



Arrow Exploration Announces Summary of 2020 Year-End Reserves Evaluation

Calgary, Alberta – March 15, 2020 – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) is pleased to announce a summary of its year-end reserve report (the “Reserve Evaluation Report”) for the year ended December 31st, 2020. The Company expects to file the Reserve Evaluation Report on SEDAR concurrently with the filing of its 2020 year-end Financial Statements and Management Discussion & Analysis.

Highlights

The Company’s Reserve Evaluation Report for the year ended December 31st, 2020 has been prepared by Boury Global Energy Consultants Ltd. (“BGEC”), the Company’s independent reserve engineers in accordance with the requirements of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

Arrow’s Year-End 2020 gross reserves highlights include:

- 2,930 Mboe of Proved Reserves (“1P Reserves”);
- 7,034 Mboe of Proved plus Probable Reserves (“2P Reserves”);
- 10,480 Mboe of Proved plus Probable plus Possible Reserves (“3P Reserves”)¹;
- 1P Reserves estimated net present value before income taxes of US\$9.6 million calculated at a 10% discount rate;
- 2P Reserves estimated net present value before income taxes of US\$34.3 million calculated at a 10% discount rate; and
- 3P Reserves estimated net present value before income taxes of US\$63.8 million calculated at a 10% discount rate.

Company Share of Reserves and Net Present Value (Before Income Tax)²

SUMMARY OF OIL AND GAS RESERVES - TOTAL COMPANY ARROW EXPLORATION CORP. EFFECTIVE DATE AS OF DECEMBER 31, 2020 (FORECAST PRICES & COSTS)								
Reserve Category	Company Gross Remaining Reserves				Net Present Value Before Tax			
	Oil Mbbbl	Sales Gas MMcf	NGLs Mbbbl	BOE MBOE	0% M\$US	5% M\$US	10% M\$US	15% M\$US
Proved Developed								
Producing	148	1,484	16	411	5,010	4,735	4,466	4,230
Non-Producing	107	3,258	65	715	4,104	3,432	2,881	2,438
Proved Undeveloped	1,804	0	0	1,804	4,821	3,335	2,207	1,345
Total Proved	2,059	4,742	81	2,930	13,935	11,502	9,554	8,013
Probable	3,413	3,838	51	4,104	50,245	34,865	24,703	17,810
Total Proved + Probable	5,472	8,580	132	7,034	64,180	46,367	34,257	25,823
Possible	3,086	1,974	31	3,446	70,347	44,229	29,494	20,626
Total Proved + Probable + Possible	8,558	10,554	163	10,480	134,527	90,596	63,751	46,449

¹ Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.



Changes In Reserves Year-over-Year

Year-End 2020 1P Reserves decreased by 1,165 Mbbl, when compared to 2019 year-end reserves. This change included 226 Mbbl of 1P Reserves additions resulting from revisions due to technical and economic factors, offset by 172 Mbbl of production and 1,218 Mbbl through a disposition (being the sale of the Llanos 23 Block, as previously announced by the Company on December 30th, 2020). When adjusting for the disposition, 1P Reserves increased by 53 Mbbl.

Year-End 2020 2P Reserves decreased by 3,284 Mbbl, when compared to 2019 year-end reserves. This change included 275 Mbbl of 2P Reserve reductions due to revisions (primarily due to decreases at the Capella Field and the Oso Pardo Field, offset by gains at the Company's Fir asset in Canada), 172 Mbbl of production and 2,840 Mbbl through the aforementioned disposition of the Llanos 23 Block. When adjusting for the disposition, 2P Reserves decreased by 444 Mbbl.

Year-End 2020 3P Reserves decreased by 4,049 Mbbl, when compared to 2019 year-end reserves. This change included 135 Mbbl of 3P Reserve reductions due to revisions, 172 Mbbl of production and 3,744 Mbbl through the aforementioned disposition of the Llanos 23 Block. When adjusting for the disposition, 3P Reserves decreased by 304 Mbbl.

Update to Reserve Volumes and Values for Changes in Commodity Prices

Arrow is also pleased to provide an update (the "Update") as to the Company's Year-End 2020 reserves based on commodity prices that, in management's view, more-closely reflect those prevailing in the first quarter of calendar year 2021. The Update was prepared by BGEC at the request of Arrow's management and was prepared in keeping with NI 51-101 standards. The Company reminds readers that its production in Colombia is priced off the Brent Crude benchmark, minus (or) plus the prevailing Vasconia Crude discount (or) premium, as the case may be. Readers are cautioned that there is no certainty that the forecast price of crude oil will increase as calculated by changes to the December 31st, 2020 price deck used in the Reserve Evaluation Report. Figures are shown on a before income tax basis.

In summary, based on an increase to the December 31st, 2020 price deck used in the Reserve Evaluation Report of US\$10/bbl WTI Crude Oil (and no change to the price forecast for natural gas), the Company's gross reserves highlights include:

- 3,023 Mboe of Proved Reserves ("1P Reserves");
- 8,076 Mboe of Proved plus Probable Reserves ("2P Reserves");
- 11,541 Mboe of Proved plus Probable plus Possible Reserves ("3P Reserves")¹;
- 1P Reserves estimated net present value before income taxes of US\$22.1 million calculated at a 10% discount rate;
- 2P Reserves estimated net present value before income taxes of US\$63.7 million calculated at a 10% discount rate; and
- 3P Reserves estimated net present value before income taxes of US\$106.7 million calculated at a 10% discount rate.



Furthermore, based on an increase to the December 31st, 2020 price deck used in the Reserve Evaluation Report of US\$15/bbl WTI Crude Oil (and no change to the price forecast for natural gas), the Company's gross reserves highlights include:

- 3,055 Mboe of Proved Reserves (“1P Reserves”);
- 8,117 Mboe of Proved plus Probable Reserves (“2P Reserves”);
- 11,597 Mboe of Proved plus Probable plus Possible Reserves (“3P Reserves”) ¹;
- 1P Reserves estimated net present value before income taxes of US\$28.4 million calculated at a 10% discount rate;
- 2P Reserves estimated net present value before income taxes of US\$79.9 million calculated at a 10% discount rate; and
- 3P Reserves estimated net present value before income taxes of US\$128.4 million calculated at a 10% discount rate.

Table 1 provides detail as to the volumes and values of the Company's Year-End 2020 Reserves based on an increase to the December 31st, 2020 price deck used in the Reserve Evaluation Report of US\$10/bbl WTI, referred to as “Case 1”. Table 2 summarizes the difference in Year-End 2020 reserve volumes and values between Case 1 and the Reserve Evaluation Report, with positive figures representing comparatively higher volumes and/or values in Case 1 when compared to the Reserve Evaluation Report, and with negative figures representing comparatively lower volumes and/or values in Case 1 when compared to the Reserve Evaluation Report.

Table 1³

SUMMARY OF OIL AND GAS RESERVES - TOTAL COMPANY ARROW EXPLORATION CORP. EFFECTIVE DATE AS OF DECEMBER 31, 2020 (FORECAST PRICES + WTI \$10/bbl & COSTS)								
Reserve Category	Company Gross Remaining Reserves				Net Present Value Before Tax			
	Oil Mbbbl	Sales Gas MMcf	NGLs Mbbbl	BOE MBOE	0% M\$US	5% M\$US	10% M\$US	15% M\$US
Proved Developed								
Producing	165	1,507	16	432	6,389	6,014	5,663	5,358
Non-Producing	296	3,270	65	906	5,707	4,904	4,247	3,715
Proved Undeveloped	1,684	0	0	1,684	18,853	15,075	12,154	9,870
Total Proved	2,145	4,777	81.4	3,023	30,949	25,993	22,064	18,943
Probable	4,360	3,854	51	5,054	82,100	57,855	41,634	30,498
Total Proved + Probable	6,505	8,631	132.8	8,076	113,049	83,848	63,698	49,441
Possible	3,103	1,983	31	3,465	97,695	62,850	43,011	30,950
Total Proved + Probable + Possible	9,608	10,614	163.9	11,541	210,744	146,698	106,709	80,391

Table 2⁴

CHANGE IN OIL AND GAS RESERVES - TOTAL COMPANY ARROW EXPLORATION CORP. EFFECTIVE DATE AS OF DECEMBER 31, 2020 (FORECAST PRICES + WTI \$10/bbl & COSTS vs. FORECAST PRICES & COSTS)								
Reserve Category	Company Gross Remaining Reserves				Net Present Value Before Tax			
	Oil Mbbbl	Sales Gas MMcf	NGLs Mbbbl	BOE MBOE	0% M\$US	5% M\$US	10% M\$US	15% M\$US
Proved Developed								
Producing	17	23	0	21	1,379	1,279	1,197	1,128
Non-Producing	189	12	0	191	1,603	1,472	1,366	1,277
Proved Undeveloped	-120	0	0	-120	14,032	11,740	9,947	8,525
Total Proved	86	35	0	93	17,014	14,491	12,510	10,930
Probable	947	16	0	950	31,855	22,990	16,931	12,688
Total Proved + Probable	1,033	51	1	1,042	48,869	37,481	29,441	23,618
Possible	17	9	0	19	27,348	18,621	13,517	10,324
Total Proved + Probable + Possible	1,136	95	1	1,153	93,231	70,593	55,468	44,872



Table 3 provides detail as to the volumes and values of the Company's Year-End 2020 Reserves based on an increase to the December 31st, 2020 price deck used in the Reserve Evaluation Report of US\$15/bbl WTI, referred to as "Case 2". Table 4 summarizes the difference in Year-End 2020 reserve volumes and values between Case 2 and the Reserve Evaluation Report, with positive figures representing comparatively higher volumes and/or values in Case 2 when compared to the Reserve Evaluation Report, and with negative figures representing comparatively lower volumes and/or values in Case 2 when compared to the Reserve Evaluation Report. Figures are shown on a before income tax basis.

Table 3⁵

SUMMARY OF OIL AND GAS RESERVES - TOTAL COMPANY ARROW EXPLORATION CORP. EFFECTIVE DATE AS OF DECEMBER 31, 2020 (FORECAST PRICES + WTI \$15/bbl & COSTS)								
Reserve Category	Company Gross Remaining Reserves				Net Present Value Before Tax			
	Oil Mbbbl	Sales Gas MMcf	NGLs Mbbbl	BOE MBOE	0% M\$US	5% M\$US	10% M\$US	15% M\$US
Proved Developed								
Producing	172	1,514	16	440	7,119	6,685	6,286	5,940
Non-Producing	340	3,281	66	953	7,149	6,234	5,483	4,871
Proved Undeveloped	1,662	0	0	1,662	25,420	20,478	16,659	13,672
Total Proved	2,174	4,795	81.7	3,055	39,688	33,397	28,428	24,483
Probable	4,369	3,850	51	5,062	99,276	70,681	51,452	38,179
Total Proved + Probable	6,543	8,645	133	8,117	138,964	104,078	79,880	62,662
Possible	3,118	1,987	31	3,480	109,646	70,671	48,472	34,966
Total Proved + Probable + Possible	9,661	10,632	164.1	11,597	248,610	174,749	128,352	97,628

Table 4⁶

CHANGE IN OIL AND GAS RESERVES - TOTAL COMPANY ARROW EXPLORATION CORP. EFFECTIVE DATE AS OF DECEMBER 31, 2020 (FORECAST PRICES + WTI \$15/bbl & COSTS vs. FORECAST PRICES & COSTS)								
Reserve Category	Company Gross Remaining Reserves				Net Present Value Before Tax			
	Oil Mbbbl	Sales Gas MMcf	NGLs Mbbbl	BOE MBOE	0% M\$US	5% M\$US	10% M\$US	15% M\$US
Proved Developed								
Producing	24	30	0	29	2,109	1,950	1,820	1,710
Non-Producing	233	23	1	238	3,045	2,802	2,602	2,433
Proved Undeveloped	-142	0	0	-142	20,599	17,143	14,452	12,327
Total Proved	115	53	1	125	25,753	21,895	18,874	16,470
Probable	956	12	0	958	49,031	35,816	26,749	20,369
Total Proved + Probable	1,071	65	1	1,083	69,630	52,959	41,201	32,696
Possible	32	13	0	34	39,299	26,442	18,978	14,340
Total Proved + Probable + Possible	1,218	131	2	1,242	134,682	101,296	79,053	63,506

2,3,4,5,6 Estimates of reserves of gas include associated and non-associated gas; "Gross Reserves" are Company's working interest reserves before the deduction of royalties; "Net Reserves" are Company's working interest reserves after deductions of royalty obligations plus the Company's royalty interests; NPV of FNR includes all resource income: Sale of oil, gas, by-product reserves; Processing of third party reserves; Other income; Note: The numbers in the tables may not add exactly due to rounding.



This press release contains various references to the abbreviation "BOE" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet (Mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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".

For further information contact:

Marshall Abbott

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

(or)

Max Satel

VP Corporate Development & Investor Relations
msatel@arrowexploration.ca
(416) 904-2258

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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 (or any of them individually), 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.