



## Arrow Exploration Announces Second Quarter 2020 Financial and Operating Results

**Calgary, Alberta – August 27, 2020** – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) is pleased to announce the filing of its unaudited Financial Statements and MD&A for the quarter-ended June 30<sup>th</sup>, 2020, which are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

### FINANCIAL AND OPERATING HIGHLIGHTS

<b>(in United States dollars, except as otherwise noted)</b>	<b>Three months ended June 30, 2020</b>	<b>Six months ended June 30, 2020</b>	<b>Three months ended June 30, 2019</b>
Total natural gas and crude oil revenues, net of royalties	896,011	4,744,491	7,525,728
Funds flow from (used in) operations <sup>(1)</sup>	(1,345,899)	(1,376,224)	965,570
Per share – basic (\$) and diluted (\$)	(0.02)	(0.02)	0.01
Net income (loss)	3,168,919	(22,889,346)	(857,740)
Per share – basic (\$) and diluted (\$)	0.05	(0.33)	(0.01)
Adjusted EBITDA <sup>(1)</sup>	(946,363)	(601,842)	1,952,816
Weighted average shares outstanding – basic and diluted	68,674,602	68,674,602	68,674,602
Common shares end of period	68,674,602	68,674,602	68,674,602
Capital expenditures	180,795	180,795	4,171,680
Cash and cash equivalents	238,247	238,247	844,983
Current Assets	5,572,191	5,572,191	10,725,489
Current liabilities	15,730,805	15,730,805	18,800,186
Working capital (deficit) <sup>(1)</sup>	(10,158,614)	(10,158,614)	(8,074,697)
Long-term portion of restricted cash <sup>(2)</sup>	437,412	437,412	1,455,985
Total assets	47,386,940	47,386,940	76,333,739
<b>Operating</b>			
<b>Natural gas and crude oil production, before royalties</b>			
Natural gas (Mcf/d)	545	523	677
Natural gas liquids (bbl/d)	6	6	5
Crude oil (bbl/d)	321	696	1,741
<b>Total (boe/d)</b>	<b>418</b>	<b>788</b>	<b>1,859</b>
<b>Operating netbacks (\$/boe) <sup>(1)</sup></b>			
Natural gas (\$/Mcf)	(0.17)	(0.06)	(1.19)
Crude oil (\$/bbl)	(7.18)	11.64	27.51
<b>Total (\$/boe)</b>	<b>(5.57)</b>	<b>10.36</b>	<b>25.40</b>

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

<sup>(2)</sup>Long term restricted cash not included in working capital



Marshall Abbott, CEO of Arrow commented, "The second quarter of 2020 saw the continuation of significant challenges for the international oil & gas industry, following the outbreak of the COVID-19 pandemic in the first quarter. Arrow continued to face many of these same challenges in the second quarter, including lower crude oil prices as a result of reduced global oil demand."

Mr. Abbott continued, "As discussed in our first quarter results, at our LLA-23 block production rates over the past several months have been negatively impacted by lower oil prices, in addition to well-specific issues. As a result of these and other factors, following the end of the second quarter we made the difficult decision to temporarily shut-in production on the LLA-23 block. As announced on August 24<sup>th</sup>, 2020, we have entered into an agreement to sell the LLA-23 block to COG Energy Ltd., which marks a significant step forward in our strategic alternatives process."

Mr. Abbott further commented, "Production from the Tapir Block has also been shut-in, and management continues to take the steps necessary to re-start production from that asset. Production at Ombu (Arrow holds 10%) remains shut-in pending further recovery of oil prices."

### **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 50% interest in the Tapir Block is contingent on the assignment by Ecopetrol SA of such interest to Arrow. Arrow's seasoned team is led by a hands-on 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 resume 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.*