

## **ARROW EXPLORATION CORP.**

### **CORPORATE DISCLOSURE AND CONFIDENTIALITY POLICY**

**Arrow Exploration Corp.** (the "**Company**") is committed to providing timely, accurate and balanced disclosure of material information about the Company, consistent with statutory and regulatory requirements. Adherence to this policy will help the Company maintain credibility in the marketplace by ensuring that all investors in securities of the Company have equal access to information that may affect their investment decisions.

The goal of this policy is to raise awareness of the Company's approach to disclosure and confidentiality of information and to promote compliance among the board of directors (the "**Board**"), senior management and employees of the Company.

This policy covers disclosures in documents filed with the securities commissions and stock exchanges, written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, speeches by senior management and information contained on the Company's website and other electronic communications. The policy extends to verbal statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as press conferences and conference calls.

#### **1. Disclosure Committee**

The Company shall have a standing disclosure committee (the "**Disclosure Committee**"), the members of which shall be the Chief Executive Officer ("**CEO**") and Chief Financial Officer of the Company ("**CFO**") and such other management personnel and employees as the CFO and CEO may designate from time to time. The Disclosure Committee shall be responsible for developing policies and procedures regarding the review and release of any information concerning the Company to the public. The policies and procedures of the Disclosure Committee shall provide, at a minimum, that: (i) all disclosure concerning the Company made in compliance with applicable statutory and regulatory requirements must be approved by one of the CEO or CFO and a majority of the board of directors prior to release and (ii) in addition, all preliminary prospectuses, prospectuses, information circulars, take-over bid circulars, issuer bid circulars, directors' circulars, rights offering circulars, financial statements, management's discussion and analyses, business acquisition reports and annual information forms must be approved by the Board prior to release.

#### **2. Designated Spokespersons**

The CEO and CFO, and if applicable the VP Investor Relations ("**VP IR**") shall be responsible for communication with the media, investors and analysts. The CEO and CFO shall be the official spokespersons of the Company. The CEO and CFO may, from time to time, designate others within the Company to speak on behalf of the Company as back-ups, or to respond to specific inquiries from the investment community or the media. The CEO and CFO and VP IR

shall consult with the Company's legal counsel as they consider necessary in connection with this policy.

Directors, officers and employees of the Company who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community or the media, and are prohibited from otherwise publicly communicating information about the Company unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the CEO or CFO.

### **3. Responsibility for Electronic Communications**

The Disclosure Committee shall be responsible for electronic communications. The Disclosure Committee shall be responsible for monitoring all information placed on the website to ensure that it is accurate, complete and up to date. Any material changes in information must be updated immediately. Disclosure on the website does not constitute adequate disclosure of information that is considered material non-public information. Therefore, any disclosures of material information on the website will be in conjunction with a news release.

The Disclosure Committee shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this policy shall be utilized in responding to electronic inquiries.

Employees are prohibited from participating in internet chat room or news group discussions on matters pertaining to the Company or to the securities of the Company.

### **4. Material Information**

Material information is any information relating to the business and affairs of the Company and its affiliates that results in, or would reasonably be expected to result in, a significant change in the market price or value of securities of the Company or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. A good rule of thumb is that if the information would influence an employee's decision to buy or sell securities of the Company, the information is probably material. If an employee is unsure whether or not information is material, they should immediately contact the CEO or CFO before disclosing it to anyone. Listed below are some developments that may give rise to material information. This list is not intended to be all-inclusive:

- a significant acquisition, disposition or merger;
- new issue of securities or a significant change in capital structure;
- a significant change in financing arrangements;
- a significant change in expected financial results;
- major operational events or incidents.

### **5. Principles of Disclosure of Material Information**

In complying with the requirement to disclose forthwith all material information under

applicable laws and stock exchange rules, the following basic disclosure rules will be observed:

- (a) Material information will be publicly disclosed immediately, unless it is determined by the Disclosure Committee that such disclosure would be unduly detrimental to the interests of the Company complies with any applicable requirements under Canadian securities laws to file a confidential material change report.
- (b) Disclosure must include any information which, if omitted, would make the rest of the disclosure misleading.
- (c) Unfavorable material information must be disclosed as promptly and completely as favourable material information.
- (d) Previously undisclosed material information must not be disclosed selectively. If such information has been inadvertently disclosed to an analyst or any other person, it must be generally disclosed immediately by news release.
- (e) Disclosure must be updated if earlier disclosure has become misleading as a result of intervening events.

## **6. When Information May Be Kept Confidential**

Where the immediate disclosure of material information concerning the business and affairs of the Company would be unduly detrimental to the interests of the Company, its disclosure may be delayed and kept confidential temporarily provided that the Company complies with any applicable requirements under Canadian securities laws to file a confidential material change report. Keeping information confidential can only be justified where the potential harm to the Company or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure. Examples of circumstances in which disclosure might be unduly detrimental to the interests of the Company include:

- (a) Where the release of information would prejudice the ability of the Company to pursue specific and limited objectives or to complete a transaction or series of transactions that are underway.
- (b) Where the disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them.
- (c) Where the disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.

The Disclosure Committee will be responsible for ensuring any required confidential material change report is properly filed with the applicable securities regulatory authorities and ensuring compliance with applicable securities laws pertaining to confidential material change reports.

## **7. Insider Trading**

Securities laws prohibit insider trading or tipping. The Trading Policy of the Company must be

followed.

## **8. News Releases**

Once the Disclosure Committee determines that a development is material, it will authorize the drafting of a news release, unless such development must remain confidential for a certain time. In such circumstances, appropriate control of the non-public material information will be enforced and such information must not be disclosed to any officers, employees or third parties except as is necessary. Should material information be disclosed in a selective forum, a news release will be issued immediately in order to fully publicly disclose that information.

Once approved by the Disclosure Committee together with a majority of the board of directors, news releases will be disseminated through a news wire service that provides national simultaneous disclosure. In approving a press release, the Disclosure Committee will be guided by the principles in section 4 above. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major national financial media and local media in areas where headquarters and operations are located.

If the stock exchange listing the Company's shares is open for trading at the time of a proposed announcement, prior notice will be provided where practicable to the market surveillance department of the exchange. If the announcement is issued outside of normal trading hours, market surveillance will be notified where practicable before the market opens. The press release will not be posted on the Company's website until it has been disseminated by the news wire service.

## **9. Rumors**

Provided it is clear that the Company and related entities are not the source of the market rumor, spokespersons will consistently respond by saying "It is our policy not to comment on market rumors or speculation." Should a stock exchange request a definitive statement be issued in response to a market rumor that is causing significant volatility in the securities of the Company, the Disclosure Committee will consider the matter and decide on an appropriate response.

## **10. Forward-Looking Information**

The Company may, from time to time, release forward-looking information with respect to expected earnings, cash flow, production and significant developments to enable the investment community to better evaluate the Company and its prospects. The Company will not disclose significant data, and in particular financial information or earnings forecasts which would be material information, to analysts or investors unless such data or information had been publicly disseminated.

If forward-looking information is provided in a disclosure document, meaningful cautionary language should be included warning investors that the information is forward-looking statement and the factors or assumptions that were used in making the forward-looking statement and the factors that could cause actual results to differ materially. In case of a verbal forward-looking statement, the statement will be identified as such and the spokesperson will refer to the cautionary language included in written disclosure documents.

## **11. Contacts with Analysts and Investors**

Analysts are important for disseminating corporate information to the investing public and play a key role in interpreting and clarifying existing public data, as well as providing investors with background information and details that cannot practically be put in public documents. Representatives of the Company will meet with analysts and investors as needed, and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this policy. Any meeting with analysts and investors shall be attended by the CFO or CEO.

The Company will provide only non-material information or publicly disclosed information to analysts or investors and will provide the same detailed information that has been provided to analysts to individual investors who request it. It is recognized that analyst disclosure does not constitute adequate disclosure of information that is considered material non-public information. If material information is to be announced at an analyst or shareholder meeting or press conference, its announcement must be in conjunction with a general public announcement via news release.

## **12. Conference Calls**

The Company will provide advance public notice of conference calls by issuing press releases or by posting the information on its website. Such notice will contain the date and time of the conference call, the subject matter of the call (including whether the Company intends to provide forward-looking financial information during the call), the means of accessing the call, and the availability of replays on the website. The Company will permit general access to conference calls either through a dial-in number or broadcast on its website. Members of the public may participate in the conference calls in listen-only mode. The Company will prepare a script of the presentation to be made during conference calls. Scripts prepared for these communications may be reviewed by the Company's outside counsel, at the discretion of the Disclosure Committee. The Company will not publicly distribute written transcripts of conference calls.

## **13. Maintaining Confidentiality**

Any employee privy to confidential information is prohibited from communicating such information to anyone else unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information to perform their duties, and such persons will be advised that the information is to be kept confidential.

No material information should be disclosed by directors, officers or employees to outside parties except in the necessary course of business. Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in securities of the Company until the information is generally disclosed.

**14. Communication and Enforcement**

All directors, officers and employees of the Company will be advised of this policy and its importance. This policy will be brought to the attention of all employees on an annual basis.

An employee who violates this policy may face disciplinary action up to and including termination of employment. Violation of this policy may also cause violation of certain securities laws. If it is discovered that securities laws have been violated, this matter may be referred to the appropriate regulatory authorities.