



Arrow Exploration Announces 2019 Year-End Audited Financial Statements and MD&A, and Filing of 2019 Year-End Reserve Report

Calgary, Alberta – June 2, 2020 – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) is pleased to announce the filing of its 2019 year-end audited Financial Statements and MD&A, and the filing of its 2019 year-end reserve report, all of which are available on SEDAR (www.sedar.com).

FINANCIAL AND OPERATING HIGHLIGHTS

(in United States dollars, except as otherwise noted)	Three months ended December 31, 2019	Year ended December 31, 2019	Three months ended December 31, 2018	Year ended December 31, 2018
Total natural gas and crude oil revenues, net of royalties	5,585,531	25,440,370	5,911,425	6,077,423
Funds flow from (used in) operations ⁽¹⁾	(165,879)	3,281,216	(855,321)	(2,671,986)
Per share – basic (\$) and diluted (\$)	(0.00)	0.05	(0.01)	(0.04)
Net income (loss)	(2,089,036)	(5,976,895)	1,242,936	(665,123)
Per share – basic (\$) and diluted (\$)	(0.03)	(0.09)	\$0.02	(\$0.01)
Adjusted EBITDA ⁽¹⁾	(126,893)	5,206,566	1,120,369	(693,687)
Weighted average shares outstanding – basic and diluted	68,674,602	68,674,602	68,674,602	68,674,602
Common shares end of period	68,674,602	68,674,602	68,674,602	68,674,602
Capital expenditures	(171,138)	9,414,464	7,007,580	7,007,580
Cash and cash equivalents	1,085,655	1,085,655	1,994,233	1,994,233
Current Assets	7,811,889	7,811,889	8,599,160	8,599,160
Current liabilities	10,675,530	10,675,530	17,157,942	17,157,942
Working capital (deficit) ⁽¹⁾	(2,863,641)	(2,863,641)	(8,558,782)	(8,558,782)
Long-term portion of restricted cash ⁽²⁾	449,288	449,288	3,154,839	3,154,839
Total assets	72,750,706	72,750,706	76,962,315	76,962,315
Operating				
Natural gas and crude oil production, before royalties				
Natural gas (Mcf/d)	531	623	733	734
Natural gas liquids (bbl/d)	6	6	7	7
Crude oil (bbl/d)	1,502	1,671	1,553	1,547
Total (boe/d)	1,595	1,781	1,682	1,676
Operating netbacks (\$/boe) ⁽¹⁾				
Natural gas (\$/Mcf)	\$0.25	(\$0.43)	(\$1.97)	(\$1.92)
Crude oil (\$/bbl)	\$13.95	\$21.22	\$19.15	\$19.22
Total (\$/boe)	\$13.14	\$19.86	\$16.88	\$16.96

⁽¹⁾Non-IFRS measures – see “Non-IFRS Measures” section within the MD&A

⁽²⁾Long term restricted cash not included in working capital



Marshall Abbott, CEO of Arrow commented, "2019 represented the first full year of operations for Arrow as a new company. The Company made a significant commercial discovery in May 2019 on its Tapir Block, through successfully drilling the Rio Cravo Este-1 (RCE-1) well. We have identified two additional RCE well locations on the Tapir Block. On our LLA-23 block, production rates over the past several months have been negatively impacted by significantly lower oil prices, in addition to well-specific issues which Arrow's new management team intends on addressing contingent on the availability of additional capital. Production at Ombu (Arrow holds 10%) remains shut-in pending the recovery of oil prices and the resolution of community issues."

Mr. Abbott continued, "The Company wishes to extend our gratitude to all of its stakeholders for their continued support of Arrow during these exceptionally challenging times for our industry. Arrow's management and Board, including myself, are committed to creating value from the Company's significant asset base."

2019 Year-End Reserves

Arrow has filed, on SEDAR, 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* (together, the "Reserve Report").

To recap, the Company's Year-End 2019 Company Gross Reserves Highlights include:

- 4.10 MMboe of Proved Reserves
- 10.32 MMboe of Proved plus Probable Reserves
- Proved Reserves estimated net present value before income taxes of US \$34.7 million calculated at a 10% discount rate
- Proved plus Probable Reserves estimated net present value before income taxes of US \$86.7 million calculated at a 10% discount rate
- Reserve Life Index of 7.0 for Proved Reserves and 17.7 for Proved plus Probable Reserves based on average fourth quarter 2019 corporate production of 1,595 boe/d
- Proved plus Probable Reserve Replacement Ratio of 154% and F&D costs of US \$9.47/boe

Arrow refers readers to the Company's press release of April 14, 2020 for additional details, as well as to the Reserve Report filed on SEDAR.



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 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.