



## **Arrow Exploration Provides Corporate Update**

---

Calgary, Alberta – April 27, 2020 – ARROW Exploration Corp. (“**Arrow**” or the “Company”) (TSXV:AXL) is pleased to provide the following corporate update.

### **Appointment of Joe McFarlane as CFO**

Joe McFarlane has been appointed to the position of Chief Financial Officer of the Company, effective April 24th, 2020. Mr. McFarlane was previously appointed as the Arrow’s VP, Finance, as announced by the Company on April 15th, 2020.

Mr. McFarlane is a highly accomplished oil & gas finance executive, having helped to successfully build and sell several companies throughout his 27-year professional career. He has both domestic Canadian as well as international experience.

Prior to joining Arrow, Mr. McFarlane was the CFO of Rampart Oil Inc., a company he co-founded and helped build to 3,500 bbls/d of production. Previously, Mr. McFarlane was the CFO of Bernum Petroleum Inc., a company he co-founded and helped build to 3,000 bbls/d of production until its sale to Caltex Resources Ltd. Mr. McFarlane was also the Co-Founder and CFO of Sabretooth Energy Inc. (sold to Cequence Energy Ltd.).

Mr. McFarlane previously held various senior finance roles with NAV Energy Trust, EnCana Corporation (now Ovintiv Inc.) and its predecessor, PanCanadian Energy Corp., among others. Mr. McFarlane began his career in the Audit & Advisory Services Group of Ernst & Young LLP. He holds a B.Comm. degree from the University of Calgary, and is a registered CPA and CA.

### **Strategic Alternatives Process Update**

On November 28<sup>th</sup>, 2019, Arrow announced it had initiated a strategic alternatives process to be overseen by a Special Committee of the Board of Directors. Subsequently, the Company engaged Stifel Nicolaus Canada Inc. (“**Stifel FirstEnergy**”) as financial advisor to explore a comprehensive range of strategic and transaction alternatives, including a sale, merger or other business combination; a disposition of all or certain assets of the Company; recapitalization and refinancing opportunities; sourcing new financing and equity capital; and other alternatives to improve the Company’s financial position and maximize value.

Arrow and its advisor remain committed to the strategic alternatives process and intend to provide updates as determined to be appropriate by the Board of Directors. There can be no guarantees as to whether the strategic alternatives process will result in a transaction or the terms or timing of any resulting transaction.



## **Production Update**

Arrow estimates its first quarter 2020 production averaged approximately 1,072 bbls/d. Arrow has temporarily shut-in production at Oso Pardo, with Ombu shut in by the operator Sinochem, in order to preserve the value of its asset base, while producing up to 500 bbls/d out of its Llanos 23 block.

## **Corporate Actions in Response to COVID-19**

Arrow's priority remains the health and safety of its employees, partners and the communities where it operates. The Company has introduced measures to protect the well-being of these stakeholders and is extremely proud of the dedication of its workforce to maintain safe operations and business continuity during these challenging conditions.

## **Timing of Release of Year-End Results**

Due to logistics and delays caused by the COVID-19 virus, it is relying on the exemption provided in Alberta Blanket Order 51-517 *Temporary Exemption from Certain Corporate Finance Requirements* (the "**Alberta Order**") of the Alberta Securities Commission and similar exemptions provided by the other securities commissions to postpone the filing of the following continuous disclosure documents (collectively the "**Documents**"):

- the Company's Annual Audited Financial Statements for the year ended December 31, 2019, as required by section 4.2 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**");
- the Company's Management Discussion & Analysis for the year ended December 31, 2019, as required by section 5.1(2) of NI 51-102; and
- the Company's Statement of Reserves Data and Other Oil and Gas Information, Report on Reserves Data by Independent Qualified Reserves Evaluator, and Report of Management and Directors on Oil and Gas Disclosure for the year ended December 31, 2019, as required by section 2.1 of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

According to the Alberta Order during the period from March 23, 2020 to June 1, 2020, a person or company required to make certain filings as described in the Alberta Order has an additional 45 days from the deadline otherwise applicable under Alberta securities laws to make the filing. Arrow expects to file the Documents by no later than June 12, 2020.

Until the Company has filed the Documents, members of the Company's management and other insiders are subject to an insider trading black-out period as per its internal Insider Trading Policy that is consistent with the principles in Section 9 of National Policy 11-207 - *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*. Until the Company has filed the required Documents, members of the Company's management and other insiders will observe a trading blackout consistent with the principles in Section 9 of National Policy 11-207 - *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.



The Company is also providing the following update on material business developments since the date of the Company's latest interim financial reports, certain of which have already been disclosed in prior press releases:

- Over the past several months, the Company has strengthened its management team and Board of Directors (refer to press releases dated October 17th, 2019; December 18th, 2019, January 16th, 22th and 23rd, 2020, February 4th, 2020 and April 14th, 2020);
- The Company engaged Stifel FirstEnergy as advisor on its previously announced strategic alternatives process (refer to press release dated December 11th, 2019);
- The Company held and subsequently announced the results of its Annual General and Special Meeting of Shareholders (refer to press release dated March 18th and 20th, 2020);
- The Company announced its 2019 year-end oil & gas reserves in Colombia and Canada (refer to press release dated April 14<sup>th</sup>, 2020);
- Due to the recent world oil price collapse, the Company is reviewing all cost cutting measures and is shutting-in uneconomic production. Employees and contractors are reducing salaries and rates to help the Company reduce its overall spending during this difficult period; and
- The Company has witnessed a slowdown in mergers and acquisitions activity, as well as a decline in debt and equity financings due to the oil price collapse and the COVID-19 virus. The Company continues to review all of its options for preserving and growing shareholder value.

### **Dismissal of John Newman as CFO**

The Company also announces the dismissal of John Newman, its named CFO effective April 23rd, 2020.

### **About ARROW Exploration**

Arrow Exploration Corp. (operating in Colombia via a branch of its 100% owned subsidiary Carrao Energy S.A.) is a publicly-traded company with a portfolio of premier Colombian oil assets that are under-exploited, under-explored and offer high potential growth. The Company's business plan is to expand oil production from some of Colombia's most active basins, including the Llanos, Middle Magdalena Valley (MMV) and Putumayo Basin. The asset base is predominantly operated with high working interests, and the Brent-linked light oil pricing exposure combines with low royalties to yield attractive potential operating margins. Arrow's seasoned team is led by a hands-on and in-country executive team supported by an experienced board. Arrow is listed on the TSX Venture Exchange under the symbol "AXL".



**For further information contact:**

**Marshall Abbott**

Chief Executive Officer  
mabbott@arrowexploration.ca  
(403) 651-5995

***Neither the TSX Venture Exchange (TSXV) nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.***

***Forward-looking Statements***

*This news release contains certain statements or disclosures relating to Arrow that are based on the expectations of its management as well as assumptions made by and information currently available to Arrow which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Arrow anticipates or expects may, could or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "continue", "expect", "opportunity", "plan", "potential" and "will" and similar expressions. The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Arrow, including without limitation, Arrow's evaluation of the impacts of COVID-19, the amendment of the Canacol loan documents, the potential of Arrow's Colombian assets to remain in production and Arrow's business plan to expand oil production and achieve attractive potential operating margins. Arrow believes the expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct.*

*The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*