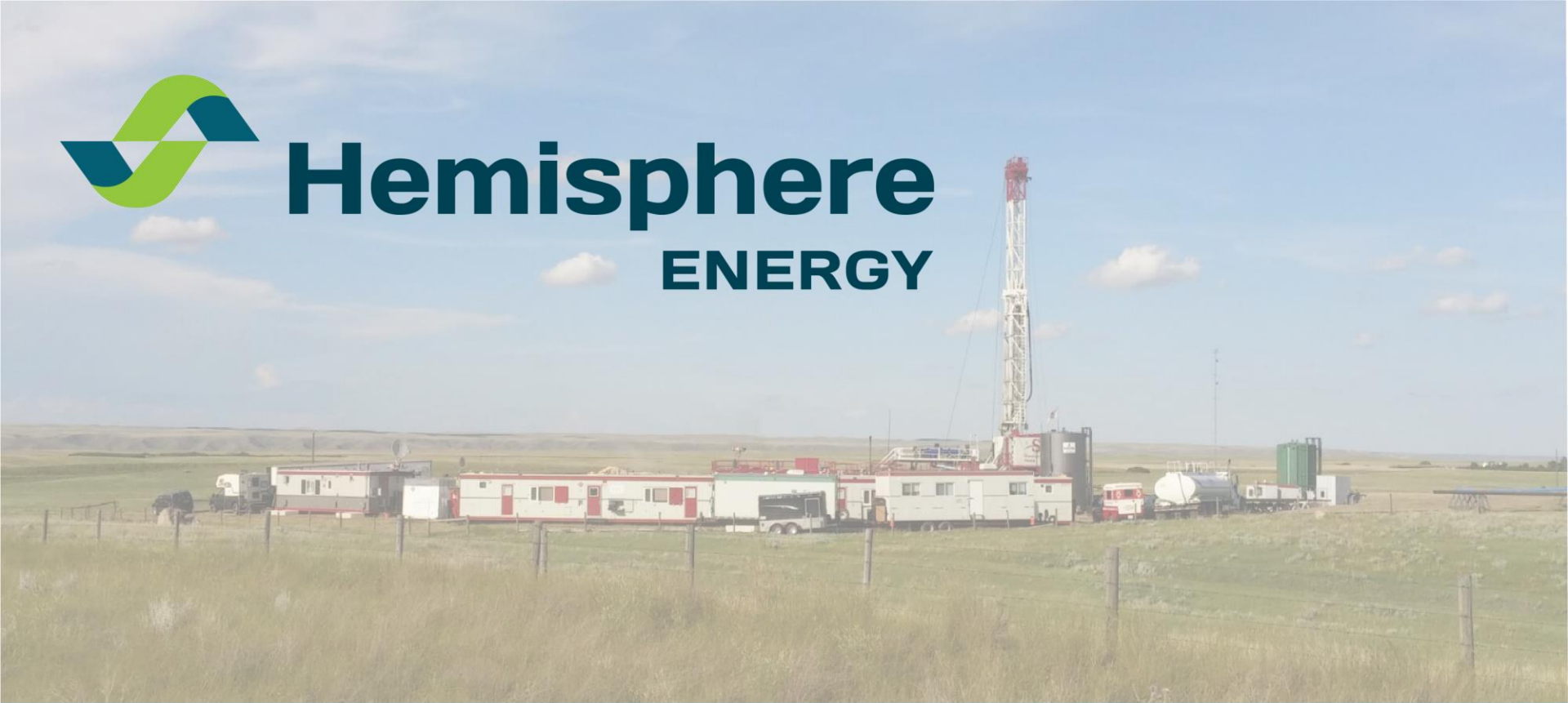




# Hemisphere ENERGY



*August 2025*

Oil **Resource**  
Enhanced **Recovery**  
Shareholder **Return**

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



TSX.V: HME | OTCQX: HMENF

# The Hemisphere Strategy:

## 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***

# Canadian oil company: Management Team Aligned with Shareholders



TSX Venture (Canada)

HME

OTCQX (USA)

HMENF

**Share Price (TSX-V)** (August 14, 2025)

**\$1.94**

Basic Shares Outstanding

95.2 million

Fully Diluted Shares Outstanding

100.3 million

**Insider Ownership** (Basic / Fully Diluted)

**~17% / ~19%**

Market Capitalization<sup>(1)</sup> (August 14, 2025)

\$184.6 million

Working Capital<sup>(2)</sup> (June 30, 2025)

\$13.9 million

**Enterprise Value** (August 14, 2025)

**\$170.7 million**

- › 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



TSX-V: HME  
OTCQX: HMENF

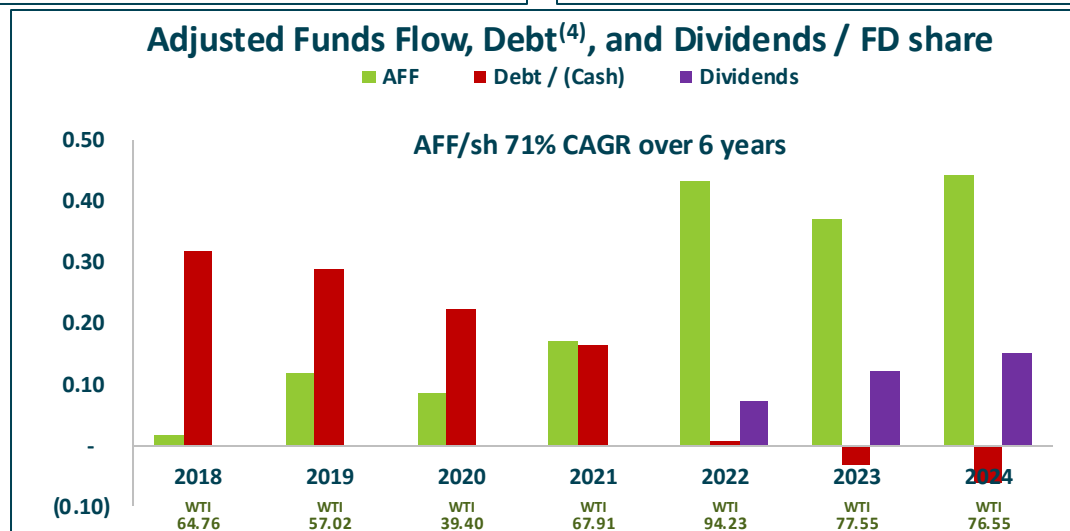
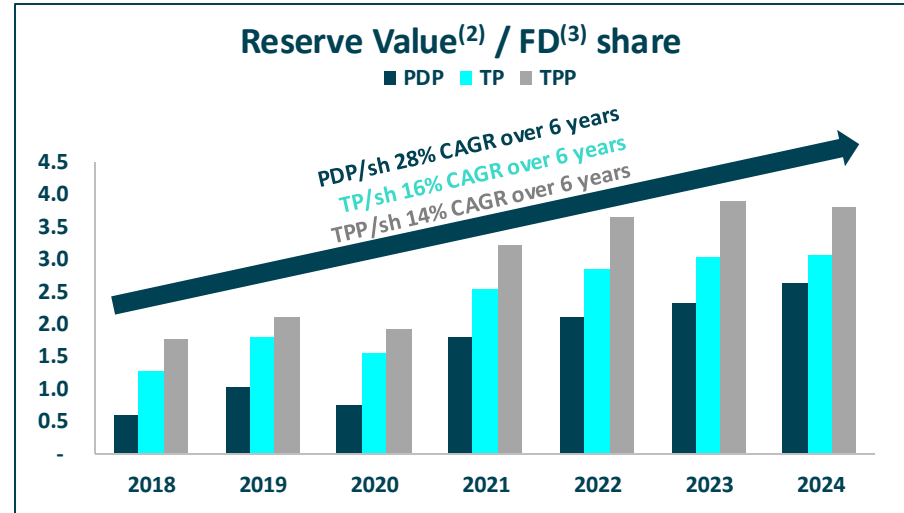
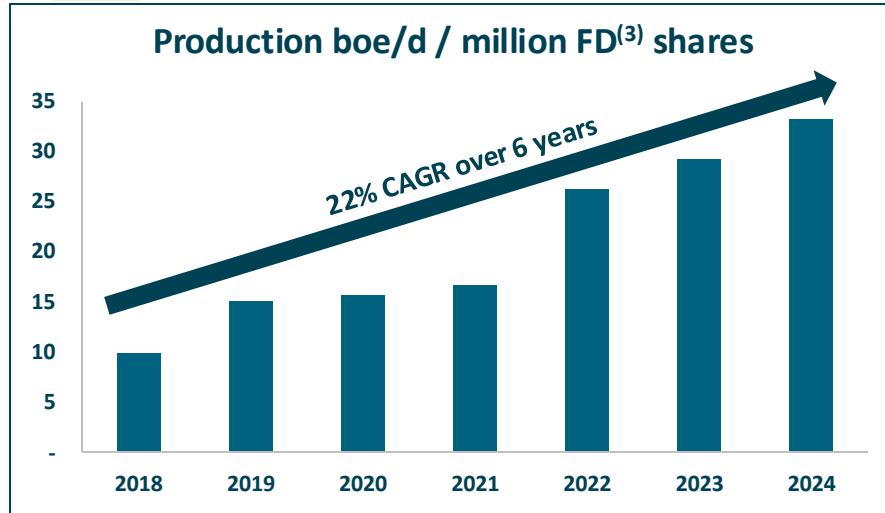
(1)

(2)

Market capitalization reports the non-diluted issued and outstanding common shares as of August 14, 2025 multiplied by the closing price of the common shares on that date.  
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".



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



# The Bottom Line: 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 <sup>(1)</sup>	\$12.7 million / \$36.39/boe	\$28.3 million / \$40.90/boe
<b>Adjusted Funds Flow (AFF)<sup>(2)</sup></b>	<b>\$10.3 million / \$29.47/boe</b>	<b>\$23.0 million / \$33.13/boe</b>
Capital Expenditures <sup>(2)</sup>	\$2.2 million	\$3.4 million
<b>Free Funds Flow (FFF)<sup>(2)</sup></b>	<b>\$8.1 million</b>	<b>\$19.6 million</b>
Working Capital <sup>(2)</sup>	\$13.9 million	\$13.9 million



(1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-GAAP financial measure and does not have a standardized meaning under IFRS. This measure is used by management to evaluate operating performance, excluding the impact of interest, taxes, depreciation and amortization expenses, which can vary significantly among companies. Management believes EBITDA provides useful supplemental information to investors about the Company's operating performance and financial condition. See Advisory Statements "Non-IFRS and Other Financial Measures" and "Supplementary Financial Measures" for a reconciliation of EBITDA to the most directly comparable IFRS measure for the period.

(2) Operating netback, AFF, AFF per barrel, capital expenditures, FFF, and working capital are non-IFRS financial measures and/or ratios that are not standardized financial measures and/or ratios under International Financial Standards ("IFRS") and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Non-IFRS and Other Financial Measures" section in Advisory Statements.





# 2025 Guidance<sup>(1-5)</sup>: 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<sup>(6)</sup></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<sup>(7)</sup>

- › WCS Differential: US\$14.00/bbl
- › USD/CAD Exchange: 1.43
- › Quality adjustment: C\$7.00/bbl
- › Opex: C\$15.25/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 "2025 Corporate Guidance Assumptions".

(4) Using a 2025 weighted-average of 97.4 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 - 2025 Corporate Guidance Assumptions".

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



## 2024 Year End Reserves<sup>(1)</sup>

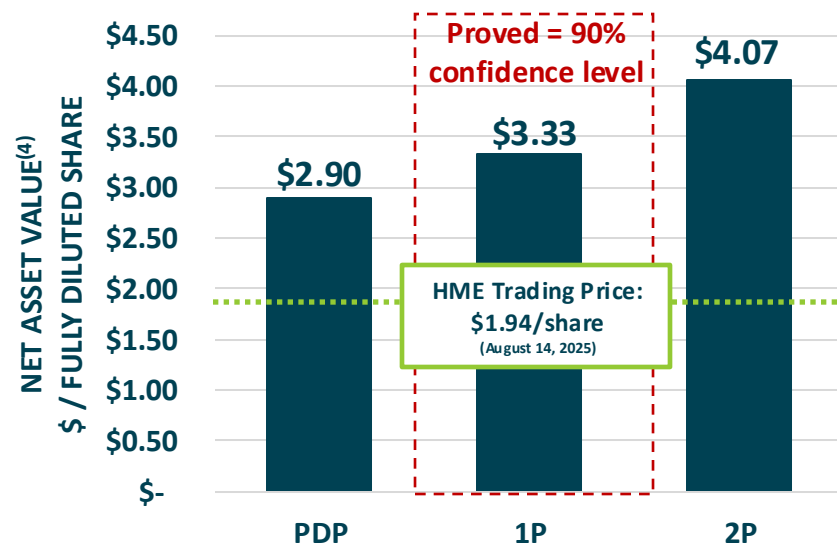
	Reserves	NPV10 BT
Proved Developed Producing ( <b>PDP</b> )	9.3 MMboe	<b>\$273 million</b>
Total Proved ( <b>1P</b> )	11.4 MMboe	<b>\$317 million</b>
Total Proved + Probable ( <b>2P</b> )	14.5 MMboe	<b>\$393 million</b>

## 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<sup>(2,3)</sup>

- › 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



(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, 2024 and run at the January 1, 2025 3-Consultant Average Price (the "McDaniel Reserve Report"), and including all corporate abandonment, decommissioning, and reclamation estimates. The 3-Consultant Average Price Forecast is an average of the published price forecasts for McDaniel, GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. at January 1, 2025. It uses a 5-year 2025-2029 WTI price of US\$75.75/bbl and WCS Cdn\$84.78/bbl (+2%/yr thereafter).

(2) As disclosed in news release dated March 19, 2025.

(3) Reserve life index (RLI) is calculated as total company interest reserves divided by annual 2024 production.

(4) Calculated using the respective net present values of PDP, 1P, and 2P reserves, before tax and discounted at 10%, plus internal valuations of \$2.6 million for both undeveloped land at \$75/acre for 26,864 acres and \$0.55 million for seismic, plus \$7.0 million for proceeds from stock options, plus Q1'25 working capital of \$14.1 million, and divided by 102.4 million fully-diluted outstanding shares at year-end. Net present values are shown at the 3-Consultant Average Price Forecast used in the McDaniel Reserve Report. 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" and "Financial Information".

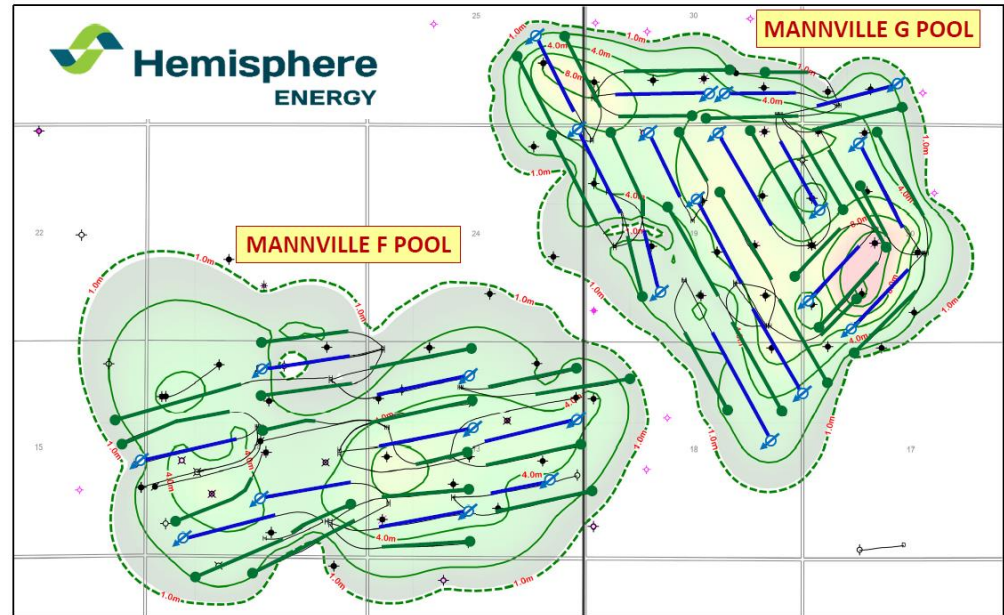
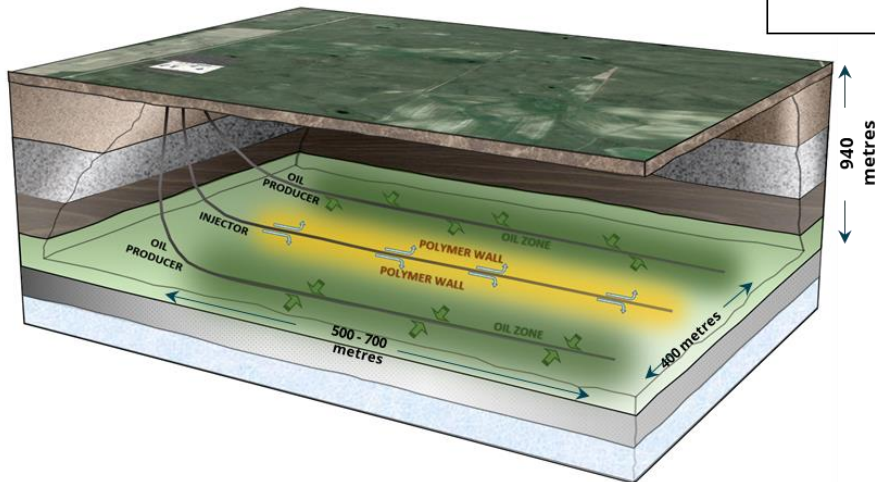


# Heart of the company: Atlee Buffalo, Alberta - EOR - Polymer Floods



## 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

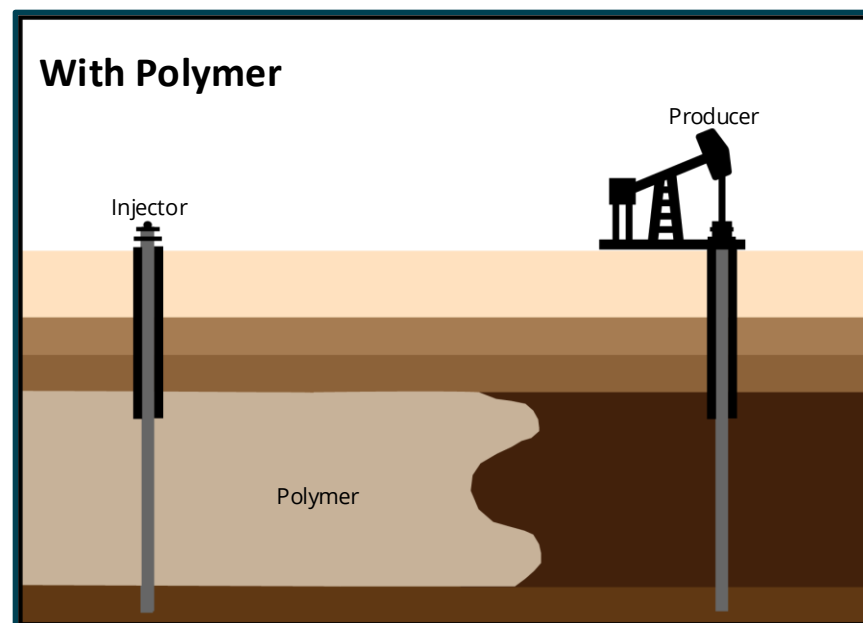
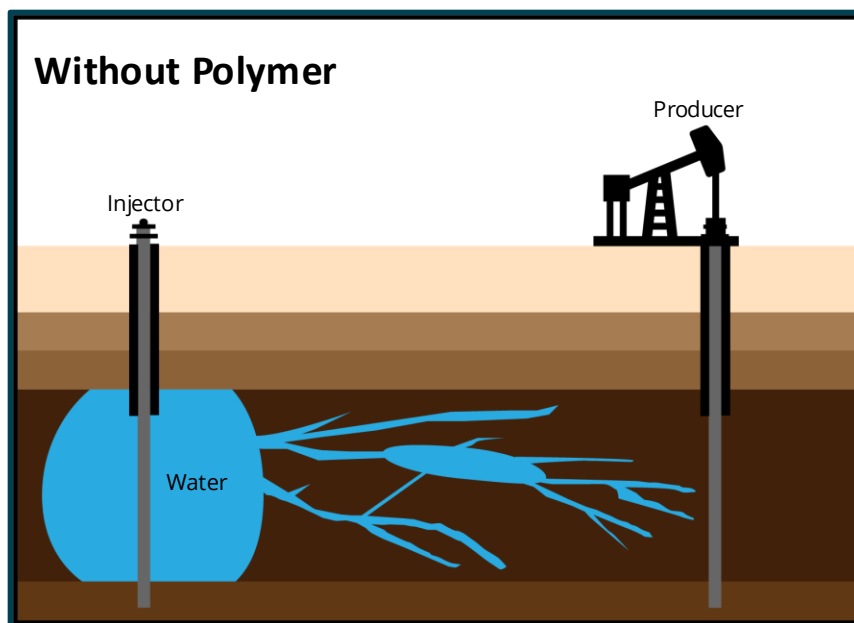


# Polymer Flooding – Proven Method of Enhanced Oil Recovery



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

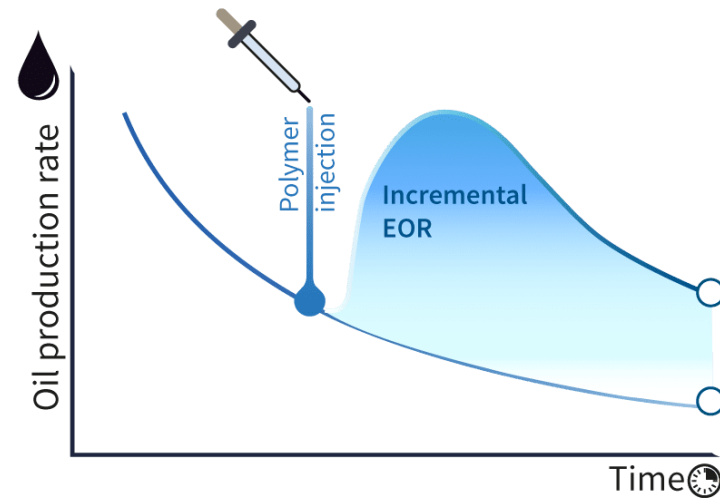
- › Polymer is added to injection water to **increase its viscosity** (similar to olive oil) and reduce its ability to easily 'streak' through the reservoir and break through to producers
- › Polymer-water is pumped into injector wells to **re-energize (build pressure)** the reservoir and push more oil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

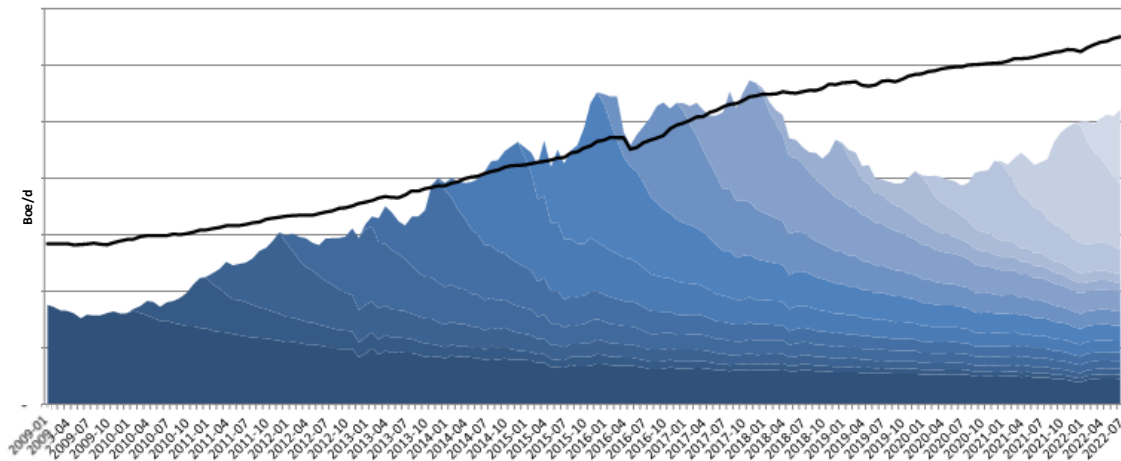
# What REALLY makes us unique? EOR = Lower Decline = More Free Cash Flow<sup>(1)</sup>



## 'Typical' Oil & Gas Co:

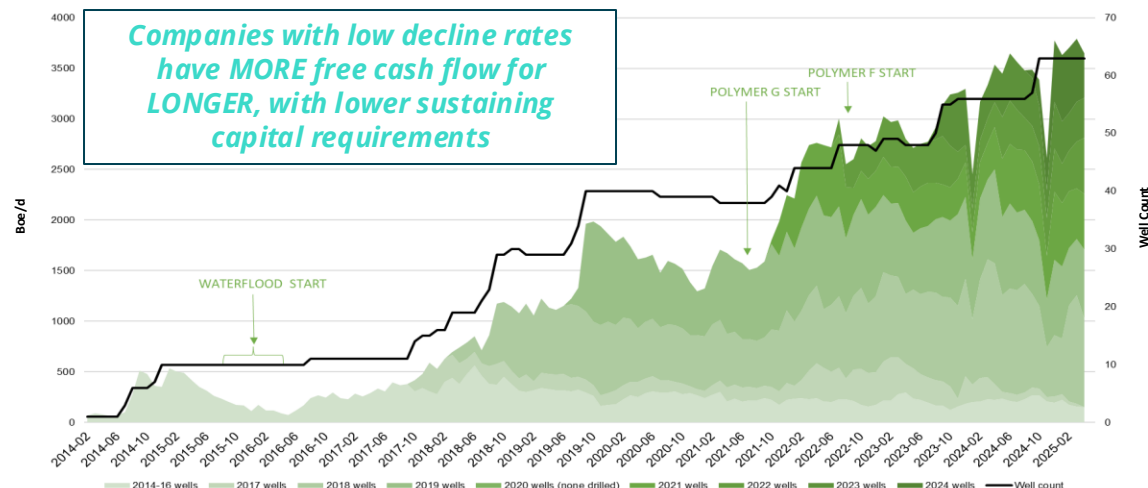
Treadmill style drilling  
with corporate production  
decline rates of 20% - 30%

*Average of estimated 2024  
Canadian corporate decline rates<sup>(2)</sup>:*  
Large - 16%  
Intermediate - 29%  
Junior - 30%



## Hemisphere Energy:

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





We now have a new area:

# 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<sup>(1)</sup>**

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

# Share buybacks & dividends: 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<sup>(1)</sup>***

***Total Returned to Shareholders  
June 2022-August 2025 | \$65.5 million<sup>(2)</sup>***



TSX-V: HME  
OTCQX: HMENF

(1) Based on the Company's market close price of \$1.83 and market capitalization of \$178.2 million as at December 31, 2024.  
(2) Does not include the quarterly dividend of \$0.025/share to be paid on September 12, 2025 to shareholders of record on August 29, 2025 as announced on August 14, 2025.

# Why invest in Hemisphere?

## A Truly Niche Story in the Oil Space



### High free cash 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

### No debt, positive cash position, and low decommissioning costs

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

### Testing new Saskatchewan play and actively pursuing acquisitions and exploration/development ideas

- › HME is constantly evaluating new opportunities for growth and **has the balance sheet** to transact

### Dividend paying company with active share buyback program

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





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



## RESOURCE

Think Ultra-low Declines



## RECOVERY

Think Long Life Reserves



## RETURN

Think Dividends and NCIB

### Independent Analyst Coverage

*Amir Arif, ATB Capital Markets*

*Mark Reichman, Noble Capital Markets*





# Hemisphere

## ENERGY

TSX-V: HME OTCQX: HMEHF  
[www.hemisphereenergy.ca](http://www.hemisphereenergy.ca)



**Ashley Ramsden-Wood, Chief Development Officer**  
(604) 282-6028  
[ramsdens-wood@hemisphereenergy.ca](mailto:ramsdens-wood@hemisphereenergy.ca)

**Don Simmons, President & Chief Executive Officer**  
(604) 638-6213  
[simmons@hemisphereenergy.ca](mailto:simmons@hemisphereenergy.ca)



## MANAGEMENT

### **Don Simmons, P.Geol.**

President & Chief Executive Officer

Over 25 years of experience technical, operational and management experience (Alberta Energy Company, Encana (Ovintiv), Sebring)

### **Ian Duncan, P.Eng.**

Chief Operating Officer

Over 17 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, KC, 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	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

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



Ticker	2024E Corp. Decline Rate
<b>Canadian Producers</b>	
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%
RBY	40%
PMT	30%
<b>Lrg Med/Total</b>	<b>16%</b>
<b>Interm. Med/Total</b>	<b>29%</b>
<b>Junior Med/Total</b>	<b>30%</b>

(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 oil and gas 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 2025, 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 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; 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 reserve 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; supply chain availability and international trade; 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 volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors, suspension or delays of operations, 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; trade barriers; 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); and the other risks described in the Company's Annual Information Form for the year ended December 31, 2024 available on [www.sedarplus.ca](http://www.sedarplus.ca).

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 condensed interim consolidated financial statements for the three months ended June 30, 2025 and the audited consolidated financial statements for the year ended December 31, 2024. All amounts are expressed in Canadian dollars unless otherwise noted.

## Forward Looking Financial Information

This presentation, including in respect of Company's guidance for 2025, 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 "2025 Corporate Guidance Assumptions" and "Forward Looking Statements" above and that the Company is cash taxable in 2025. 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.

## 2025 Corporate Guidance Assumptions

Annual average production of 3,900 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 \$US14.00/bbl and quality adjustment of \$7.00/bbl, and FX of 1.43; operating and transportation costs of \$15.25/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 \$8.30/boe at US\$75/bbl WTI, \$5.80/boe at US\$65/bbl WTI, and \$10.61/boe at US\$85/bbl WTI..

## 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

Adjusted funds flow, capital expenditures, free funds flow and working capital 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 June 30, 2025 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 2024 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.



# Advisory Statements



## Non-IFRS Ratios

"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.

"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.

"EBITDA" (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-IFRS financial measure and does not have a standardized meaning under IFRS. This measure is used by management to evaluate operating performance, excluding the impact of interest, taxes, depreciation and amortization expenses, which can vary significantly among companies.

## 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.

Management believes EBITDA provides useful supplemental information to investors about the Company's operating performance and financial condition. A reconciliation of EBITDA to the most directly comparable IFRS measure is provided:

(\$000s)	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Net income	7,053	15,995
Addback		
▪ Income tax expense	2,360	5,267
▪ Finance expenses	100	215
▪ Non-cash items		
○ Deferred tax expense	117	125
○ Depletion & depreciation	2,972	5,860
○ Exploration & evaluation expense	36	72
○ Share-based payments	550	558
○ Unrealized loss on financial instruments	(515)	298
○ Unrealized gain on foreign exchange	(2)	(42)
<b>EBITDA for the period</b>	<b>12,671</b>	<b>56,696</b>



# Advisory Statements



## **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 re-report by Hemisphere.*

# Our Playground







# Hemisphere

## ENERGY

TSX-V: HME OTCQX: HMEHF  
[www.hemisphereenergy.ca](http://www.hemisphereenergy.ca)



**Ashley Ramsden-Wood, Chief Development Officer**  
(604) 282-6028  
[ramsdn-wood@hemisphereenergy.ca](mailto:ramsdn-wood@hemisphereenergy.ca)

**Don Simmons, President & Chief Executive Officer**  
(604) 638-6213  
[simmons@hemisphereenergy.ca](mailto:simmons@hemisphereenergy.ca)