



Arrow Announces Update on Proposed Private Placement, Option Grant and Strategic Review

Calgary, Alberta – June 12, 2020 – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) announces an update to its proposed non-brokered private placement (the “Private Placement”) of 13,000,000 common shares of the Company at a price of CAD\$0.025 per share for gross proceeds of CAD\$325,000, as well as the proposed grant of options and strategic review.

As previously announced by the Company on May 23rd, 2020, the proposed Private Placement will be subscribed for by certain consultants and insiders of the Company in an amount of CAD\$100,000 each in the case of insiders and CAD\$25,000 in the case of the consultant. The Company has agreed to provide loans equivalent to their total subscription amount to each of the subscribers pursuant to promissory notes secured by the shares issued in the Private Placement.

The securities to be issued in connection with the Private Placement will be subject to a hold period of four months and one day from the closing of the Private Placement. The Private Placement is subject to certain conditions, including approval of the TSX Venture Exchange (the “TSXV”). The TSXV is continuing its review of the Private Placement and option grant and has yet to grant conditional approval for either transaction. The TSXV has requested that the Company clarify certain statements regarding the private placement made in the Company’s press release of May 31st, 2020 (the “Press Release”). Contrary to the statement in the Press Release, neither the Private Placement nor the option grant has been completed and the securities issued, and both transactions remain subject to the approval of the TSXV.

Subject to the TSXV approving the proposed Private Placement and option grant, the Company intends to proceed with the transactions as it has agreed that, subject to regulatory approval, these transactions will form part of the compensation provided to placees for their services as executives or consultants of the Company. In the event the TSXV does not approve the Private Placement and the options, the Company intends to renegotiate with the placees to provide them with compensation in another form. The TSXV has also requested that the Company confirm that at the time the board of directors negotiated with the insiders and approved the proposed Private Placement and option grant, the Company was not in possession of any material undisclosed information and had yet to receive draft financial information or a draft reserves report. Consequently it is the Company’s view that the proposed transactions were approved in compliance with the Company’s Insider Trading Policy as well as the conditions attached to the TMX Bulletin dated April 8th, 2020 regarding Temporary Relief of the CAD\$0.05 Minimum Pricing Requirement. Additionally, following the announcement of the transactions and the announcement of the Company’s 2019 year-end financial results and reserves report, the Company’s stock continued to trade at approximately CAD\$0.03 for 4 consecutive trading days thereafter.



On November 28th, 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. 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 financial 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. Currently, while various parties have accessed data made available by the Company, there have been no material events, offers or proposals that would merit disclosure at this time.

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".

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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 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.