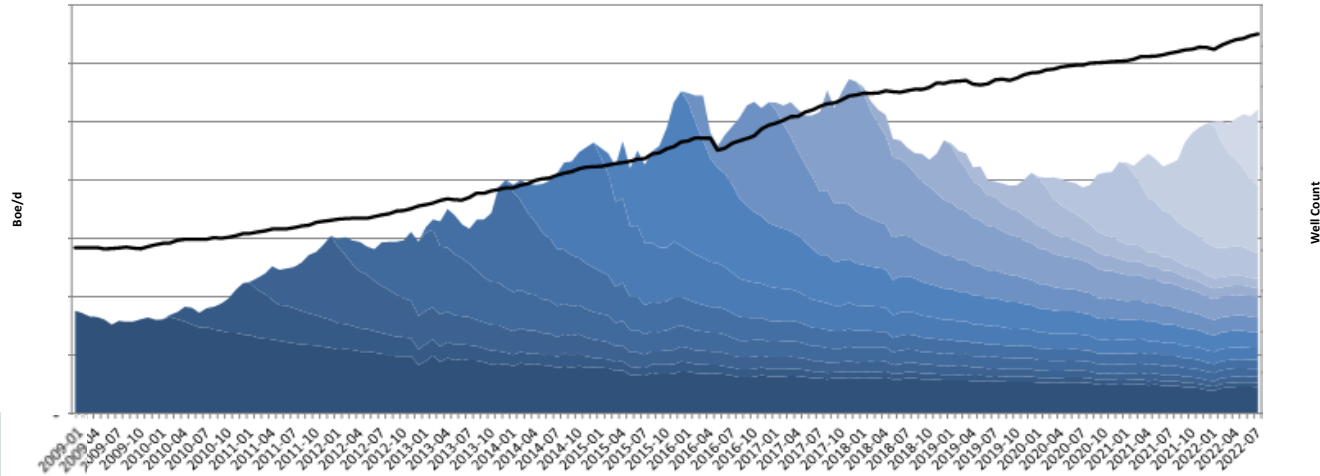
- › Increase in oil production
- › Decrease in decline rate
- › Increase in overall oil recovery
- › Decrease in water production handling costs



Now That You Know a Little Something About Decline Rates: Compare HME Declines to Industry Averages (1)



Typical Oil & Gas Co:
'Treadmill' style drilling
with severe 20-30% decline

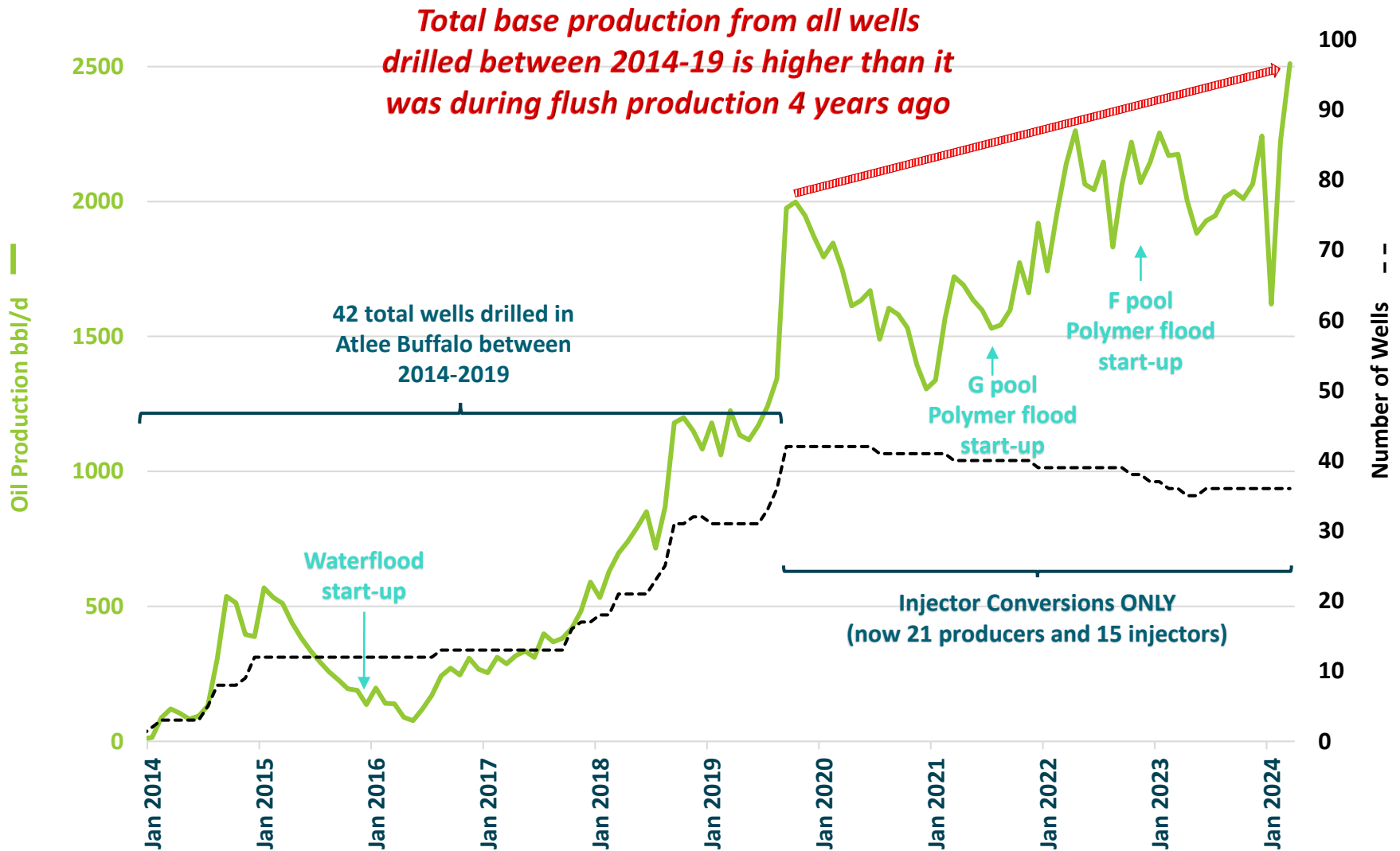


Average of estimated 2024 Canadian corporate decline rates(2):
Large – 16%
Intermediate – 29%
Junior – 30%

HME:
Polymer Flood with wells
generally getting better or
staying flat over time.
Flatter decline = More money

(1) Internally generated plots using publicly available data from Accumap.
(2) Source: Peters & Co. Limited Sep'23 Overview table (see Appendix) with each of their coverage company's estimated 2024 corporate decline rates. Note integrated companies and Canadian large producers assume an oilsands production decline of 15%.

Atlee Buffalo Base Decline Rate: How Have HME's Polymer Floods Helped Arrest 'Decline'?



We Now Have A New Area: Marsden, Saskatchewan



Recall that not all 'inventory' is equal

- › HME has been searching for a play with polymer flood potential and low recovery factor analogous to Atlee Buffalo for years

HME has spent ~\$7 million to date on land position and 5-well pad

- › No legacy production, facilities, or wellbore liabilities

Well delineated large 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

Pilot polymer project planned for 2024

- › Similar to Atlee Buffalo, wells are estimated to cost ~\$1 million
- › Drilled 5 wells (3 producers and 2 injectors) in Q1
- › Recently started primary production to gather test data for EOR project planning
- › Expecting to commission polymer facility and oil battery for injection and production in Q3
- › Low cost-of-entry and development within HME's current funds flow outlook

Reserve upside⁽¹⁾

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



Share Buybacks & Dividends: Returning to Shareholders



Quarterly Variable Dividend

- › Fully funded by free cash flow with implied **annual yield of ~6%** at current market cap
- › Paid out **\$22.7 million in quarterly base dividends (\$0.225/share)** over 9 quarters since inception in June 2022
- › Last dividend of \$0.025/share was paid on June 28, 2024

Special Dividend

- › Inaugural special dividend of \$0.03/share was paid in November 2023
- › **Next special dividend of \$0.03/share** to be paid on July 26, 2024 to shareholders of record on July 12, 2024

Normal Course Issuer Bid (NCIB)

- › Strategic and opportunistic share buyback
- › **Cancelled 2.2 million shares YTD in 2024** (\$3.4 million or \$1.53/share)
- › **Cancelled 11.4 million shares since September 2019 inception** (\$11.4 million or \$1.01/share)

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

Why Invest in Hemisphere: A Truly Niche Story in the Oil Space



Dividend paying company with active NCIB

- › HME returns a portion of its free funds flow back to shareholders through **dividends** and **share buybacks**
- › Additional free funds flow is targeted towards growth (acquisitions or accelerated capital spending) and increasing shareholder returns through potential **special dividends** during periods of higher commodity prices

High free funds flow yield

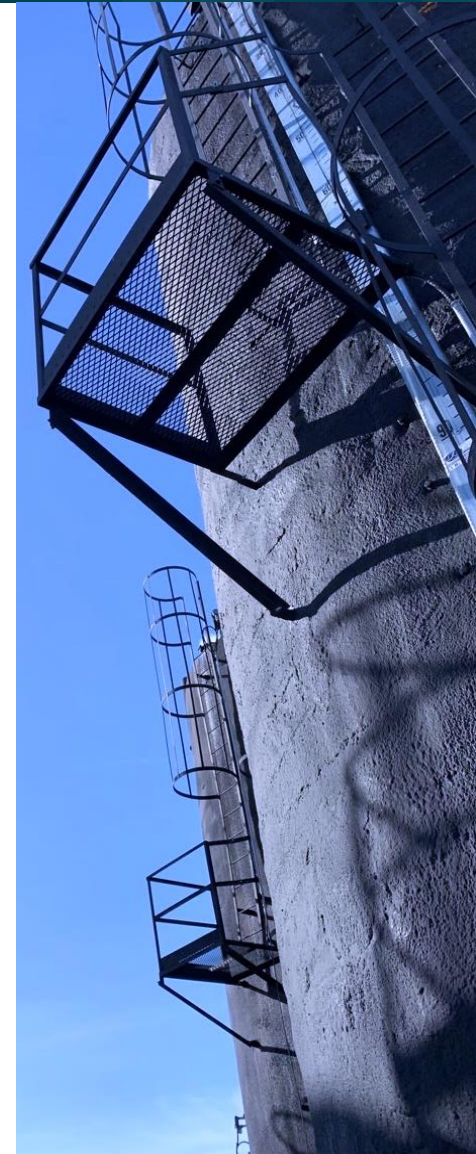
- › HME has one of the best free funds flow yields in the industry due to:
 - **Ultra-low production declines**
 - Low operating and capital costs
 - Long life, high netback reserves

Low decommissioning costs and zero debt

- › HME has **more cash flow** to return to shareholders than companies with higher liability obligations

Exciting potential in HME's new Saskatchewan play

- › HME hopes to repeat the success it has had creating a **'cash cow'** at Atlee Buffalo, starting with a pilot polymer flood in 2024



The Hemisphere Story: **Think 'small, but MIGHTY'**



RESOURCE

Think Ultra-low Declines



RECOVERY

Think Long Life Reserves



RETURN

Think Dividend and Buyback

Independent Analyst Coverage

Amir Arif, ATB Capital Markets

Mark Reichman, Noble Capital Markets

Appendix: Leadership



MANAGEMENT

Don Simmons, P.Geol.

President & Chief Executive Officer

Over 24 years of experience technical, operational and management experience (Alberta Energy Company, Encana (Ovintiv), Sebring)

Ian Duncan, P.Eng.

Chief Operating Officer

Over 20 years of experience in drilling, completions, facilities, and operations (Talisman and Solaris MCI)

Dorlyn Evancic, CPA, CGA

Chief Financial Officer

Over 30 years of experience in corporate finance and management (Guyana Frontier, Northern Continental and Gemco Minerals)

Ashley Ramsden-Wood, P.Eng.

Chief Development Officer

Over 20 years of experience in reservoir engineering, capital planning, and reserves evaluation (NAL, Petro-Canada)

Andrew Arthur, P.Geol.

Vice President, Exploration

Over 30 years of experience with several hundred wells drilled across the Western Canadian Sedimentary Basin (Enerplus, Mission, Talisman)

BOARD OF DIRECTORS

Charlie O'Sullivan, B.Sc. Chairman

Don Simmons, P.Geol.

Frank Borowicz, QC, JP, CPA (Hon)

Bruce McIntyre, P.Geol.

Gregg Vernon, P.Eng.

Richard Wyman, B.Sc., MBA



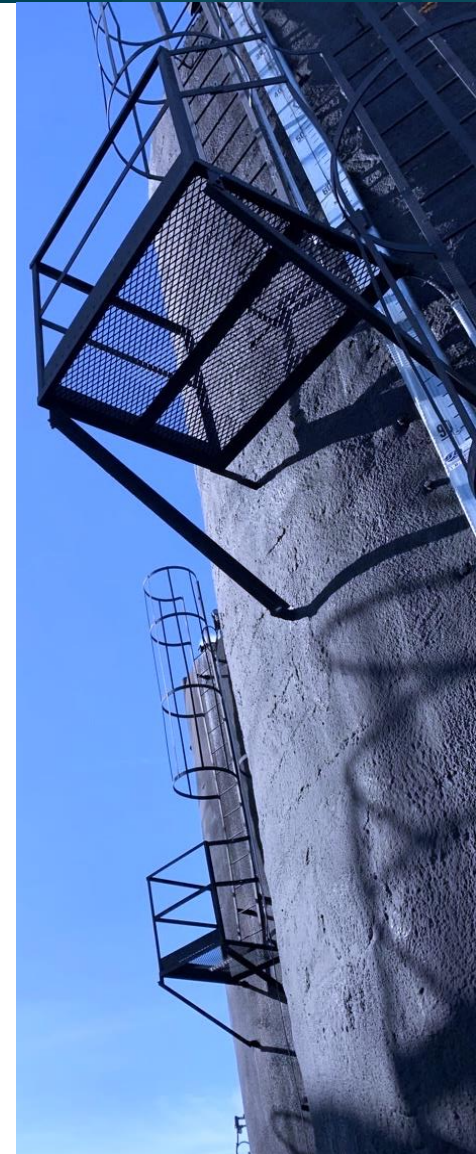
Appendix: Risk Management and Protecting Cash Flow



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	Swap	500 bbl/d	US\$15.00	WCS Differential	Mar. 1, 2024 – Sep. 30, 2024
Crude oil	Put Spread	300 bbl/d	US\$50.00(put sell)/US\$60.00(put buy), net cost US\$1.95/bbl	WTI-NYMEX	Apr. 1, 2024 – June 30, 2024
Crude oil	Put Spread	300 bbl/d	US\$50.00(put sell)/US\$60.00(put buy), net cost US\$2.25/bbl	WTI-NYMEX	Jul. 1, 2024 – Sep. 30, 2024
Crude oil	Put Spread	350 bbl/d	US\$50.00(put sell)/US\$60.00(put buy), net cost US\$1.95/bbl	WTI-NYMEX	Oct. 1, 2024 – Dec. 31, 2024
Crude oil	Put Spread	350 bbl/d	US\$50.00(put sell)/US\$60.00(put buy), net cost US\$2.15/bbl	WTI-NYMEX	Jan. 1, 2025 – Mar. 31, 2025



Appendix: Peters & Co. Limited - Overview Table Corporate Declines



Ticker	2024E Corp. Decline Rate
Canadian Producers	
CNQ	16%
SU	12%
CVE	16%
IMO	13%
(18) TOU	33%
ARX	35%
MEG	15%
WCP	24%
PSK	n/a
CPG	28%
(17) ERF	33%
BTE	33%
POU	33%
VET	27%
TPZ	n/a
NVA	40%
(17) PXT	21%
BIR	25%
PEY	R/UR
FRU	n/a
ATH	n/a
TVE	29%
HWX	24%
(17) IPCO	n/a
AAV	32%
HHRS	40%
KEL	36%
CJ	12%
CR	31%
SGY	24%
OBE	23%
SDE	31%
PIPE	40%
KEC	39%
(20) LGN	39%
PNE	10%
LOU	30%
JOY	14%
(17) GTE	22%
BNE	26%
GXE	25%
YGR	35%
LCX	31%
RBV	40%
PMT	30%
Lrg Med/Total	16%
Interm. Med/Total	29%
Junior Med/Total	30%

(1) Source: Peters & Co. Limited September 2023. Overview table with each of their coverage company's estimated 2024 corporate decline rates. Note integrated companies and Canadian large producers assume an oilsands production decline of 15%.

Advisory Statements



Forward-Looking Information and Statements

This presentation contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "forecast", "potential" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this presentation contains forward-looking information and statements pertaining to the following: the Company's plans for dividends and share purchases, the Company's intention to provide shareholders with a low-risk opportunity that generates free cash flow to fund shareholder returns, plans for excess or remaining free funds flow and targets for the allocation of free funds flow, costs for future wells the Company's development plans for its assets and other business plans in 2024, including various enhanced oil recovery plans; the Company's business strategy and plans; the volumes and estimated value of the Company's oil and gas reserves; the volume and product mix of the Company's oil and gas production; production estimates and forecasts; future oil and natural gas prices and the Company's commodity risk management programs; future liquidity and financial capacity; future results from operations and operating metrics; future development, exploration, acquisition and development activities, infrastructure plans and related capital expenditures and the timing thereof; the total future capital associated with development of reserves and resources; and methods of funding our capital program. In addition, information and statements relating to reserves and contingent resources are deemed to be forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, that the reserves described exist in quantities predicted or estimated, and that they can be profitably produced in the future.

Forward-looking statements or information are based on a number of material factors, expectations or assumptions of management which have been used to develop such statements and information but which may prove to be incorrect. Although management 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 management 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 impact of increasing competition; the general stability of the economic and political environment in which management operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner (including any disruptions or effects as a result of COVID-19); drilling and EOR results; the ability of the Company to obtain financing on acceptable terms including the continued availability of its credit facilities; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; risks associated with the degree of certainty in resource assessments; the Company will realize the anticipated benefits of its enhanced oil recovery operations; the timing and cost of pipeline, storage and facility construction and expansion and the ability of the Company 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 the Company operates; inflationary pressure and related costs; that the Company's dividend policy will remain the same and the Company will continue to be able to declare dividends; and the ability of the Company to successfully market its oil and natural gas products. There are a number of assumptions associated with the potential of resource in place volumes assigned to lands evaluated in the Company's area of operations, including the quality of the reservoir, future drilling programs and the funding thereof, continued performance from existing wells and performance of new wells, the growth of infrastructure, well density per section and recovery factors and discovery and development of the lands evaluated in such lands necessarily involves known and unknown risks and uncertainties, including those identified in this presentation.

The forward-looking information and statements included in this presentation 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 differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; the potential for variation in the quality of its assets; changes in the demand for or supply of the Company's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates, regulatory risks, including penalties or other remedial actions, the ability of the Company to maintain legal title to its properties, or other regulatory matters; changes in development plans of the Company, increased debt levels or debt service requirements; inaccurate estimation of the Company's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of inadequate insurance coverage; the impact of competitors, suspension of delays of operations as a result of COVID-19, or otherwise, regulatory risks, including penalties or other remedial actions, the ability of the Company to maintain legal title to its properties, changes to budgets, activities by third party plant turnaround times and continued ability to transport products, reserve volumes, business prospects and opportunities, the future trading price of the Company's shares, the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully and the Company's ability to access capital (including its credit facility).

The forward-looking information and statements contained in this presentation speak only as of the date of this presentation, and the Company does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Financial Information

Except for guidance numbers and as otherwise noted, all financial information included in this presentation is per Hemisphere's unaudited consolidated condensed interim financial statements for the three months ended March 31, 2024 and the audited annual financial statements for the year ended December 31, 2023. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward Looking Financial Information

This presentation, including in respect of Company's guidance for 2024, may contain future oriented financial information ("FOFI") within the meaning of applicable securities laws. The FOFI has been prepared by management to provide an outlook of the Company's activities and results. The FOFI has been prepared based on a number of assumptions including the assumptions discussed and disclosed below under "2024 Corporate Guidance Assumptions" and "Forward Looking Statements" above and that the Company is cash taxable in 2023. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits the Company will derive therefrom. The Company has included the FOFI in order to provide readers with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any FOFI statements, whether as a result of new information, future events or otherwise, except as required by law.

2024 Corporate Guidance Assumptions

Annual average production of 3,400 boe/d (99% heavy crude oil), with each of US\$65/bbl WTI, US\$75/bbl WTI, and US\$85/bbl WTI, paired with WCS Differential of \$US15.50/bbl and quality adjustment of \$7.50/bbl, and FX of 1.35; operating and transportation costs of \$14.85/boe; net G&A costs of \$3.65/boe; Royalties and GORRs on gross revenue of 20% at US\$75/bbl WTI, 18% at US\$65/bbl WTI and 22% at US\$85/bbl WTI; tax costs of \$7.29/boe at US\$75/bbl WTI, \$4.91/boe at US\$65/bbl WTI, and \$9.53/boe at US\$85/bbl WTI.

Advisory Statements



Non-IFRS and Other Financial Measures

Throughout this presentation and in other materials disclosed by the Company, Hemisphere employs certain measures to analyze financial performance, financial position, and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other financial measures should not be considered to be more meaningful than IFRS measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Hemisphere's performance.

Non-IFRS Measures

Operating field netback, adjusted funds flow, capital expenditures and net debt are each non-IFRS financial measures that are not standardized financial measures under International Financial Reporting Standards and may not be comparable to similar financial measures disclosed by other issuers. Please see "Non-IFRS and Other Financial Measures" in the Company's MD&A for the three months ended March 31, 2024 on SEDAR+ for: (i) an explanation of how such measures provide useful information and for what purposes management uses these measures; and (ii) a quantitative reconciliation of the non-IFRS financial measure to the most similar financial measure.

Forward Looking Non-IFRS Measures

Future estimates of adjusted funds flow (AFF), capital expenditures and free funds flow (FFF) are each forward looking non-IFRS financial measures that are not standardized financial measures under International Financial Reporting Standards and may not be comparable to similar financial measures disclosed by other issuers. Please see "Non-IFRS and Other Financial Measures" in the 2022 MD&A for: (i) an explanation of how such measures provide useful information and for what purposes management uses these measures; and (ii) a quantitative reconciliation of the historical non-IFRS financial measure to the most similar financial measure.

Non-IFRS Ratios

"Finding, development and acquisition costs" or "FD&A costs" are calculated as the sum of exploration, development and acquisition capital plus the change in future development capital ("FDC") for the period divided by the change in reserves for the period, including on acquisition lands. "Exploration, development and acquisition capital" is a Non-IFRS financial measure that means the aggregate exploration, development and acquisition capital costs incurred in the financial year. Exploration, development and acquisition capital excludes capitalized administration costs. FD&A costs take into account reserves revisions during the year on a per boe basis. The aggregate of the exploration, development and acquisition costs incurred in the financial year and changes during that year in estimated future development costs generally will not reflect total FD&A costs related to reserves additions for that year. Management uses FD&A costs as a measure of capital efficiency for organic reserves development.

"Recycle ratio" is a Non-IFRS ratio calculated as the Operating field netback divided by the FD&A cost per boe for the year. Operating field netback is a non-IFRS financial measure (refer to the section "Non-IFRS and Other Specified Financial Measures"). Management uses recycle ratio to relate the cost of adding reserves to the expected cash flows to be generated.

"Reserve life index" is calculated as total company interest reserves divided by annual production, for the year indicated.

"Adjusted funds flow (AFF)" The Company considers AFF to be a key measure that indicates the Company's ability to generate the funds necessary to support future growth through capital investment and to repay any debt. AFF is a measure that represents cash flow generated by operating activities, before changes in non-cash working capital and adjusted for decommissioning expenditures, and may not be comparable to measures used by other companies. The most directly comparable IFRS measure for AFF is cash provided by operating activities.

"Working capital" is closely monitored by the Company to ensure that its capital structure is maintained by a strong balance sheet to fund the future growth of the Company. Working capital is used in this document in the context of liquidity and is calculated as the total of the Company's current assets, less current liabilities, excluding derivative financial instruments, decommissioning obligations, lease liabilities, and tax provisions, and including any bank debt. There is no IFRS measure that is reasonably comparable to working capital.

"AFF per boe and AFF per basic share" Hemisphere calculates AFF per boe as AFF divided by average daily production (presented in boe). Hemisphere calculates AFF per share as AFF divided by the number of shares indicated. AFF is a non-IFRS financial measure component of the AFF per boe and AFF per share ratios. Management believes that AFF per boe is a key industry performance measure of operational efficiency and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers and the measurement on a Boe basis assists management and investors with evaluating Hemisphere's operating performance on a comparable basis. Management believes that AFF per share is a key industry performance measure of financial efficiency on equity capital, and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers and the measurement on per share basis assists management and investors with evaluating Hemisphere's financial performance on a comparable basis.

Advisory Statements



"Free funds flow (FFF)" is calculated by taking AFF and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that free funds flow provides a useful measure to determine Hemisphere's ability to improve returns and to manage the long-term value of the business.

"FFF per basic share" Hemisphere calculates FFF per share as FFF divided by the number of shares indicated. FFF is a non-IFRS financial measure component of the FFF per share ratio. Management believes that FFF per share is a key industry performance measure of financial efficiency on equity capital, and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers and the measurement on per share basis assists management and investors with evaluating Hemisphere's financial performance on a comparable basis.

"Capital expenditures" is a term used by management as a measure of capital investment in exploration and production assets, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable IFRS measure for capital expenditures is cash flow used in investing activities.

Supplementary financial measures

This corporate presentation may contain certain supplementary financial measures. NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is intended to be disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-IFRS financial measure; and (iv) is not a non-IFRS ratio.

Information Regarding Disclosure on Oil and Gas Reserves, Resources and Metrics

Unless otherwise specified, all reserve and resource estimates disclosed in this presentation are derived from the Company's independent reserve evaluations (the "Reserve Evaluation"). The reserve and resource estimates contained herein are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. Actual oil, gas, and natural gas liquids reserves may be greater than or less than the estimates that are provided herein. In relation to the disclosure of estimates for individual properties, such estimates may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. The Company's belief that it will establish additional reserves over time with conversion of resources into reserves and probable undeveloped reserves into proved reserves are forward-looking statements and are based on certain assumptions and is subject to certain risks, as discussed under the heading "Forward-Looking Information and Statements".

Net Present Values

It should not be assumed that the estimates of the future net revenues presented in this presentation represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions herein will be attained and variances could be material.

Oil and Gas Metrics

This presentation contains metrics commonly used in the oil and natural gas industry, such as "reserve life index ("RLI)". RLI is calculated as total company interest reserves divided by annual production, for the year indicated. This term does not have a standardized meaning and the Company's calculation of such metrics may not be comparable to the calculation method used or presented by other companies for the same or similar metrics, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this news release, should not be relied upon for investment or other purposes.

BOE Equivalent

Natural gas and liquids reserves and volumes are converted to a common unit of measure on a basis of six Mcf of gas to one bbl of oil. Disclosure provided herein in respect of BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Third Party Information

Certain market, third party and industry data contained in this presentation is based upon information from government or other industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but Hemisphere has not conducted its own independent verification of such information. No representation or warranty of any kind, express or implied, is made by Hemisphere as to the accuracy or completeness of the information contained in this document, and nothing contained in this presentation is, or shall be relied upon as, a promise or report by Hemisphere.



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