THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

This Document constitutes an AIM admission document relating to Arrow Exploration Corp. (the "**Company**") and has been drawn up in accordance with the AIM Rules for Companies. This Document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this Document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been approved by, or filed with, the FCA or any other competent authority. This Document does not constitute an offer to the public within the meaning of the Prospectus Regulation and has not been approved by any other authority which would be a competent authority for the purposes of the Prospectus Regulation.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom's Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document.

The Directors, whose names, business addresses and functions appear on page 11 of this Document, and the Company accept responsibility, both individually and collectively, for the information contained in this Document and for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and makes no omission likely to affect the import of such information.

Prospective investors should read the whole text of this Document and should be aware that an investment in the Company involves a high degree of risk. In particular, the attention of prospective investors is drawn to Part II of this Document which sets out certain risk factors relating to any investment in Common Shares. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, or other disposal of Common Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Common Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Common Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Potential investors should not treat the contents of this Document or any subsequent communications from the Company as advice relating to legal, taxation, investment or any other matters.

ARROW EXPLORATION

Arrow Exploration Corp.

(Incorporated under the laws of Alberta, Canada with corporate access number 2020880742)

Placing and subscription of 140,949,545 New Common Shares with Warrants, at an Issue Price of 6.25 pence (C$0.106125) per New Common Share

and

Admission of the Enlarged Share Capital to trading on AIM

Arden

Nominated Adviser & Broker

This Document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Common Shares or Warrants to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into any of Canada, Australia, New Zealand, Japan, South Africa or the United States of America (each a "**Restricted Jurisdiction**"). The Common Shares and Warrants have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or qualified for sale under the laws of any state of the United States of America or under any applicable securities laws of any Restricted Jurisdiction. Subject to certain exceptions, the Common Shares and Warrants may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within any Restricted Jurisdiction, or for the account or benefit of, any U.S. Persons (as such term is defined in Regulation S under the Securities Act) or any national, resident or citizen of any other Restricted Jurisdiction.

The offer of the New Common Shares and Warrants in Canada is being made on a private placement basis only and is exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws. Any resale of the New Common Shares into Canada must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the New Common Shares outside of Canada. There will be no public offering of the New Common Shares or Warrants in Canada. This document does not contain all of the information that would normally appear in a prospectus under applicable Canadian securities laws. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the New Common Shares or Warrants. Any representation to the contrary is an offence. This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the New Common Shares or Warrants in Canada.

Arden Partners plc ("Arden"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the Placing and Admission. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire Common Shares or Warrants in the Company in reliance on any part of this Document. Arden is acting exclusively for the Company and for no one else in connection with the Placing and Admission. Arden will not regard any other person (whether or not a recipient of this Document) as its customer in relation to the Placing and/or Admission and will not be responsible to any other person for providing the protections afforded to customers of Arden or for providing advice in relation to the Placing and/or Admission or any transaction or arrangement referred to in this Document.

The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors or Arden to permit a public offer of Common Shares or Warrants or to permit the possession or distribution of this Document in any jurisdiction where action for that purpose may be required. This Document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Document comes are required by the Company, the Directors and Arden to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors or Arden. Without prejudice to the Company's obligations under the AIM Rules, the delivery of this Document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Document or that the information contained in this Document is correct as of any time subsequent to the date of this Document. Neither Arden nor any person acting on its behalf has authorised the contents of this Document and, without limiting the statutory rights of any person to whom this Document is issued, no representation or warranty, express or implied, is made by Arden nor any person acting on its behalf, with respect to the completeness, accuracy or verification of this Document and no responsibility or liability whatsoever is accepted by any such person for the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document, for which the Company and the Directors are solely responsible. Neither Arden nor any person acting on its behalf accepts any responsibility or obligation to update review or revise the information in this Document or to publish or distribute any information which comes to their attention after the date of this Document, and the distribution of this Document shall not constitute a representation by Arden or any other person that this Document will be updated, reviewed or revised or that any such information will be published or distributed after the date of this Document.

The Placing is conditional, *inter alia*, on the Subscription and Admission taking place by 8.00 a.m. on 25 October 2021 (or such later date as the Company and Arden may agree, being not later than 19 November 2021). The New Common Shares and the Existing Common Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Common Shares after Admission.

The contents of this Document are not to be construed as legal, business or tax advice. Prospective investors should consult their own professional advisers for legal, financial or tax advice in relation to an investment or proposed investment in the Common Shares and Warrants. Copies of this Document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays) from the date of this Document until the date which is one month after the date of Admission at the offices of Arden Partners and from the Company's website (www.arrowexploration.ca), except that this Document will not be available to residents in, and should not be forwarded or transmitted into any jurisdiction where doing so may constitute a violation of local securities.

Notice to Prospective Investors in the US

THE NEW COMMON SHARES AND WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY US STATE SECURITIES LAWS. THE NEW COMMON SHARES AND WARRANTS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS THE NEW COMMON SHARES AND WARRANTS ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. THE COMPANY HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

The New Common Shares and Warrants have not been approved or disapproved by the United States Securities and Exchange Commission, any US state securities commission or any other regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this document. Any representation to the contrary is unlawful. The New Common Shares and Warrants will be offered and sold (i) outside the United States to non-US Persons pursuant to the requirements of Regulation S and (ii) to a limited number of investors located in the United States (a) that are QIBs, as such term is defined in Rule 144A under the Securities Act, and who have executed and delivered a US Investor Letter or (b) are reasonably believed to be "accredited investors" (as such term is defined in Rule 501 of Regulation D under the Securities Act), and who have executed and delivered a US subscription agreement.

The New Common Shares and Warrants cannot be offered, resold, pledged or otherwise transferred in the United States or to US Persons except in accordance with the restrictions and procedures set forth in Part VIII of this document entitled "Terms and Conditions of the Placing" or as otherwise set out in the relevant subscription agreement.

This document does not constitute an offer of, or the solicitation of an offer to subscribe for or to buy, any New Common Shares and Warrants to any person in the United States or to US Persons (as such term is defined in Regulation S) to whom it is unlawful to make such offer or solicitation or which may result in the requirement to register the New Common Shares and Warrants under the Securities Act. This document may not be published, distributed, forwarded, transferred, copied or otherwise transmitted by any means or media, directly or indirectly, in whole or in part, to any persons within the United States or to any US Person. Securities may not be offered or sold in the United States absent (i) registration under the Securities Act or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

Notice to Prospective Investors in Canada

This document may only be distributed to, and is only addressed to and directed at, persons in Canada who are: (a) an "accredited investor" within the meaning of Section 1.1 of National Instrument, Prospectus Exemptions ("NI 45-106") of the Canadian Securities Administrators or subsection 73.3(1) of the Securities Act (Ontario), as applicable, and is either purchasing the New Common Shares and Warrants as principal for its own account, or is deemed to be purchasing the New Common Shares and Warrants as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (b) such person was not created or used solely to purchase or hold the New Common Shares and Warrants as an accredited investor under NI 45-106; (c) entitled under applicable Canadian securities laws to purchase the New Common Shares and Warrants without the benefit of a prospectus under such securities laws; and (d) if required by applicable Canadian securities laws, it will execute, deliver and file or assist the Company in obtaining and filing such reports, undertakings and other documents relating to the purchase of the New

Common Shares and Warrants by it as may be required by any Canadian securities commission or other regulatory authority.

The offer and sale of the New Common Shares and Warrants in Canada is being made on a private placement basis only and is exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws. Any resale of the New Common Shares and Warrants into Canada must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the New Common Shares and Warrants outside of Canada. There will be no public offering of the New Common Shares and Warrants in Canada. This document does not contain all of the information that would normally appear in a prospectus under applicable Canadian securities laws. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the New Common Shares and Warrants. Any representation to the contrary is an offence. This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the New Common Shares and Warrants in Canada.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no shares have been offered or will be offered pursuant to the Placing or Subscription to the public in that Relevant State prior to the publication of a prospectus in relation to the New Common Shares and Warrants which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Company may make an offer to the public in that Relevant State of any New Common Shares and Warrants at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Arden for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the New Common Shares and Warrants shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the New Common Shares and Warrants in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Common Shares and Warrants to be offered so as to enable an investor to decide to purchase or subscribe for any New Common Shares and Warrants.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this document is being distributed only to and is only directed at persons who (a) are defined as qualified investors falling within the meaning of article (2)(e) of the UK Prospectus Regulation *(EU) 2017/1129, as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, and which is part of UK law by virtue of the European Union (Withdrawal) Act 2018*; and (b) fall within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) (investment professionals); or (c) who fall within the definition of "high net worth companies, unincorporated associations etc." in Article 49(2)(a) to (d) of the Order; or (d) are "qualified investors" as defined in section 86 of the Financial Services and Markets Act 2000; or (e) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as Relevant Persons). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

No New Common Shares or Warrants have been or will be offered pursuant to the Placing or Subscription to the public in the United Kingdom, except that New Common Shares and Warrants may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of Arden for any such offer; or

(c) in any other circumstances falling within Section 86 of FSMA, provided that no such offer of New Common Shares and Warrants shall require the Company or any other person to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to New Common Shares and Warrants in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any New Common Shares and Warrants to be offered so as to enable an investor to decide to purchase or subscribe for any New Common Shares and Warrants.

Notice to Prospective Investors in Switzerland

Neither this document nor any other offering or marketing material relating to the New Common Shares and Warrants or the Placing and Subscription may be publicly distributed or otherwise made publicly available in Switzerland, directly or indirectly, within the meaning of the Swiss Financial Services Act (FinSA) and no application has or will be made to admit the New Common Shares and Warrants to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document is being distributed in Switzerland only to persons who are "professional clients" within the meaning of FinSA. Neither this document nor any other offering or marketing material relating to the New Common Shares and Warrants or the Placing and Subscription constitutes a prospectus pursuant to the FinSA.

Neither this document nor any other offering or marketing material relating to the Placing and Subscription, the Company and/or the New Common Shares and Warrants has been or will be filed with or approved by any Swiss regulatory authority and/or review body.

Forward-looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements" within the meaning of applicable Canadian securities legislation as well as other applicable international securities laws. In some cases, these forward looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which the Company operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Company operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this Document.

Prospective investors are strongly recommended to read the risk factors set out in Part II of this Document for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Document may not occur. The forward-looking statements contained in this Document speak only as at the date of this Document. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this Document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this Document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules).

Rounding

Certain data in this Document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this Document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

Currency Presentation

In the document, references to "sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "$", "USD" and "dollars" are to the lawful currency of the United States and references to "C$" and "CAD" are to the lawful currency of Canada.

Unless otherwise stated, the basis of translation of sterling into euros for the purposes of inclusion in this document is $1.372/£1.00 (being the exchange rate prevailing on 14 October 2021). Unless otherwise indicated, the financial information contained in this document has been expressed in dollars. The Group presents its financial statements in dollars.

Unless otherwise stated, the basis of translation of sterling into Canadian dollars for the purposes of inclusion in this document is C$1.698/£1.00 (being the exchange rate prevailing on 14 October 2021). Unless otherwise indicated, the financial information contained in this document has been expressed in dollars. The Group presents its financial statements in dollars.

Extraction of information from the Competent Person's Report

This document contains cross-references to information contained in the Competent Person's Report set out in Part III of this document. The Company confirms that the information which has been extracted from the Competent Person's Report has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from the Competent Person's Report, no facts have been omitted which would render the extracts inaccurate or misleading. The Competent Person has reviewed the information contained in this document which relates to information contained in the Competent Person's Report and has confirmed in writing to the Company and the Nomad the information presented is accurate, balanced and complete and not inconsistent with the Competent Person's Report.

Data Protection

The information that a prospective investor provides in documents in relation to a purchase of Common Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom and the European Union. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about products and services, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Ireland, England and Wales and elsewhere (as required); and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company's business.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the European Union and the United Kingdom to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the European Union and the United Kingdom.

If the Company (or any third party, functionary or agent appointed by a member of the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data. In providing such personal data, investors will be acknowledging that their personal data will be processed for the purposes described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Third party data, market and financial information

Where information contained in this Document has been sourced from a third party, including the data, statistics and information and other statements in this Document regarding the markets in which the Company operates, the Company and the Directors confirm that such information has been accurately reproduced, is based on the Company's records or is taken or derived from statistical data and information derived from the sources described in this Document and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Non incorporation of website

The contents of any website of the Company and any website accessible by hyperlinks in this Document do not form part of this Document and prospective investors should not rely on such information.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) the retained EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 as they form part of UK domestic law by virtue of the EUWA supplementing MiFID II; and (c) local implementing measures (together, the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the New Common Shares and Warrants have been subject to a product approval process, which has determined that the New Common Shares and Warrants are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that the price of the New Common Shares and Warrants may decline and investors could lose all or part of their investment; the New Common Shares and Warrants offer no guaranteed income and no capital protection; and an investment in the New Common Shares and Warrants is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing and Subscription. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Arden will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Common Shares and Warrants. Each distributor is responsible for undertaking its own target market assessment in respect of the New Common Shares and Warrants and determining appropriate distribution channels.

CONTENTS

Admission Statistics

Existing share capital immediately prior to Admission

Number of Existing Common Shares	68,674,602

Placing and Subscription

Issue Price	6.25 pence
Number of Placing Shares	87,665,135
Number of Subscription Shares*	53,284,410
Gross proceeds of the Placing and Subscription receivable by the Company	£8,809,347 (USD12,086,423)
Estimated net proceeds of the Placing and Subscription available to the Company	£7.6 million (USD10.4 million)
Number of Warrants	70,474,767

**Canacol, management and non-management investors*

Upon Admission

Common Shares in issue on Admission	209,624,147
Warrants in issue on Admission	70,474,767
Percentage of the Enlarged Share Capital represented by the New Common Shares	67.24%
Estimated market capitalisation of the Company on Admission at the Issue Price	£13.1 million (USD18.0 million)
Trading symbol for Common Shares on AIM	AXL
Trading symbol for Common Shares on TSX-V	AXL
ISIN	CA04274P1053
SEDOL Code	BMW5XV8
LEI	9845000FDF0856QD9031
Website	www.arrowexploration.ca
C$:£ exchange rate	1.698
$:£ exchange rate	1.372

Expected timetable of principal events

	2021
Publication of this Document	20 October
Admission to AIM and expected commencement of dealings	8:00a.m. on 25 October
CREST accounts credited (where applicable)	25 October
Dispatch of definitive share certificates	By 1 November

Notes:

References to time are to British Summer Time (BST) unless otherwise stated. Each of these dates is subject to change at the absolute discretion of the Company and Arden. If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement in a RIS.

Directors, Company Secretary and Advisers

Directors	Gage Jull (*Executive Chairman*) Marshall Abbott (*Chief Executive Officer*) Grant Carnie (*Senior Non-Executive Director*) Maria Charash Koundina (*Non-Executive Director*) Anthony Zaidi (*Non-Executive Director*) Ravi Sharma (*Non-Executive Director*)
Company Secretary	Joe McFarlane
Registered Office	c/o Gowling WLG (Canada) LLP 1600, 421 7th Avenue SW Calgary, Alberta T2P 4K9
Principal Place of Business	1430, 333 – 11th Ave SW Calgary Alberta Canada T2R 1L9
Alberta Corporate Access Number	2020880742
Nominated Adviser and Broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR
Capital Markets Adviser	Auctus Advisors LLP Robsacks, Long Barn Road Weald, Sevenoaks Kent TN14 6NJ
Reporting Accountants to the Company	BDO LLP 55 Baker Street London W1U 7EU
Legal Advisers to the Company (as to matters of English and Canadian Law)	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU Gowling WLG (Canada) LLP 421 7 Ave SW #1600 Calgary Alberta Canada T2P 4K9
Legal Advisers to the Company (as to matters of Panamanian Law)	CCI Law Group Boulevard Pacifica, Punta Pacífica Edificio Oceanía Business Plaza Torre 2000, Nivel 18, Oficina 18 E Ciudad de Panama Panama

Legal Advisers to the Company (as to matters of Colombian Law)	Posse Herrera Ruiz Cra 7 No. 71-52 Torre A Piso 5 Bogotá Colombia
Legal Adviser to the Nominated Adviser and Broker	Michelmores LLP 6 New St Square London EC4A 3BF
Auditors to the Company	Deloitte LLP 850 2nd Street SW #700 Calgary, AB Canada T2P 0R8
Competent Person	Boury Global Energy Consultants Ltd 240 Aspen Meadows PL, SW Calgary, AB Canada T2H 4T2
Registrar and Transfer Agent	Computershare Trust Company of Canada
Depositary	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE UK
Public Relations Adviser to the Company (Canada)	Proactive Investors North America Inc. Suite 965 1055 West Georgia Street Vancouver BC Canada V6E 3P3

Definitions

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

ABCA	the Business Corporations Act (Alberta), as amended, including the regulations promulgated thereunder
Admission	the admission to trading of the Enlarged Share Capital to trading on AIM, and such admission becoming effective as provided in Rule 6 of the AIM Rules
AIM	AIM, the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of, AIM
ANH	Agencia Nacional de Hidrocarburos, the Colombian Oil and Gas regulator
ANLA	Autoridad Nacional de Licencias Ambientales, the environmental competent authority for oil and gas projects in Colombia
Arden	Arden Partners plc, the Company's nominated adviser and broker
Articles	the constating documents of the Company being the articles of amalgamation and the By-laws of the Company (as amended and re-stated from time to time)
Arrow or the **Company**	Arrow Exploration Corp., a public company incorporated under the laws of Alberta with corporate access number 2020880742 and whose registered office is at 1430, 333 – 11th Ave SW, Calgary, Alberta, Canada, T2R 1L9
Audit Committee	the audit committee established by the Company, as described at paragraph 15.1 of Part 1 of this document
BDO LLP	BDO LLP, a UK limited liability partnership, and the reporting accountants to the Company
Board	the Board of Directors of the Company from time to time
Boury	Boury Global Energy Consultants, competent person to the Company responsible for preparing the CPR
Canacol	Canacol Energy Ltd, a public company incorporated under the laws of Alberta with corporate access number 2011382880 and whose registered office is at 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1 Canada
Canacol Subscription	the subscription by Canacol for 36,715,205 New Common Shares at the Issue Price together with 18,357,602 Warrants conditional on Admission

Canacol SPA	the share purchase agreement dated as of May 31, 2018, as amended by letter agreements dated June 1, July 16, July 18, August 13 and August 22, 2018, entered into by and between Arrow and Canacol
Carrao	the Colombian branch office of Carrao Energy
Carrao Energy	Carrao Energy S.A., a Panamanian subsidiary of the Company conducting business in Colombia through its branch office, Carrao
certificated or **in certificated form**	in relation to a Common Share, recorded on the Company's register as being held in certificated form (that is not in CREST or the Canadian Depositary for Securities (CDS))
Common Shares	common shares of no par value in the share capital of the Company and "**Common Share**" shall be construed accordingly
CORMACARENA	Corporación Autónoma para el Desarrollo Sostenible de La Macarena, Colombian local environmental authority with jurisdiction over the Macarena mountain range
Coronavirus or **COVID-19**	the COVID-19 strain of the respiratory coronavirus (as may be mutated) resulting in a global pandemic in 2020/2021
CPR or **Competent Person's Report**	the competent person's report and the addendum thereto prepared by Boury dated July 9 2021, set out in Part III of this document
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time, and any applicable rules made under those regulations
Deloitte Canada	Deloitte LLP, the auditors to the Company
Depositary	Computershare Investor Services PLC
Depositary Agreement	the depositary agreement relating to the issue of the Depositary Interests, dated 14 October 2021, and entered into between the Company and the Depositary
Depositary Deed Poll	the deed poll relating to the holding of Common Shares and the issue of the Depositary Interests, dated 22 July 2021, and made by the Depositary in favour of the DI Holders
DIs or **Depositary Interests**	the dematerialised depositary interests representing Common Shares to be admitted to trading on AIM and issued by the Depositary, which will hold legal title to the underlying Common Shares, as detailed in paragraph 17.3 of Part VI of this document
DI Holder(s)	the holder(s) of a Depositary Interest, from time to time, pursuant to the Depositary Deed Poll

Directors	the directors of the Company as at the date of this document, whose names are set out on page 11, and a "**Director**" shall be construed to be any one of them
DTR	the Disclosure Guidance and Transparency Rules sourcebook containing the disclosure guidance, transparency rules, corporate governance rules and the rules relating to primary information providers and "**DTR5**" shall be construed as chapter 5 (*Vote Holder and Issuer Notification Rules*) of the DTR
Ecopetrol	means Ecopetrol S.A., the majority of which is owned by the Government of Colombia
Ecopetrol Consent	the consent required from Ecopetrol for the assignment to Samaria by Petrolco of its interest in the Tapir Association Contract
Enlarged Share Capital	the 209,624,147 Common Shares in issue as at Admission
Euroclear	Euroclear UK & International Limited, the operator of CREST
EUWA	the European Union Withdrawal Act 2018, as amended and supplemented from time to time including by the European Union (Withdrawal) Act 2020
Existing Common Shares	the 68,674,602 Common Shares that are in issue at the date of this document
FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000, as amended
Group	the Company and its subsidiaries
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
Historical Financial Information	the audited historical financial information of the Group for the three years ended 31 December 2020 and the unaudited historical financial information of the Group for the three-month and six-month periods ended 30 June 2021, set out at Part IV of this Document
Issue Price	6.25 pence
Latest Practicable Date	19 October 2021 being the latest practicable date prior to the publication of this document
Lock-in and Orderly Market Agreements	the lock in agreement dated 20 October 2021 between (1) the Locked-In Persons), excluding Canacol (2) the Company and (3) Arden, and the lock in agreement dated 20 October 2021 between (1) Canacol (2) the Company and (3) Arden, details of which are set out in paragraph 12 of Part I of this document
Locked-In Persons	together, Canacol, Marshall Abbott, Gage Jull, Ravi Sharma, Joe McFarlane and Max Satel
London Stock Exchange or **LSE**	London Stock Exchange plc

Los Picachos JOA	a joint operating agreement in respect of the Los Picachos block dated 31 August 2018 between Carrao, Hupecol Operating Company LLC and Houston American Energy Corp
MAR	the EU Market Abuse Regulation (EU 596/2014) as it forms part of domestic law in the United Kingdom by virtue of the EUWA
NI 51-101	National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators
NI 51-102	National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators
NI 52-110	National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators
NI 58-101	National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators
NI 62-104	National Instrument 62 104 – *Take-Over Bids and Issuer Bids* of the Canadian Securities Administrators
New Common Shares	the 140,949,545 new Common Shares to be issued by the Company pursuant to the Placing and Subscription
Non-Executive Directors	Grant Carnie, Maria Charash Koundina, Anthony Zaidi and Ravi Sharma and any other Director of the Company appointed as a non-executive director from time to time
Official List	the official list of the UK Listing Authority
PCA	person closely associated as defined in article 3(26) of MAR
Petrolco	Petroleos Colombianos S.A., a corporation organised under the laws of the Republic of Panama and the Company's partner in the Tapir block
Petrolco Joint Operating Agreement	the joint operating agreement relating to the Tapir block
Placee	an investor to whom Placing Shares and Warrants are to be issued by the Company pursuant to the Placing
Placing	the conditional placing by Arden of the Placing Shares and Warrants with institutional and other investors at the Issue Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement dated 20 October 2021 made between the Company, the Directors and Arden relating to the Placing and which is summarised in paragraph 17.1 Part VI
Placing Shares	the new Common Shares issued pursuant to the Placing
Promissory Note	the Seventh Amended and Restated Promissory Note between Arrow and Canacol, to be executed prior to Admission and described in paragraph 16.3 of Part VI of this document
Prospectus Regulation	EU Prospectus Regulation 2017/1129/EU including any relevant measure in each member state of the European Economic Area that has implemented Directive 2003/71/EC

Prospectus Regulation Rules	the prospectus rules made by the FCA under Part 6 of FSMA
Provinces	the Canadian provinces of British Columbia, Alberta, Saskatchewan and Ontario
Regulation S	Regulation S promulgated under the Securities Act
Relationship Agreement	the relationship agreement dated 20 October 2021 made between the Company, Arden and Canacol, further details of which are set out in paragraph 11 of Part I of this document
Restricted Jurisdiction	refers to Canada, Australia, New Zealand, Japan, South Africa or the United States
RIS	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
Reserves Committee	the reserves committee established by the Company, as described at paragraph 15 of Part 1 of this document
Samaria E&P	Samaria Exploration & Production S.A.
Samaria	the Colombian branch office of Samaria Llanos
Samaria Llanos	Samaria Llanos Exploration S.A., a Panamanian subsidiary of the Company conducting business in Colombia through its branch office, Samaria
Shareholders	holders of Common Shares from time to time and "**Shareholder**" shall be construed accordingly
Subscribers	each of Gage Jull, Marshall Abbott, Max Satel, Joe McFarlane (together the "**Management Subscribers**"), Canacol and other non-management investors to whom the Subscription Shares and Warrants are to be issued by the Company pursuant to the Subscription
Subscription	the subscriptions at the Issue Price for the Subscription Shares and Warrants by the Subscribers pursuant to subscription agreements with the Company
Subscription Shares	the 53,284,410 new Common Shares to be issued by the Company pursuant to the Subscription
Subsidiaries	each of Arrow Holdings Ltd, Carrao Energy and Samaria Llanos
Tapir Association Contract	means the contract for the exploration and production of hydrocarbons originally entered into between Ecopetrol and Heritage Colombia on February 5, 1995, as variously modified including by an extension amendment signed between Ecopetrol and Petroleos Colombianos S.A. on December 12, 2016, Amendment No.5 dated July 16, 2018 and Amendment No.6 dated March 29, 2019
Tapir PSA	the purchase and sale agreement dated 31 May 2018, as amended by a letter agreement dated 21 August 2018 between the Company and Samaria E&P for the transfer of certain rights related to the Tapir block, together with documents ancillary

	thereto, further details if which are set out in paragraph 16.10 of Part VI
Tax Act	the Income Tax Act (Canada), as amended, including the regulations promulgated thereunder
TSX-V	the TSX Venture Exchange
UK Bribery Act	the Bribery Act 2010, as amended
UK Corporate Governance Code	the principles of good governance and code of best practice issued by the Financial Reporting Council
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purpose of Part VI of FSMA
uncertificated or **in uncertificated form**	a share or shares recorded on the register of members as being held in uncertificated form in CREST, entitlement to which by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST
United Kingdom or **UK**	the United Kingdom of Great Britain and Northern Ireland
United States or **US** or **U.S.**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	United Kingdom value added tax
Warrants	the warrants to subscribe for new Common Shares, on the basis of one Warrant for every two Placing Shares or Subscription Shares issued, to be granted to Placees and Subscribers on the terms and conditions appended thereto further details of which are set out in paragraph 17.2 of Part VI
£	Pounds sterling, the lawful currency of the United Kingdom
C$ or **CAD**	Canadian dollars, the lawful currency of Canada
$ or **dollars** or **USD**	American dollars, the lawful currency of the United States

Glossary of Technical Terms

1P	denotes low estimate of reserves (i.e. proved developed and proved undeveloped reserves)
2P	denotes best estimate of reserves. The sum of proved plus probable reserves
3P	denotes high estimate of reserves. The sum of proved plus probable plus possible reserves
bbl	barrel of oil
bbls/d or **bopd**	barrels per day or barrels of oil per day
best estimate or **P50**	with respect to resources categorisation, the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50 per cent. probability (P50) that the quantities actually recovered will equal or exceed the best estimate
block	term commonly used to describe areas over which there is a petroleum or production licence or production sharing contract
boe	barrel of oil equivalent, where 6,000 standard cubic feet of gas equals 1 barrel of oil
boe/d	barrels of oil equivalent per day
COS	geological chance of success, also known as Exploration Risk Factor
Cretaceous	a geological system dated 145 to 65 million years before present, or the rocks deposited during that period.
farm-in	a term used to describe when an oil and gas company buys a portion of the acreage in a block from another company, usually in return for consideration and for taking on a portion of the selling company's work commitments
farm-out	a term used to describe when an oil and gas company sells a portion of the acreage in a block to another company, usually in return for consideration and for the buying company taking on a portion of the selling company's work commitments
heavy crude oil or **heavy oil**	crude oil with an API gravity less than 20° API
high estimate	this is considered to be an optimistic estimate of the quantity that will actually be recovered from an accumulation by a development project. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 per cent. probability (P10) that the quantities actually recovered will equal or exceed the high estimate
hydrocarbon	compound containing only the elements hydrogen and carbon, which may exist as a solid, liquid or gas. The term is mainly used as a catch-all description for oil, gas and condensate

JOA	joint operating agreement, being a contract by which two or more parties agree to undertake a common task to explore and exploit an area for hydrocarbons
licence	an exclusive right to explore for petroleum, usually granted by a national governing body
light crude oil	crude oil with an API gravity greater than 33° API
low estimate	this is considered to be a conservative estimate of the quantity that will actually be recovered from an accumulation by a development project. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 per cent. probability (P90) that the quantities actually recovered will equal or exceed the low estimate
km	kilometre
m	metre
medium crude oil	crude oil with an API gravity between 20-33°
Mcf	thousands of cubic feet
Mcf/d	thousands of cubic feet per day
Mbbls	thousands of barrels
Mbbls/d	thousands of barrels per day
MMbbls	millions of barrels
MMcf	millions of cubic feet
MMcf/d	millions of cubic feet per day
Operator	a company that has contractual authority to drill wells and undertake production of oil and gas
possible reserves	those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10 per cent. probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves
probable reserves	those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves
prospect	those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves
prospective resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and chance of development

proved reserves	those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves
reservoir	a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterised by a single pressure system where oil and gas has accumulated
royalty	a percentage share of production, or the value derived from production, paid from a producing well, field or contract
seismic	a survey method by which an image of the earth's subsurface is created through the generation of seismic waves by transmitting energy into the earth and analysis of their reflection from rock strata
sq. km	square kilometres
Trap	a configuration of rocks suitable for containing hydrocarbons and sealed by a relatively impermeable formation through which hydrocarbons will not migrate. Traps are described as structural traps (in deformed strata such as folds and faults) or stratigraphic traps (in areas where rock types change, such as unconformities, pinch outs and reefs)

Part I

Information relating to the Company

1. Introduction

The Company, through its Subsidiaries, is an oil and gas exploration and production company active in Colombia and Canada. Arrow's core assets in Colombia (the Tapir block and the Santa Isabel block) provide the Company with low-cost production and contain an extensive inventory of low-risk exploration, appraisal and development opportunities.

The Company is a reporting issuer in Canada (British Columbia, Alberta, Saskatchewan, Ontario) and the Common Shares trade on the TSX-V under the symbol "AXL".

Arrow's strategy is to focus on the rapid development of its opportunity-rich core asset base, leading to increased production and cash flow, a stronger balance sheet and the creation of significant shareholder value.

The Directors have considerable expertise in turning around, building and developing international oil and gas companies, and overseeing the development of significant production assets. The Directors are positioning the Company to become a material independent oil producer in Colombia.

In the near term, the Company plans use the proceeds of the Placing and Subscription and internally generated cash flow to drill up to five wells on the Tapir block.

Subject to the successful drilling and completion of these wells, and the successful tie-in of a well at the Company's West Pepper Montney asset in Canada, and assuming no adverse events at any existing producing wells, the Directors expect that the Group's net production could reach 3,000 boepd by March 2023 and average over 2,000 boepd during 2022.

Arrow is seeking a dual-listing on AIM to provide more direct access to the London capital markets and enhance liquidity for Shareholders. The Board also believes the Company will be able to attract additional institutional and sophisticated investors as a result of the increased awareness of the Company and its projects arising from the Common Shares being traded on AIM.

2. History and Development of the Company

The Company was incorporated in April 2000 under the name Coastport Capital Inc. and, by late 2018, the Company (then known as Front Range Resources Ltd.) owned oil & gas interests in Alberta, Canada, including the Fir and Pepper assets, further details of which are set out in the CPR.

In late 2018, through a series of related transactions, the Company both (a) acquired, from Canacol, Carrao Energy which, at the time of acquisition, held, *inter alia*, interests (a) in the VMM-2 block, Coati block, COR-39 block, Los Picachos block, Macaya block, Ombu block, Santa Isabel block and Llanos-23 block; and (b) formed Samaria Llanos to acquire a 50% interest in the Tapir block in Colombia from Samaria E&P.

These transactions constituted a reverse takeover of the Company and following their completion on 5 October 2018, the Company began trading under the name Arrow Exploration Corp.

In December 2018, Carrao assigned its entire participating interest in the VMM-2 block to Gran Tierra Colombia Inc. Subsequently, in April 2019, Carrao assigned its entire participating interest in the Coati block to Gran Tierra Colombia Inc.

Following a number of changes of management and board members in 2019, Arrow initiated a strategic review in November 2019 with a view to improving the Company's balance sheet, addressing upcoming debt maturities, and maximising enterprise value.

On 20 March 2020, Gage Jull was elected to the Board and appointed as Executive Chairman by Shareholders and, in April 2020, the Company appointed Marshall Abbott as Chief Executive Officer and Joe McFarlane as Chief Financial Officer.

On 24 August 2020, Arrow announced the sale of the Llanos-23 block in Colombia to COG Energy Ltd. for gross cash consideration of approximately US$12 million. The sale closed at the end of 2020 allowing Arrow to focus its corporate efforts on the balance of its assets in Colombia, principally its core assets, the Tapir block and the Santa Isabel block.

3. Company Highlights

3.1. *Portfolio Overview*

The Company has interests in six blocks in Colombia and in oil and gas leases in seven areas in Alberta, Canada.

The Directors consider the Tapir block and Santa Isabel block to be the core assets of the Company.

Asset	Basin	Working Interest	Operator
Colombia			
Tapir	Llanos	50%[(1)]	Petrolco[(2)]
Santa Isabel	Middle Magdalena	100%	Carrao Energy
Ombu	Caguan/Putumayo	*10%*	*Emerald Energy*
COR-39	Cordillera Oriental	*100%*	Carrao Energy
Los Picachos	Caguan/Putumayo	*37.5% (private agreement)*	Hupecol Operating Co Llc.
Macaya	Caguan/Putumayo	*37.5% (private agreement)*	Hupecol Operating Co Llc.
Canada			
Ansell	West Canadian Sedimentary Basin	*100%*	Arrow
Chicken		*100%*	Arrow
Fir		*32% (average)*	Tourmaline Energy
Harley		*100%*	Arrow
Penhold		*13%*	Crescent Point Resources Partnership
Pepper		*99%*	Arrow
Wapiti		*24%*	ORLEN Upstream Canada Ltd.

(1) Arrow's 50% interest in the Tapir block is held through a private contract with Petrolco who holds a 50% participating interest in, and is the named operator of, the Tapir Association Contract with Ecopetrol. The formal assignment to the Group is subject to the Ecopetrol Consent.

(2) Arrow is the *de facto* operator and holder a 50% interest pursuant to certain agreements with Petrolco, details of which are set out in paragraph 16.13 of Part VI.

Further information on the assets is set out below and additional information on the Core Assets can be found in the CPR in Part III of this document.

3.2 ***Core Assets***

3.2.1 *Tapir block*

The Tapir block is situated in the Llanos Basin, surrounded by some of the largest producers in Colombia including Frontera Energy Corporation ("**Frontera Energy**"), Parex Resources Colombia Limited, Gran Tierra Energy Inc., GeoPark Colombia S.A.S. and Perenco Oil and Gas Colombia Ltd. amongst others.

The Company has a 50% working interest in Tapir, contingent on the Ecopetrol Consent. Arrow's partner in the block is Petrolco. Pursuant to the Petrolco Joint Operating Agreement with PetrolCo relating to the Tapir block, Arrow is the *de facto* operator of the Tapir block.

There is existing production from the Rio Cravo Este field which, as of 31 December 2020, had gross 2P reserves of 2.5 mmbbls and gross 3P reserves of 3.9 mmbbls.

The Company plans to drill up to three development wells on Rio Cravo Este, with each well having the potential to add 360 bopd, net to Arrow's 50% working interest.

In addition to Rio Cravo Este, the Tapir block contains multiple other opportunities for near term production and reserves growth, including the Carrizales Norte prospect and the Mateguafa field, details of which are set out below.

Carrizales Norte prospect

The Carrizales Norte prospect is an untested structure to the Northwest of the Carrizales field in the adjacent block, where Frontera Energy is the operator. The Carrizales field is believed by the Directors to have produced over 8.4 mmbbls to date.

Arrow proposes to drill an exploration well on Carrizales Norte, followed, if successful, by 3 to 4 further development wells. The Directors believe that each well is capable of adding gross production in excess of 1,000 bopd.

Carrizales Norte has best estimate unrisked gross prospective resources of 2.5 mmbbls with a geologic chance of success of 50%.

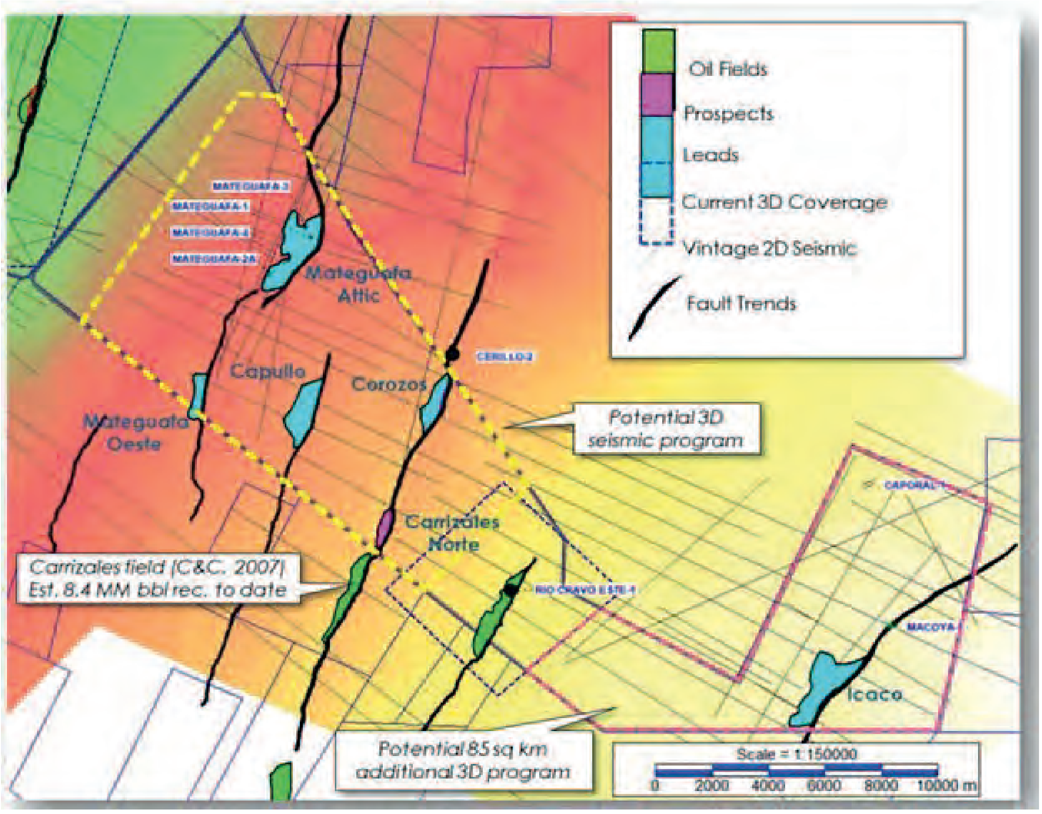
Mateguafa

The first well at the Mateguafa field was completed and tested in April 1998. Four wells have been drilled on the structure, all located significantly downdip from the crest of structure. The Directors believe that there is attic oil potential in several of the sands penetrated by the prior wells, as well as missed pay opportunities.

The Directors plan to acquire new 3D seismic data to accurately map the structure and fault locations. This will be followed by up to two development wells.

The Mateguafa field has gross 3P reserves of 2.3 mmbbls.

Tapir block – Fields, Prospects and Leads



Source: Company internal seismic interpretation and mapping

3.2.2 *Santa Isabel*

The Santa Isabel block (Arrow 100%) is located in the Middle Magdalena basin.

The Oso Pardo Field on the block was discovered in 2013 by Canacol and is approximately 25 km to the Northwest of Gran Tierra's Accordionero field, which had 2P reserves of 66 mmbbls as at end 2020.

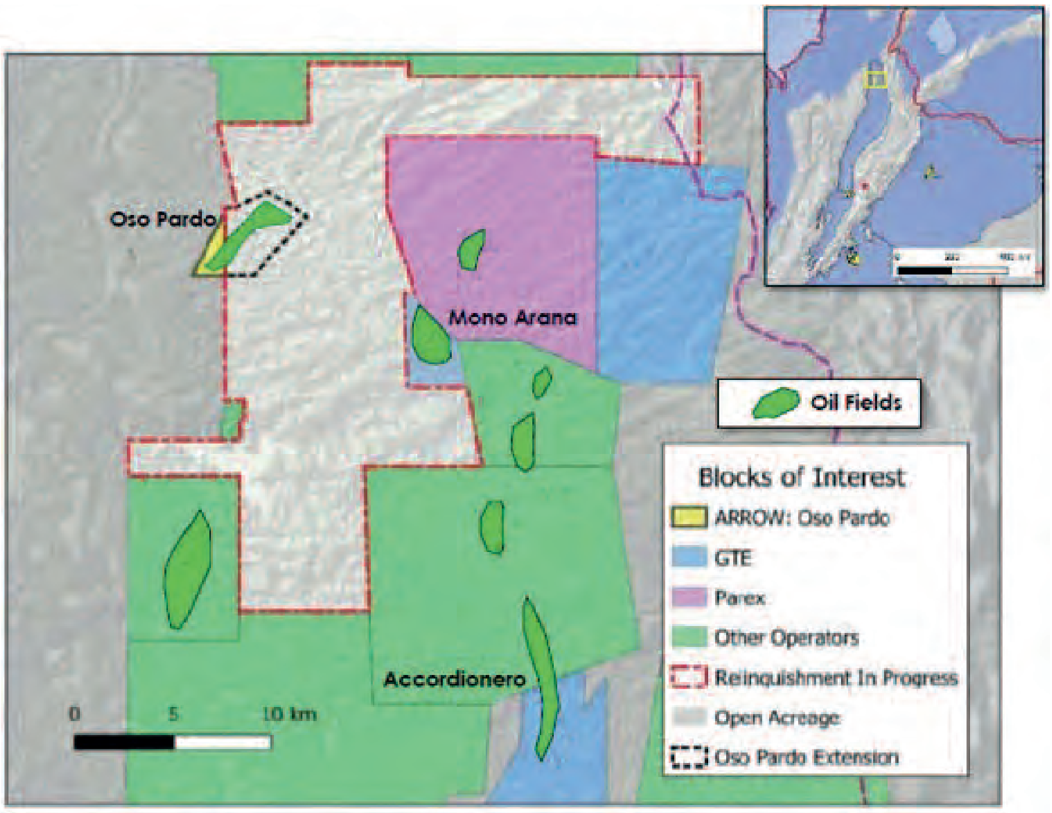
The discovery well at Oso Pardo produced light oil at an initial rate of 200 bbl/d from the Umir formation and two further wells drilled in 2014 proved an oil column of 150 ft, with the most recent well (Morsa-1) testing at 800 bbl/d from multiple sands.

The Morsa-1 well was shut down in 2020 due to the prevailing low oil prices. On 24 June 2021, the Company announced that it had restarted production from the Morsa-1 well at approximately 390 bopd. On 4 July 2021, production re-commenced from two adjacent wells, Oso Pardo-1 and Oso Pardo-2, adding a further 61 bopd of production. The Company expects that flush production of almost 400 bopd will stabilise in the coming months at an expected rate of approximately 120 bopd.

As the volume of oil produced from the Oso Pardo field to date exceeds the volumes estimated by Canacol, this is indicative of a larger oil accumulation. As a result, Arrow has mapped a much larger potential field area than was originally identified by Canacol and the Company plans to submit a request to ANH to extend the existing licence area to include the mapped larger field once relinquishment of the adjacent license is approved.

Based on a P50 case development size of 20 wells, Arrow estimates that the whole Oso Pardo field (including the part intended to be covered by the extended licence area) could contain 9.6 mmbbls of recoverable oil. Overall development of the extended field has been modelled in a study by Gaffney, Cline & Associates, an independent reservoir engineering firm retained by Arrow, as reaching as much as 4,000 bopd, gross, in the P50 case.

Santa Isabel Block



Source: Block outlines from ANH, geological and geographical information from public domain sources

3.3 ***Processing Facilities and Route to Market***

Both the Rio Cravo Este and Oso Pardo fields contain substantial surface facilities for the reception and treatment of produced hydrocarbons. The CPR contains further details of this infrastructure.

There are numerous options for monetisation of the Group's crude oil within Colombia. Currently, Arrow has off-take agreements in place with Frontera Energy, both for Arrow's share of production from Rio Cravo Este, as well as Arrow's production from the Oso Pardo Field. With regards to production from Rio Cravo Este, oil is transported by tanker truck from the well site to the trans-shipment point at Hidrocasanare, also located in the Llanos Basin. With regards to production from the Oso Pardo Field, oil is transported by tanker truck from the wells to the trans-shipment point at Barrancabermeja, also located in the Middle Magdalena Basin.

3.4 ***Non-core Assets***

3.4.1 *Ombu*

Arrow, through its subsidiary Carrao Energy, has a 10% working interest in the Ombu block, which contains the Capella heavy oil discovery located within the massive heavy oil trend that extends from Venezuela to Ecuador.

At 31 December 2020, Arrow's 2P reserves at Ombu were approximately 4.1 mmbbls of 8-11 degree API heavy crude oil.

Production at Ombu was restarted in March 2021 at approximately 140 bopd net to Arrow. Production has increased to approximately 190 bopd net to Arrow as of mid-August 2021.

Given the low working interest and heavy oil nature of the field, which leads to much higher operating costs than at Arrow's core assets, Arrow is negotiating the disposal of its 10% working interest. As of the date of this document, the parties are working on final documentation with respect to the disposition. If consummated, this transaction is expected to close after Admission.

3.4.2 *Los Picachos*

Arrow, through its subsidiary Carrao Energy, has a 37.5% private working interest in the Los Picachos block. Carrao´s interest in the Los Picachos block derives solely from JOAs entered into between Carrao Energy, Hupecol Operating Co Llc. and Houston American Energy Corp. Sucursal Colombia. Carrao Energy is not a party to the Los Picachos E&P Contract and has no rights or obligations under the E&P Contract until an assignment of the relevant interest thereunder is transferred to it with the consent of the ANH.

On November 3 2020, Hupecol Operating Co Llc filed a request to the ANH to terminate, by mutual agreement, the Los Picachos E&P Contract on the basis it was impossible to perform the contract due to the environmental restrictions imposed by local environmental authorities. This request has not yet been determined by the ANH.

3.4.3 *Macaya*

Arrow, through its subsidiary Carrao Energy, has a 37.5% private working interest in the Macaya block. Carrao´s interest in the Macaya block derives solely from JOAs entered into between Carrao Energy, Hupecol Operating Co Llc. and Houston American Energy Corp. Sucursal Colombia. Carrao Energy is not a party to the Macaya E&P Contract and has no rights or obligations under the E&P Contract until an assignment of the relevant interest thereunder is transferred to it with the consent of the ANH.

On November 3 2020, Hupecol Operating Co Llc filed a request to the ANH to terminate, by mutual agreement, the Macaya E&P Contract on the basis it was impossible to perform the contract due to the environmental restrictions imposed by local environmental authorities. This request has not yet been determined by the ANH.

3.4.4 *COR-39*

Arrow, through its subsidiary Carrao Energy, operates and owns 100% of the participating interest in the COR-39 block, phase I of the exploration period. The exploration phase is currently suspended due to social and environmental restrictions of the area where the block is located.

If reaching production phase, the COR-39 E&P contract has, in addition to royalties, an additional share in favour of the ANH equal to 1% of the production after royalties. The exploration phase of the E&P Contract is currently suspended due to social opposition to the project by local communities and the existence of environmental protected areas.

3.5 ***Canadian Assets***

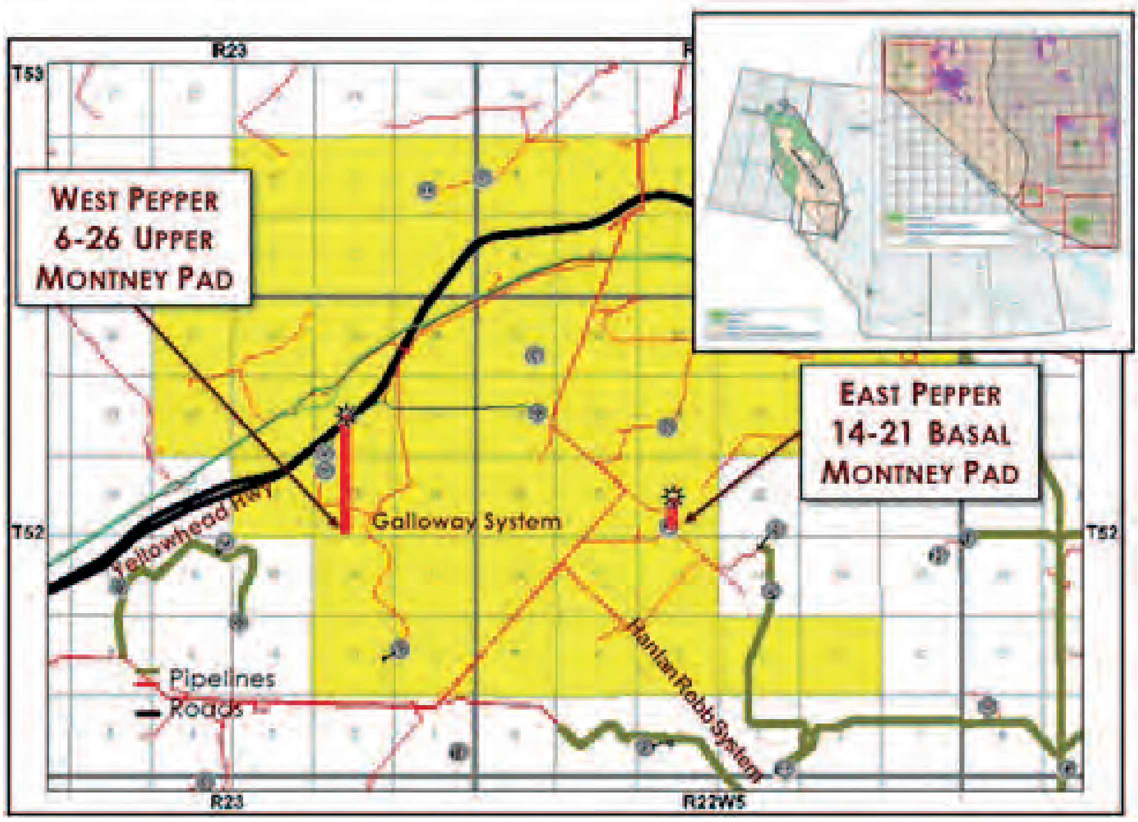
The Company holds interests in seven natural gas assets in west central Alberta, Canada, targeting the prolific Montney formation. Two of these assets, Fir and Pepper, have attributable reserves, which at 31 December 2020 stood at approximately 1.6 MMboe.

The assets offer low-risk, low-cost, behind pipe opportunities for near-term production in a rising gas price environment.

On 11 August 2021, Arrow announced that it had begun the process to tie-in the 3-26 West Pepper Montney well. The estimated on-stream costs are approximately $1.3 million, and the Board expects the well will add initial production of 5.5 MMcf/d (over 900 boepd).

Based on current and forecast gas prices, the Directors estimate that payback of the capital costs of the tie-in will be achieved in less than four months from the start of production.

Beyond the tie-in of the aforementioned well, the Company has no plans to invest additional capital in its Canadian assets. The Company views its Canadian assets as non-core and will explore all opportunities to monetise them.



Source: Produced using Accumap software

3.6 *Summary of Reserves*

3.6.1 *All Assets*

The following tables summarise Arrow's total WI reserves and NPV discounted at 10% after tax, extracted from the CPR with an effective date of 31 December 2020 and calculated using Boury's commodity price forecasts as at 31 December 2020.

	Arrow's WI Reserves Oil Equivalent		
Asset	**1P (Mboe)**	**2P (Mboe)**	**3P (Mboe)**
Tapir – Rio Cravo Este	281	1,271	1,940
Tapir – Mateguafa	–	–	1,159
Oso Pardo	106	140	170
Ombu – Capella	1,672	4,061	5,289
Fir	263	746	907
Pepper	608	816	1,015
Total	**2,931**	**7,034**	**10,480**

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

3.6.2 *Core Assets and Fir and Pepper Licence Areas*

As Ombu is not a Core Asset and the Company is in negotiations to dispose of it, the Company has requested Boury to produce an addendum to the CPR which excludes this asset. The following tables summarise Arrow's WI reserves at the Core Assets, the Fir and Pepper licence areas in Canada and related NPV discounted at 10% after tax, extracted from the CPR with an effective date of 31 May 2021 and calculated using Boury's commodity price forecasts as at 31 May 2021.

Asset	1P (Mboe)	Arrow's WI Reserves Oil Equivalent 2P (Mboe)	3P (Mboe)
Tapir – Rio Cravo Este	255	1,250	1,915
Tapir – Mateguafa	–	–	1,152
Oso Pardo	111	290	373
Fir	211	675	825
Pepper	607	816	1,011
Total	**1,184**	**3,031**	**5,276**

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Boury has also undertaken an assessment of the prospective resources at the Carrizales Norte structure, the results of which are summarised in the following table, which is extracted from the CPR:

	Prospective Resources, net to Arrow	
	Unrisked (Mbbl)	Risked (Mbbl)
Low estimate (P90)	993	497
Best estimate (P50)	1,261	639
High estimate (P10)	1,582	819

Further details on Arrow's reserves and resources are set out in the CPR.

4. Colombia

4.1 *Country Overview*

Colombia is a country in northwestern South America that borders the Pacific Ocean and the Caribbean Sea. The neighbouring countries include Brazil, Ecuador, Panama, Peru, and Venezuela. The geography of Colombia is diverse with flat lowlands and the high Andes Mountains. The government system is a republic in which the executive branch dominates government structure. The chief of state and head of government is the president. Colombia has a pro-market economic system in which the prices of goods and services are determined in a free price system. Colombia is a member of the Andean Community.

President Ivan Duque Marquez began his presidential term on August 7th, 2018, which will end on August 7, 2022. Duque, from the Democratic Center party, won the elections by achieving 53.95% of the votes (10,351,304 votes) while his rival Gustavo Petro reached 41.83% (8,024,697 votes). The main pillars of its government are legality, entrepreneurship, and equity, with transversal axes in terms of infrastructure, environmental sustainability and innovation.

Colombia has a track record of prudent macroeconomic and fiscal management, anchored on an inflation-targeting regime, a flexible exchange rate, and a rule-based fiscal framework, which allowed the economy to grow uninterrupted since 2000. Also, Colombia has halved poverty over the past ten years.

However, productivity growth is low and it has actually been a drag on economic growth. A large infrastructure gap, low skill levels, low trade integration and barriers to domestic competition are among the factors that weigh on total factor productivity. Exports are highly concentrated in non-renewable commodities (oil in particular), which increases the exposure of the economy to price shocks. Finally, Colombia is one of the countries with the highest income inequality and labor market informality in Latin America.

After accelerating to 3.3% in 2019, economic growth was on track to accelerate further in 2020, but the COVID-19 pandemic hit the economy hard, causing the worst recession in almost half a century.

Oil and gas is an important element of the Colombian economy. At an average output of 886 mbbl/d in 2019, it remains the fourth largest producer of oil in Latin America and among the top 25 producers globally. The country holds 2.0 bn bbl of proven oil reserves, similar to the UK (2.7bn bbl), Syria (2.5bn bbl), Argentina (2.4bn bbl) and Gabon (2.0bn bbl). Going into 2010, proven reserves in the country had been depleting at an annualised rate of 5% per year (1999-2009). More recent discoveries in the Llanos basin, however, have led to a resurgence in exploration activity, increasing reserves at a rate of 5% per year from 2009 -2019. The Colombian government remains committed to sustaining this trend and increase the country's long-term reserves. Colombia was no different to other significant oil and gas producing countries in seeing material impacts to activity due to the drop off in hydrocarbon demand as a result of Coronavirus policy measures during 2020. The Colombian Petroleum Association (ACP) reported that investment in Colombia's oil and gas industry fell 49% to US$2.05bn in 2020, its lowest level since 2016. Oil production declined by 12% on the prior year to 780mbbl/d, although structural declines in output were expected due to the maturity of the country's major oil fields. Producing assets were hampered, with over 50 wells forced to shut-in in response to the dual effect of adverse oil prices and weakened demand. Spending on exploration projects was down 55% to US$350m, and production investment dropped to US$1.7bn, c.60% below the figure forecasted for the year.

Investment was expected to pick up again in 2021, albeit below pre-pandemic levels. Exploratory drilling activity was also set for an uptick, with the ACP forecasting c.45 wells to be drilled in 2021, up from just 16 in 2020. Production was expected to remain stagnant as companies look to sustain production levels and recover field declines.

4.2 ***Market Overview***

The oil and gas industry is highly competitive. The Group faces competition from both local and international companies. This competition impacts the Group's ability to acquire properties, contract for drilling and other oil field equipment and secure trained personnel. Many competitors, such as Ecopetrol, Colombia's national oil company, have greater financial and technical resources. The Group's larger or more integrated competitors may be able to absorb the burden of existing, and any changes to, federal, state and local laws and regulations more easily than the Group, which could adversely affect its competitive position. The Group's ability to acquire additional properties and to discover reserves in the future will depend on its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. There is substantial competition for land contracts, prospects and resources in the oil and natural gas industry, and the Group competes to develop and produce those reserves cost effectively. In addition, the Group competes to monetise its oil production: for transportation capacity and infrastructure for the delivery of its products, to maintain a skilled workforce and to obtain quality services and materials.

The oil and gas industry in Colombia is regulated. Rights and obligations with regard to exploration, development and production activities are explicit for each project and economics are governed by a royalty/tax regime. Various government approvals are required for property acquisitions and transfers, including, but not limited to, meeting financial and technical qualification criteria in order to be certified as an oil and gas company in the country. Oil and gas concessions are typically granted for fixed terms with opportunity for extension.

4.3 ***Oil & Gas Industry in Colombia***

Overview of operating environment and key stakeholders

Colombia has a track record for prudent macroeconomic and fiscal management, anchored on an inflation targeting regime, a flexible exchange rate, and a rule-based fiscal framework, which has allowed the economy to grow uninterrupted from 2000 until the COVID-19 pandemic.

The 2018 Presidential election resulted in a government that is much more supportive of the oil and gas industry, which accounts for between 20-25% of Colombia's GDP. Oil and gas infrastructure is also good, with spare pipeline capacity and two port facilities in the Caribbean providing ample export capacity.

Since 2003, the fiscal terms for oil producers have been excellent in relation to both royalties and tax regimes, which remain attractive today and are equal to between 8-14% on Arrow properties.

Overview of regulation

In Colombia, the ANH is the administrator of the hydrocarbons in the country and therefore is responsible, based on the directives issued by the Ministry of Mines and Energy, for regulating the Colombian oil and gas industry, including managing all exploration lands. Since the creation of the ANH in 2003, Ecopetrol, the Colombian national oil company, is no longer the administrator of the country's hydrocarbons resources but merely a mixed economy corporation with majority ownership by the state, whose main purpose is exploring and producing hydrocarbons on similar terms to any private company. In addition, Ecopetrol is a major purchaser and marketer of oil in Colombia and indirectly controls the majority of the oil transportation infrastructure in the country. However, Ecopetrol remains a party to association contracts with private parties and other types of production sharing agreements, such as the Tapir Association Contract, which were entered into prior to the creation of the ANH.

The ANH's basic contracting model is the Exploration and Production Contract, which provides full risk/reward benefits for the contractor. Under the terms of this contract, the successful operator retains the rights to all reserves, production and income from any new exploration block, subject to existing royalty and tax regulations. Each contract contains an exploration phase and a production phase. The exploration phase contains a number of exploration periods and each period has an associated work commitment. The production phase lasts a number of years (usually 24) from the declaration of a commercial hydrocarbon discovery.

In April 2021, the ANH presented a new exploration and production-contracting model for comment whereby several changes are being proposed, including the division of exploration and production phases into two different contracts.

When operating under a contract, the contractor is the owner of the hydrocarbons extracted from the contract area during the performance of operations, except for royalty volumes which are collected by the ANH (or its designee). The contractor can market the hydrocarbons in any manner whatsoever, subject to a limitation in the case of natural emergencies where the law specifies the manner of sale.

Royalties regime

The royalties applicable to the exploitation of conventional hydrocarbons in Colombia are set out in articles 13 and 16 of Law 141 of 1994 (as amended by Law 756 of 2002). The methodologies used to calculate and liquidate royalties are established in the ANH regulations issued under the authority of article 211 of Law 2056 of 2020.

Daily Production	Percentage
For a daily production equal or lower than 5,000 barrels.	8%
For a daily production between 5,000 barrels and 125,000 barrels X% = 8 + (Daily production in barrels per day – 5,000 barrels per day) * 0.10	X%
For a daily production between 125,000 barrels and 400,000 barrels	20%
For a daily production between 400,000 barrels and 600,000 barrels Y% = 20 + (Daily production in barrels per day – 400,000 barrels per day) * 0.025	Y%
For a daily production greater than 600,000 barrels	25%

In addition to the royalties for the benefit of the national government, the E&P contracts contemplates the payment of other fees and economic rights to the ANH, which may include:

1. An additional share in production after royalties bid (X%) by the original awardee of the E&P Contract.

2. A fee for the use of the subsoil during the exploration, evaluation and productions per hectare adjusted on a yearly basis based on the U.S. Producer Price Index. As of 2021, the following are the applicable fees:

   a. During exploration and evaluation the following fees shall apply:

Type of Area	Annual Fee USD/Hectare
Discovered undeveloped deposits	2.48
Continental areas	1.96
Off-shore areas with a depth equal or lower than 1,000 mts	0.97
Off-shore areas with a depth greater than 1,000 mts	0.74

   b. During production and evaluation with production phases the following fees shall apply:

Nature of hydrocarbons	Annual Fee
Liquid hydrocarbons	0.1450 USD/bbl
Natural Gas	0.01450 USD/kft3

3. During production phase and as of the moment accumulated production in the block reaches 5 millions barrels and on the event WTI exceeds the base price as established in the E&P contract the contractor shall deliver to the ANH a participation in the production (high price share) using the following formula:

$$Q = [(P - Po) / P] \times S$$

Where:
Q = Payment to ANH
P = WTI price
Po = Reference price
S = Participation percentage

S Factor

WTI price (P)	Participation percentage (S)
Po ≤ P < 2Po	30%
2Po ≤ P < 3Po	35%
3Po ≤ P < 4Po	40%
4Po ≤ P < 5Po	45%
5Po ≤ P	50%

Reference Base Price (Po)

API gravity of the liquid hydrocarbons	Po (USD$/Bl) (Year 2021)
More than 29º API	37.70
More than 22º API and less or equal to 29º API	39.17
More than 15º API and less or equal to 22º API	40.62
More than 10º API and less or equal to 15º API	58.01
Offshore Areas with depths between 300mt and 1000mts	88.16
Offshore Areas with depths greater than 1000mts	107.03
For natural gas for a distance equal or greater than 500 km between the delivery point and the country receiving point	8.72
For natural gas for a distance greater than 500 km and lower than 1000 km between the delivery point and the country receiving point	10.16
For natural gas for a distance greater than 1000 km between the delivery point and the country receiving point or and LNG plant	11.60

4. The contractor shall undertake activities for the benefit of the communities in the area of influence of the operations in which the Hydrocarbons exploration, evaluation, development and production activities may affect the local communities. The amount shall correspond to the amounts agreed in the relevant contracts, where applicable, without exceeding (1%) of the total amount of the minimum and additional exploration program of each phase of the exploration period, and one percent (1%) of the amount of the annual program of operations of all the commercial fields of the area or areas in production during the corresponding period.

5 Current Trading and Future Strategy of the Group

5.1 *Current Trading*

Since joining the Company in early 2020, the new management team has made significant turnaround progress rebuilding partner, supplier, and customer relationships, terminating historical onerous off-take contracts, selling a higher cost asset (the Llanos 23 block) to recapitalise the Group, and significantly reducing the annual expense base against the challenging backdrop of Coronavirus and, since May 2021, social unrest in Colombia.

In June 2021, production recommenced at the Morsa-1 well on the Oso Pardo field at approximately 392 bopd of initial production which has since stabilised at a rate of approximately 105 bopd, and in early July 2021, Arrow re-started production from two adjacent wells, Oso Pardo-1 and Oso Pardo-2, adding a further 61 bopd of initial production which has since stabilised at a rate of approximately 31 bopd.

For the three months ended June 30, 2021, the Company's average production was 331 boe/d which consisted of crude oil production from the Company's assets in Colombia of 264 bbl/d, natural gas production of 373 Mcf/d and minor amounts of natural gas liquids from the Company's Canadian properties.

For the three months ended June 30, 2021, Arrow recorded $0.9 million (net of royalties) on crude oil sales of 163 bbls (net of inventory movements and other of 101 bbls/d), 4 bbls of natural gas liquids and 373 Mcf/d of natural gas sales.

In the period, funds used in operations were $0.2 million and the adjusted EBITDA loss was $0.5 million. The Company recorded a net loss of $0.7 million for the period.

In early August 2021, the Company announced that it had begun the process to tie-in the 3-26 West Pepper Montney well in Canada.

In the period since 1 July 2021, average production has been 552 boe/d.

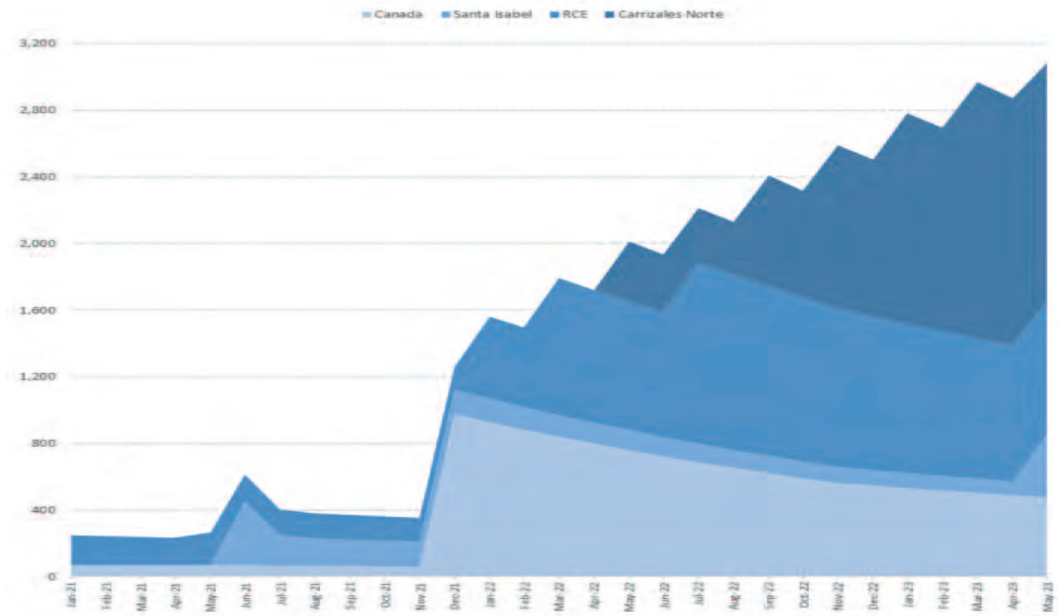
Taking into account the recently increased production levels and based on the current and forecast commodity prices, the Company's revenues cover the Group's cash operating costs and corporate overheads on a month-to-month basis.

5.2 *Future Strategy*

The Company intends to focus its activities in the remainder of 2021 and 2022 on increasing production at Rio Cravo Este and drilling the Carrizales Norte prospect, which, if successful, will be brought into production. Additionally, production is expected to increase from the Pepper asset in Alberta following the tie-in of the 3-26 well.

In the near term, the Company plans use the proceeds of the Placing and Subscription and internally generated cash flow to drill up to three development wells at Rio Cravo Este and two wells at Carrizales Norte.

Subject to the successful drilling and completion of these wells, and the successful tie-in of the 3-26 well on the Pepper asset, the Directors expect that the Group's net production could reach 3,000 boepd by March 2023 and an average of 2,050 boepd during 2022. The Group's forecast production profile up to the end of 2022 is shown below (excluding its interest in the Capella asset, which the Group is in the process of disposing of).



Source: Management estimate forecasts

6. Environmental, Social and Governance

The Directors believe that maintaining strong stakeholder support for the Company's operations is critical to Arrow's success. Accordingly, the Directors aim to maintain such support to create long-term value for all stakeholders. The Board as a whole is responsible for the governance of the Company's ESG commitments and management is directly responsible for ensuring that the Company's expectations are communicated to Arrow's workforce and contractors.

The Directors intend to achieve this by embedding environmental, social and economic considerations into all of their business decisions, promoting the health, well-being and development of personnel, maintaining strong relationships with the communities in which the Company operates and proactively managing the impact of the Company's business on the environment.

Community Involvement

The Company is committed to contributing to the social development of communities local to where the Company operates, with a goal of enhancing well-being and improving the quality of life. Arrow invests in local infrastructure, facilities and services that help the communities improve their quality of life. Arrow carries out its activities based on interactive processes in coordination with local governments, communities and other relevant participants.

Arrow is committed to offering new opportunities to generate income and employment in the areas close to its operations and foster strong community relationships by hiring, training and promoting local personnel.

Environment

Among other things, Arrow promotes the rational use of natural resources through practices that seek to mitigate potential environmental damage. The Group is committed to limiting its impact on the climate, air, land and water by adhering to the highest standards of industry operating practices; it supports principles included in the UN's Sustainable Development Goals.

Health & Safety, and People

The health and safety of all workers involved in the Group's activities, as well as residents of the communities where it operates, is a core value at Arrow. Arrow is committed to treating staff members with dignity, fairness and respect, following applicable occupational health and safety legislation and industry recommended practices, and supporting the principles of the Universal Declaration of Human Rights.

Leadership & Governance

Arrow's Board is responsible for the governance of the Company's ESG commitments. The management team is accountable for implementing the ESG commitments and ensuring that ESG expectations are communicated to the Company's workforce and contractors.

7. Directors, Senior Management and Key Employees

7.1 *The Board*

The Board comprises two Executive Directors and four Non-Executive Directors, two of whom are considered to be independent.

Philip Gage Jull ("Gage") *(aged 62) – Executive Chairman*

Mr. Jull is a Co-founder and Chairman of Bordeaux Capital Inc., a Toronto-based mergers & acquisitions advisory firm focused on emerging companies in the natural resources sector. Prior to Bordeaux Capital, Mr. Jull was a Managing Director, Corporate Finance at Mackie Research Capital Corp., an investment banking and securities brokerage services firm from August 2004 to November 2015. Throughout his career, Mr. Jull has acted as lead underwriter on numerous cross border equity and debt offerings involving energy assets around the world, with capital sourced in Canada, the U.S. and the U.K. He has also worked at international firms including Merrill Lynch and Prudential Bache, as well as Canadian domestic firms including Burns Fry and Taurus Capital. He has completed over 200 financings and M&A transactions in the course of his career. Mr. Jull holds a B.Sc. degree from the University of Toronto, an MBA from the University of Western Ontario, and holds both P.Eng. and CFA designations.

Marshall Abbott *(aged 63) – Chief Executive Officer*

Mr. Abbott is an accomplished oil & gas executive, having built and sold several companies throughout his 37-year career in the industry. Most recently, Mr. Abbott was CEO & Chairman of Rampart Oil Inc., a company he co-founded and built to 3,500 bbls/d of production. Previously, Mr. Abbott was CEO & Chairman of Bernum Petroleum Inc., a company he co-founded and built to 3,000 bbls/d of production until its sale to Caltex Resources Ltd. Mr. Abbott has also been the Co-founder, CEO & Chairman of numerous other oil & gas companies in Canada and internationally, including Sabretooth Energy Inc. (sold to Cequence Energy Ltd.), Cougar Hydrocarbons Ltd. (sold to Starpoint Energy) and Equatorial Energy Ltd. (sold to Resolute Energy Corp.). Mr. Abbott has also held senior management roles with Stampeder Exploration Ltd., Morrison Petroleums Ltd. and Texaco Canada Resources Ltd. He is a past director of Voyager Energy Inc. and Iron Bridge Resources Inc., both of which were sold following significant growth through successful exploration. Mr. Abbott holds a B.Sc. degree (Honours Geology) from the University of Alberta.

Grant Carnie *(aged 64) – Senior Non-Executive Director (independent)*

Grant Carnie has over 35 years of experience in the Energy Sector, having held a variety of senior technical positions directly and indirectly at energy and natural resources focused firms. His experience stretches across senior technical and commercial positions of assets, including prospect generation, geologic operations, due diligence, asset acquisition activity and business development. Mr. Carnie holds a B.Sc. in Geology from the University of Alberta. He is also a member of the Canadian Society of Petroleum Engineers.

Maria Charash Koundina *(aged 44) – Non-Executive Director (independent)*

Maria Charash Koundina is an experienced oil and gas professional, with over 18 years of operational experience in the industry and as a financier. Maria has held financial roles at a number of leading energy companies, including Shell and World Fuel Services and, most recently, was the Deputy CFO and Head of Commercial Finance and Treasury at Petredec. Maria began her career at J.P. Morgan, is a qualified chartered accountant and holds an MBA from INSEAD.

Anthony Zaidi *(aged 44) – Non-Executive Director*

Mr. Zaidi is a lawyer and a businessman with significant experience in corporate finance and in the mining and energy sector in Colombia. Currently, Mr. Zaidi is a VP Business Development and General Counsel at Canacol. Prior to joining Canacol, Mr. Zaidi was a President and General Counsel of Carrao Energy Ltd. Previously, Mr. Zaidi had been an officer or director of several private and public companies, including Integral Oil Services, Pacific Rubiales Energy, Petro Magdalena Energy, Medora Resources and others, as well as a securities lawyer at Blake, Cassels & Graydon LLP. Mr. Zaidi holds a Juris Doctor degree from the University of Toronto as well as a Bachelor of Commerce (Finance) degree from McGill University.

Ravi Sharma *(aged 59) – Non-Executive Director*

Ravi Sharma is a Professional Engineer with more than 30 years of experience in the Americas, Middle East, Russia, Australasia and Africa. He was previously Global Petroleum Engineering Manager for BHP Billiton Petroleum. Mr. Sharma also held the position of Worldwide Chief Reservoir Engineer for Occidental Oil and Gas and is currently Chief Operating Officer of Canacol.

7.2 ***Senior Management/Key Employees***

Joseph ("Joe") McFarlane – *Chief Financial Officer*

Mr. McFarlane is an accomplished oil & gas finance executive, having helped build and sell several companies throughout his 30-year professional career. He has both domestic Canadian and international experience. Most recently, Mr. McFarlane was CFO of Rampart Oil Inc., a company he co-founded and helped build to 3,500 bbls/d of production. Previously, Mr. McFarlane was CFO of Bernum Petroleum Inc., a company he co-founded and helped build to 3,000 bbls/d of production until its sale to Caltex Resources Ltd. Mr. McFarlane was also the Co-founder and CFO of Sabretooth Energy Inc. (sold to Cequence Energy Ltd.). Mr. McFarlane previously held various senior finance roles with NAV Energy Trust, EnCana Corporation (now Ovintiv Inc.) and its predecessor, PanCanadian Energy Corp., among others. Mr. McFarlane began his career in the Audit & Advisory Services Group of Ernst & Young LLP. Mr. McFarlane holds a B.Comm. degree from the University of Calgary. He is a registered CPA and CA.

Bob Petryk – *Manager of Operations*

Bob Petryk is a professional engineer with over 40 years of technical, operational and managerial experience in the oil and gas industry in Canada and abroad. He previously held senior management/executive positions in the upstream E&P sector, as well as in the oilfield service sector. Bob holds a Bachelor of Science in Mineral Engineering, Petroleum Specialisation from the University of Alberta (1977) and is an active member of APEGA.

Phil Miller – *Senior Vice President, Exploration*

Phil Miller is a geoscientist with over 35 years of experience managing exploration and development projects throughout Africa, the Middle East, North Sea and Latin America. Previously, Mr. Miller has held senior management roles with Pan African Oil, Nexen and Home Oil International.

Max Satel – *Executive Vice President, Corporate Development & Investor Relations*

Mr. Satel is a business leader with over 16 years' experience catalysing results in demanding, highly-competitive environments, with a reputation for sourcing, interpreting and implementing data- and analysis-driven solutions that position corporate clients for turnaround, growth and out-performance. Mr. Satel is a Co-founder of Bordeaux Capital Inc., a Toronto-based mergers & acquisitions advisory firm focused on companies in the natural resources sector. Prior to Bordeaux Capital, he was a Director, Corporate Finance at Mackie Research Capital Corp., an investment banking and securities brokerage services firm. Mr. Satel holds a B. Comm. degree from the University of Toronto.

7.3 ***Interest in Common Shares***

As at the Latest Practicable Date, the Directors were in aggregate interested, directly or indirectly, in 13,370 Common Shares, representing approximately 0.0002 per cent. of the Issued Share Capital.

During 2020, to reflect the substantial salary reductions accepted by certain Directors and senior management to conserve the Group's cash, the Company adopted a phantom share programme for the compensation of such Directors and senior management.

In order to simplify the Company's capital structure from Admission, the holders of the phantom shares and phantom options have agreed to exercise all these instruments and to invest the net proceeds receivable by the holders (after the payment of federal and provincial income taxes in Canada) in New Common Shares in the Subscription.

In addition, certain Directors and senior management have agreed to subscribe for an additional CAD399,000 in aggregate in the Subscription.

Name	No. of New Common Shares to be subscribed in the Subscription with the net proceeds of phantom shares and options (A)	No. of New Common Shares to be subscribed in the Subscription (B)	No. of Warrants to be received pursuant to the Subscription	Value, at the Issue Price, of the subscriptions A and B (C$)	Total number of Common Shares held upon Admission
Gage Jull	2,978,005	1,017,667	1,997,835	424,040.69	3,995,672
Marshall Abbott	2,590,403	989,399	1,789,900	379,906.49	3,579,802
Joe McFarlane	2,876,230	989,399	1,932,814	410,239.88	3,865,629
Max Satel	1,066,855	763,250	915,052	194,219.89	1,830,105
Total	**9,511,493**	**3,759,715**	**6,635,601**	**1,408,406.95**	**13,271,208**

8. Employees

As at the Latest Practicable Date and as at the end of the period covered by the Historical Financial Information in Part IV of this document, the Company had 34 employees, including 29 in Colombia and 5 in Canada. Other individuals providing services to the Company are engaged as self-employed contractors.

9. The Placing and Subscription

The Company is proposing to raise gross proceeds of approximately £8.8 million (USD12.1 million) through the conditional issue of the Placing Shares pursuant to the Placing and Subscription Shares pursuant to the Subscription. The Subscription is conditional on the Placing and the Placing is conditional on the Subscription. Each of the Subscription and the Placing are conditional on Admission.

9.1 ***The Placing***

The Company, Arden and the Directors have entered into the Placing Agreement pursuant to which Arden has agreed, subject to certain customary conditions, to its reasonable endeavours to procure subscribers on behalf of the Company for the Placing Shares at the Issue Price. Together with every two Placing Shares, each Placee will also be granted a Warrant entitling the holder to subscribe for a further new Common Share at 9 pence per New Common Share, for a period of 24 months.

The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Common Shares, including the right to receive dividends and other distributions declared, made or paid in respect of the Common Shares. The Placing Shares will be placed free of any expenses and stamp duty. The Placing Shares are in registered form, and the Enlarged Share Capital will be free from restrictions on transfer and freely transferable, other than certain resale restrictions that apply to sales of the Placing Shares back into Canada.

The holder of such securities shall not resell them into Canada until the date that is four months and one day after the date the shares are issued. Generally, sales on a Canadian exchange or to a Canadian resident may occur only upon expiration of a hold period of four month and a day from the date of the Placing. However, rules vary depending on the provincial jurisdiction and the manner in which the sale is completed. Any subscriber for Placing Shares wishing to effect a sale on a Canadian market or to a Canadian resident is urged to obtain independent legal advice before committing to such trade.

Pursuant to the rules of the TSX-V, the Placing is conditional on TSX-V approval. The Company will apply for conditional approval for the Placing prior to Admission.

The Warrants will not be listed but shall be transferable and a register of holders of Warrants will be maintained by Computershare Trust Company of Canada. Upon exercise of a Warrant a holder will be issued new Common Shares which the Company will procure are admitted to trading on AIM. Further details of the Warrants are set out in paragraph 17.2 of Part VI.

The Placing, which is not underwritten or guaranteed, is conditional, *inter alia*, upon Admission occurring by 25 October 2021, or by such later date as is agreed in writing between the Company and Arden (being not later than 8.00 a.m. (GMT) on 19 November 2021). Further details of the Placing Agreement are set out in paragraph 17.1 of Part VI.

9.2 ***The Subscription***

Each of the Subscribers has subscribed for Subscription Shares conditional on the Placing and Admission. The total number of Subscription Shares is 53,284,410 Each Subscriber will also be granted a Warrant (on the terms set out in paragraph 9.1 above) for every two Subscription Shares. The Subscription Shares will, on Admission, rank *pari passu* in all respects with the Existing Common Shares, including the right to receive dividends and other distributions declared, made or paid in respect of the Common Shares. The Subscription Shares will be issued free of any expenses and stamp duty. The Subscription Shares are in registered form, and the Enlarged Share Capital will be free from restrictions on transfer and freely transferable, other than certain resale restrictions that apply to sales of the Subscription Shares back into Canada.

The holder of such securities shall not resell them into Canada until the date that is four months and one day after the date the shares are issued. Generally, sales on a Canadian exchange or to a Canadian resident may occur only upon expiration of a hold period of four month and a day from the date of the Subscription. However, rules vary depending on the provincial jurisdiction and the manner in which the sale is completed. Any Subscriber wishing to effect a sale on a Canadian market or to a Canadian resident is urged to obtain independent legal advice before committing to such trade.

Pursuant to the rules of the TSX-V, the Subscription is conditional on TSX-V approval. The Company will apply for conditional approval for the Subscription prior to Admission.

9.3 ***Canadian Private Placement***

In addition to the Placing and, Subscription the Company intends, following Admission, to raise up to an additional C$0.5 million by way of a non-brokered private placement (the "**Private Placement**") in Canada. The Private Placement is expected to be conducted at the same price as the Issue Price (and in any event at a price not less than the Issue Price). The Private Placement is expected to close in late October 2021 or early November 2021. The net proceeds from the Private Placement will also be applied towards the work programme detailed in paragraph 10 of this Part I.

10. Admission, Depositary Interests, Settlement and CREST

10.1 *Reasons for Admission and Use of Proceeds*

Arrow is seeking a dual-listing on AIM to enhance liquidity for the Company's shareholders and provide a more direct access to the London capital markets. The Board also believes that the Company will be able to attract additional institutional and sophisticated investors as a result of the increased awareness of the Company and its projects arising from listing on AIM.

The expected principal uses of the net proceeds of the Placing and Subscription (together with Company's existing own funds, as required) are as follows:

- Approximately US$5.4m will be used to drill two wells at Rio Cravo Este commencing by the end of 2021;
- Approximately US$3.8m will be deployed in drilling the Carrizales Norte-1 exploration well in early 2022;
- Approximately US$3.15m will be deployed to repay a portion of the outstanding Promissory Note; and
- The balance of the net proceeds will be used for general working capital purposes.

Thereafter, the Directors expect that additional development drilling at Rio Cravo Este and, subject to success with the Carrizales Norte-1 well, at Carrizales Norte will be funded from internally generated cashflow.

Similarly, the drilling of further wells at Oso Pardo (subject to the Company obtaining an extension to the Oso Pardo licence as referred to in paragraph 3.2.2 of Part I) and further exploration, appraisal and development activities at other leads and prospects on the Tapir block expected to be funded from cash flow.

10.2 *Admission to AIM and Dealings in Common Shares*

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will be made, and that dealings in the Enlarged Share Capital will commence, at 8.00 a.m. on 25 October 2021. As at the date of Admission, the Company will have 209,624,147 Common Shares in issue and is expected to have a market capitalisation of approximately £13.1 million ($18.0 million / CAD 22.2 million) at the Issue Price.

10.3 *CREST*

In order to be traded on AIM, securities must be able to be transferred and settled through the CREST system, a UK computerised paperless share transfer and settlement system operated by Euroclear, which allows shares and other securities, including Depositary Interests, to be held in electronic rather than in paper form. Securities issued by companies not incorporated in the UK, Ireland, Isle of Man or Channel Islands, such as the Company, cannot be held electronically (i.e. in uncertificated form) or transferred in CREST. However, depositary interests representing underlying shares can allow securities to be dematerialised and settled electronically.

Accordingly, the Common Shares will not themselves be admitted to CREST. Instead, the Company, through its Depositary, will have a facility whereby Depositary Interests, representing Common Shares, will be issued by the Depositary to persons who wish to hold the Common Shares in electronic form within the CREST system. Under the Depositary Deed Poll, the Depositary (or its custodian) will hold Common Shares in certificated form on trust for the underlying shareholders (the **DI Holders**) and it will issue uncertificated Depositary Interests (on a one-for-one basis) representing those underlying Common Shares and provide the necessary custodian services. The DI Holders will retain the beneficial interest in the Common Shares held by the Depositary and voting rights, dividends or any other rights relating to those Common Shares will be passed on by the Depositary (or its custodian) in accordance with the terms of the Depositary Deed Poll. The Depositary Interests can then be held and settled within the CREST system in the same way as any other CREST security.

Each Depositary Interest will be treated as one Common Share for the purposes of, determining eligibility for dividends and voting entitlements. In respect of any dividends declared, the Company will provide the Depositary (or its custodian, if appointed) with funds for the payment and the Depositary will transfer the money to the DI Holders. In respect of voting, the Depositary will cast votes in respect of the Common Shares as directed by the DI Holders which the relevant Common Shares represent.

The Depositary Interests will be created pursuant to, and issued on the terms of the Depositary Deed Poll. Prospective DI Holders should note that they will have no rights in respect of the underlying Common Shares or the Depositary Interests representing them against CREST or its subsidiaries. The Depositary Interests will have the same ISIN as the underlying Common Shares and will not be separately admitted to trading on AIM.

10.4 ***Canadian Securities Legislation***

The issuance of the New Common Shares and Warrants will be completed in reliance upon exemptions from the prospectus requirements of applicable Canadian securities legislation. Accordingly, certificates representing the New Common Shares will include legends in accordance with applicable Canadian securities laws and regulatory policies, in addition to the Rules of the TSX, which shall state that unless permitted under securities legislation, the holder of such securities shall not trade them until the date that is four months and one day after the date the shares are issued (the "**Initial Restricted Period**"). In addition, there will be a restriction on the Company's Common Shares that are issued and traded outside of Canada, such that such shares cannot be transferred from CREST to the Canadian central securities depository system, CDS, to either hold shares electronically in Canada or to settle trades placed on TSX-V during the Initial Restricted Period. For the avoidance of doubt, any Common Shares transferred to the Company's certificated share register during this period will be subject to these restrictions. During the Initial Restricted Period, as there will not be a separate ISIN for the New Common Shares, all of the Common Shares will be subject to the same restrictions on transferability through CREST. Previously issued Common Shares that are not subject to trading restrictions will be unaffected except to the extent they are transferred from the Canadian holding system CDS to CREST in which case the shares could not be transferred back to CDS within the Initial Restricted Period, instead a legend certificate would be issued.

11. Canacol Subscription and Relationship Agreement

Following the Canacol Subscription, further described in paragraph 16.3 of Part VI, on Admission, Canacol will hold approximately 19.9 per cent. of the Enlarged Share Capital, together with the Warrants granted pursuant to the Canacol Subscription, and two of their employees (being Anthony Zaidi and Ravi Sharma) are on the Board. Therefore, on 20 October 2021, the Company entered into a Relationship Agreement with Canacol and Arden. Pursuant to the Relationship Agreement, conditional upon Admission, Canacol has agreed that all transactions and relationships between it and the Company will be conducted on terms which allow the Group to carry on its business independently, and all such transactions and relationships will be at arm's length and on a normal commercial basis.

The Relationship Agreement shall bind Canacol for as long as they and their associates hold over 10 per cent. or more of the issued share capital of the Company.

Arrow management have agreed to seek shareholder approval at the Company's 2022 AGM to permit Canacol to become a 'control person' under Canadian securities law and hold over 20% of the

Company's issued and outstanding Common Shares in the event Canacol exercises their warrants. Senior management of Arrow have also agreed to vote their shares in support of this approval.

12. Lock-in and Orderly Market Agreements

The Locked-in Persons, who on Admission will hold a total of 54,999,783 Common Shares (representing approximately 26.24% of the Enlarged Share Capital), have entered into the Lock-In and Orderly Market Agreements, pursuant to which they have each agreed with the Company and Arden that they will not dispose of any interest in Common Shares for the period of 12 months following Admission except in certain limited circumstances. The Locked-in Persons have also agreed that for a further 12 months following the expiry of the initial 12 month period they will only dispose of an interest in Common Shares through Arden (or the broker for the time being of the Company, if it is not Arden) and in such manner as Arden (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the Common Shares.

13. Stock Option Plan and Share Incentive Arrangements

The Directors believe that the success of the Company will depend, to a significant degree, on the future performance of the Company's senior management team and therefore it is important to ensure that they are well-motivated and identify closely with the success of the Company.

The Company has a stock option plan that provides for the issuance to its Directors, officers, employees and consultants options to purchase a number of Common Shares not exceeding 10% of the Common Shares that are outstanding from time to time, which is the number of shares reserved for issuance under the plan. The exercise price is based on the closing price of the Common Shares at close of trading on the day prior to the day of the grant. In certain cases, options may be granted at a discount from market price in accordance with the rules of the TSX-V.

As at the date of this document, there are 5,714,000 options outstanding with an average exercise price of CAD 0.40 and of which 4,319,000 options have an exercise price of CAD 0.05.

14. Dividend policy

Following Admission, when it is commercially prudent to do so and subject to the availability of distributable reserves, the Board may approve the payment of dividends. However, at present, the Directors consider that it is more prudent to retain cash to fund the development of the Company and, as a result, feel it is inappropriate to give an indication of the likely level or timing of any future dividend payment.

15. Corporate Governance

AIM quoted companies are required to adopt a recognised corporate governance code and the Directors recognise the importance of sound corporate governance practices commensurate with the size and nature of the Company. The Board intends to continue to conform to certain Canadian corporate governance standards as detailed below. The Board is responsible for the governance of Arrow and the Board and management consider good corporate governance to be central to the effective and efficient operation of Arrow.

The Company is subject, among other laws and regulations, to instruments published by relevant Canadian securities regulators. One such instrument, NI 58-101 Disclosure of Corporate Governance Practices, prescribes certain disclosures to be made by the Company of its corporate governance practices and another, NP 58-201 Corporate Governance Guidelines, provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. The paragraphs below set out the Company's approach to corporate governance and address the Company's compliance with NI 58-101 and NP 58-201.

As a result of its listing on the TSX-V and being a reporting issuer Canada, the Company has already established corporate governance practices and procedures appropriate for a publicly listed company in Canada. The Company complies with Canadian corporate governance standards appropriate for publicly listed companies, including the adoption of a Code of Business and Ethics and an updated Corporate Disclosure and Trading Policy.

The Board is committed to the highest standards of corporate governance. On and following Admission, the Board will continue to comply with the corporate governance requirements of the TSX-V and applicable securities laws, including, but not limited to NI 51-102, NI 52-110, NI 58-101 and TSX-V Policy 3.1 – Directors, Officers, other Insiders and Personnel and Corporate Governance.

The Directors are responsible for overseeing and embedding effective internal controls and promoting a culture of positive business and operational risk management, including to ensure that proper accounting records are maintained, and that the financial and other information upon which business decisions are made, and which is issued for publication, is reliable and that the assets of the Company are safeguarded.

Corporate governance guidelines applicable to the Company as a result of its listing on the TSX-V recommend that the board of directors of a public company be constituted with a majority of individuals who qualify as "independent" directors. Under the guidelines, a Director is considered independent if he or she has no direct or indirect "material relationship" with the Company, which could, in the view of the Board, reasonably interfere with the exercise of that Director's independent judgement.

Board composition

The Board comprises two Executive Directors, and four Non-Executive Directors, three of whom, namely Grant Carnie, Anthony Zaidi and Maria Charash Koundina, are considered to be independent.

Audit committee

The audit committee will be responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee will initially comprise Gage Jull, Anthony Zaidi and will be chaired by Maria Charash Koundina. The audit committee will meet at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee will also meet regularly with the Company's external auditors.

Compensation committee

The compensation committee is responsible for determining and agreeing the framework for the remuneration of the Chairman, the executive Directors and other designated senior executives with the Board and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments, or other share awards. The remuneration of Non-Executive Directors will be a matter for the Chairman and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration.

The compensation committee will initially comprise Marshall Abbott, Ravi Sharma and will be chaired by Grant Carnie. The compensation committee will meet at least three times a year and otherwise as required.

ESG committee

The ESG committee will be responsible for establishing and overseeing the Company's implementation of ESG policies, as well as for setting strategic ESG goals and targets, including internal KPIs. The committee will annually review (1) the Company's operations in relation to ESG, including monitoring the impact of the Company's operations on local communities and the environment; (2) the Company's ESG policies and stated responsibilities; and (3) the Company's internal ESG procedures, systems and controls. The ESG committee will also annually review any changes to the Company's reputation regarding sustainability and ESG, and make any recommendations to the Board it deems necessary on any area within its remit. The ESG committee will ensure the Company undertakes an annual ESG report and that the ESG committee reviews this report.

The ESG committee will initially comprise Maria Charash Koundina and Gage Jull and will be chaired by Anthony Zaidi. The ESG committee will meet at least two times a year and otherwise as required. Other individuals such as members of the Company's senior management team or external advisers may also be invited to attend meetings when necessary.

Governance and Nominating Committee

The purposes of the Committee of the Board of the Company, shall be to (1) oversee all aspects of the Company's corporate governance functions on behalf of the Board; (2) advise and make recommendations to the Board regarding corporate governance issues; (3) identify, review and evaluate candidates to serve as directors of the Company; (4) review and evaluate incumbent directors to continue serving as directors of the Company; (5) serve as a focal point for communication among board candidates, non-committee directors and the Company's management; (6) recommend to the Board candidates for election by the Board or as nominees for election by the shareholders of the Company; (7) recommend to the Board the appropriate insurance coverage for the Company's directors and executive officers; and (8) make other recommendations to the Board regarding affairs relating to the directors of the Company.

Reserves committee

The reserves committee will be responsible for the annual review of the Company's oil and gas reserves, procedures for evaluating and reporting its oil and gas producing activities and compliance with applicable regulatory and securities laws relating to the preparation and disclosure of information with respect to its oil and gas reserves.

The reserves committee will initially comprise Marshall Abbott, Grant Carnie and will be chaired by Ravi Sharma. The reserves committee will meet at least once a year and otherwise as required.

16. Share Dealing Policy

The Board has adopted policies in order to comply with Canadian insider trading and blackout requirements and with Rule 21 of the AIM Rules relating to Directors' and Applicable Employees' (as defined in the AIM Rules for Companies) dealings in Shares. It also complies with the requirements of MAR and is complemented by a policy on disclosure of inside information and the constitution of a Disclosure Committee.

The Share Dealing Policy applies to the Directors and other relevant employees of the Company. The Share Dealing Policy provides that there are certain periods during which dealing in Ordinary Shares cannot be made. Such periods include the periods leading up to the publication of the Company's financial results, including interim results, and any periods in which the Directors and other relevant employees may be in possession of unpublished price sensitive information.

In addition, a clearance procedure must be followed before any dealings by persons subject to the Share Dealing Policy can take place (including dealings by their families and other associates).

17. Anti-corruption policy

The Company has an Anti-Corruption policy that prohibits Arrow entities, employees and contractors from offering any money or anything of value to a government official for the purpose of retaining business, receiving favourable treatment, obtaining or retaining favourable legislation or preferential treatment.

The Company's anti-corruption policy also forbids Arrow entities, employees and contractors from offering any money or anything of value to a third party in order to obtain or retain business or favourable treatment.

The policy also forbids Arrow entities, employees and contractors from falsifying a company's books or accounting records, mischaracterising the true nature or purpose of a payment or knowingly circumventing or failing to implement accounting controls, which, in reasonable detail, accurately and fairly reflect a transaction.

The Company also has implemented a code of conduct, which incorporates an anti-bribery and corruption policy, and implemented appropriate procedures to ensure that, *inter alia*, the Board, employees, agency staff and consultants comply with the Bribery Act 2010.

18. UK Tax

Certain information on taxation for UK taxpayers is given in, and your attention is drawn to, paragraph 11 of Part VI. These details are intended only as a general guide to the current tax position under UK taxation law and practice. If an investor is in any doubt as to their tax position, they should immediately consult their own tax adviser or independent financial adviser.

19. Canadian Tax

Certain information on taxation for UK taxpayers and Canadian non-resident shareholders under Canadian federal income tax is given in, and your attention is drawn to, paragraph 12 of Part VI. These details are intended only as a general guide to the current tax position under UK and Canadian taxation law and practice. This summary does not constitute, and should not be taken as, general tax advice. If an investor is in any doubt as to their tax position, they should immediately consult their own tax adviser or an independent financial adviser.

20. Disclosure and Transparency Rules

When acquiring Common Shares in the Company, Shareholders are entitled, under Canadian securities laws, to categorise themselves as "objecting" (OBOs) or "non-objecting" (NOBOs). OBOs object to their shareholdings and their details being disclosed to the Company. NOBOs do not object to their shareholdings and their details being disclosed to the Company. Shareholders holding 10 per cent. or more of the Common Shares in the Company are required, pursuant to Canadian securities law, to make filings, which disclose their beneficial ownership of securities and details to the Company regardless of OBO or NOBO categorisation.

Rule 17 of the AIM Rules requires, *inter alia*, that Shareholders notify an AIM listed company once their holding is three per cent. or more, and of any changes thereto (movements through a percentage point upwards or downwards).

Following Admission, the Company will be required to comply with Rule 17 of the AIM Rules to announce any changes in a whole percentage point to the holding of any Shareholder holding three per cent. (3 per cent.) or more of the Common Shares or voting rights in the Company. As the Company is incorporated in Alberta, provisions have been incorporated into the Articles which, to the extent possible, mirror the requirements of DTR 5, so as to enable the Directors to request information from Shareholders in order to comply with the disclosure obligations under AIM Rule 17 and further disclosure requirements of certain transactions involving shares or "significant shareholders" (as defined in the AIM Rules) to disclose to the Company their beneficial ownership of the Common Shares. Further details of these notification and disclosure requirements are summarised in paragraph 9 (*Disclosure Interests*) of Part VI of this document. Shareholders should consider their notification and disclosure obligations carefully as failure to make a disclosure to the Company may result in disenfranchisement.

21. Takeovers, sell out and squeeze out

21.1 *General*

NI 62-104 sets forth the Canadian take-over bid regime. NI 62-104 will continue to apply to the Company to the extent that it is a party to a takeover bid made in Canada or affecting Canadian shareholders. As the Company is a reporting issuer in the Provinces, the following may apply to the Company in certain situations. Securities laws of the Provinces include a comprehensive code governing both the reporting of the acquisition of significant shareholdings and the conduct of takeover bids. For the purposes of these rules, a person is deemed to own all shares and securities convertible into shares that are held directly or indirectly by, or over which control or direction is exercised by, such person and persons acting jointly or in concert with that person.

21.2 *Early Warning Report and Conduct of Takeover Bids*

Under the securities laws of the Provinces, any person who directly or indirectly acquires beneficial ownership of, or the power to exercise control or direction over, shares (or securities convertible into shares) of the Company that, together with any shares held by that person, would constitute 10 per cent. or more of the outstanding shares, must forthwith issue a news release in Canada announcing, among other things, the number of such securities they hold and their intentions with respect to the securities of the Company. A formal report (an "early warning report") setting forth details regarding the acquisition is also required to be filed with the Securities Commissions of the Provinces, within two business days of the acquisition of shares (or convertible securities) that results in the person holding 10 per cent. or more of such securities. If a person's beneficial ownership of, or control or direction over, shares (or securities convertible into shares) decreases to less than 10 per cent. of such securities, that person must issue a news release and file an early warning report disclosing the same information as described above.

Whenever a person who has filed an early warning report acquires or disposes beneficial ownership of, or acquires or ceases to have control over, 2 per cent. of the Company's shares (including securities convertible into shares), or if there is a change in a material fact disclosed in a previously filed report, an additional report must be filed within the same time limits.

21.3 *Takeover Bid Rules*

Any person who acquires or offers to acquire 20% or more of the Company's Shares (other than pursuant to an issuance from treasury) is deemed to be making a takeover bid. Generally, applicable Canadian securities laws provide that takeover bids must:

(i) be made available to all shareholders;

(ii) be open for acceptance for a minimum of 105 days, subject to certain exceptions;

(iii) require more than 50 per cent. of the applicable securities be deposited under the bid;

(iv) offer identical consideration to all shareholders; and

(v) be made by a takeover bid circular containing prescribed information about the bidder and its intentions with respect to the Company.

There are various statutory exemptions available from these rules. In particular, a person may acquire up to 5 per cent. of the Company's Shares in any 12 month period at prices not in excess of the "market price" (plus brokerage). Also, a person may acquire Common Shares of the Company from no more than five persons in private transactions at no more than 115 per cent. of the "market price".

21.4 ***Squeeze out***

The ABCA allows for the compulsory acquisition of all outstanding shares where an acquirer obtains 90% of the issued and outstanding shares (excluding shares already owned by the acquirer).

21.5 ***Sell Out***

There are no provisions under the ABCA or otherwise under Canadian law applicable to the Company providing minority shareholders with the right to sell out to an acquirer of the majority of the shares in a company.

22. Financial Information

Part IV of this document contains:

- the audited consolidated financial statements for Arrow as at, and for the years ended, 31 December 2018, 31 December 2019 and 31 December 2020; and
- the unaudited financial statements for Arrow as at, and for the quarter ended 30 June 2021

23. Further information and risks

You should read the whole of this document which provides additional information on the Company and the Placing and Subscription and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the risk factors set out in Part II (Risk Factors), the Competent Persons Report set out at Part III, the Historic Financial Information set out in Part IV and the additional information set out in Part VI (Additional Information).

Part II

Risk Factors

Any investment in the Company is subject to a number of risks. Accordingly, investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Common Shares and the Group including, in particular, the specific risks described below, before making any investment decision. The information below does not purport to be an exhaustive list, nor are the risks set out in any order of priority. Investors should consider carefully whether an investment in the Common Shares is suitable for them in light of the information in this document and their personal circumstances. Before making any final decision, prospective investors in any doubt should consult with an independent adviser authorised under FSMA (or the corresponding legislation in the jurisdiction in which a prospective investor is resident) who specialises in advising on the acquisition of shares and other securities.

If any of the following risks were to materialise, the Company's business, financial position, results and/or future operations may be materially adversely affected. The market value of the Common Shares may go up or down and an investor may lose all or part of his or her investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the performance and value of the Company. Therefore, the following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company.

An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). There can be no certainty that the Company will be able to implement the strategy set out in the document successfully. No representation is or can be made as to the performance of the Company and there can be no assurance that the Company will achieve its objectives.

In this Part II, reference to the Company shall also, where the context admits, be deemed to be a reference to the Group.

1. Risks relating to the Company and its Business

Nature of Business

An investment in the Company should be considered highly speculative due to the nature of the Company's involvement in the exploration for, and the acquisition, production and marketing of, oil reserves in a developing country and its current stage of development. Oil and gas operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil will be discovered or acquired by the Company, or that the Company will be able to successfully exploit the current discovered commercial quantities.

Capital and Lending Markets

As a result of recent economic uncertainties in the oil and gas industry, and, in particular, the lack of risk capital available to the junior resource sector, particularly those in emerging market jurisdictions, the Company, along with other junior resource entities, may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings (if available) and possible issuances of debt or equity securities, the Company's ability to fund future capital expenditures is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the energy industry generally and the Company's securities in particular.

To the extent that external sources of capital become limited, unavailable or available only on onerous terms, the Company's ability to invest in and to maintain existing assets or implement the Group's exploration or development plan, or complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Local Legal, Political and Economic Factors

The Company operates its principal business in Colombia and may eventually expand to other developing countries. Exploration and production operations in developing countries are often subject to legal, political and economic uncertainties, including terrorism, military repression, social unrest, strikes by local or national labour groups, interference with private contract rights (such as nationalisation), vexatious litigation, extreme fluctuations in currency exchange rates, high rates of inflation, exchange controls, changes in tax rates, changes in laws or policies affecting environmental issues (including land use and water use), workplace safety, foreign investment, foreign trade, investment or taxation, as well as restrictions imposed on the oil and natural gas industry, such as restrictions on production, price controls and export controls.

South America has a history of political and economic instability. This instability could result in new governments or the adoption of new policies, laws or regulations that might assume a substantially more hostile attitude towards foreign investment, including the imposition of additional taxes. In an extreme case, such a change could result in the imposition of additional taxes, renegotiation or termination of existing concessions and contract rights and expropriation of foreign-owned assets without fair compensation. Any changes in oil and gas or investment regulations and policies or a shift in political attitudes in Colombia or other countries in which the Company may operate are beyond its control and may significantly hamper its ability to expand its operations or operate its business at a profit.

Changes in laws in any jurisdiction in which the Company operates or expands into with the effect of favouring local enterprises, and changes in political views regarding the exploitation and protection of natural resources and economic pressures, may make it more difficult for the Company to negotiate agreements on favourable terms, obtain required licences, comply with regulations or effectively adapt to adverse economic changes, such as increased taxes, higher costs, inflationary pressure and currency fluctuations.

In certain jurisdictions, the commitment of local business people, government officials, agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These licences and agreements may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

Recent Political Developments in Colombia

Arrow's core projects are located in Colombia. As such, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability. Further, the Company's exploration and production activities may be affected in various degrees by political stability and government regulations relating to the industry.

A 50-year armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups, both thought to be funded by the drug trade, continues in Colombia. Insurgents continue to attack civilians and violent guerrilla activity continues in many parts of the country. On September 26, 2016, the Colombian government and the Revolutionary Armed Forces of Colombia ("FARC") signed a peace agreement (the "Peace Agreement") and, on November 30, 2016, the Peace Agreement was approved by the Colombia's Congress. Pursuant to the Peace Agreement, the FARC agreed to demobilise its troops and urban militia members and to hand over its weapons to a United Nations mission within 180 days. Once demobilised and disarmed, the FARC can become a legal political party. Under the Peace Agreement, the FARC is guaranteed at least five seats in the Senate and another five seats in the House of Representatives in 2018 congressional elections. The Colombian government has also attempted to begin peace negotiations with the Ejército de Liberación Nacional ("ELN"). The peace negotiations are intended to bring further institutional strengthening and development, particularly to rural regions. The government's biggest challenge is perceived to be to ensure that the negotiations lead to a long-lasting peace and that demobilised members of the FARC and ELN rejoin civilian life, rather than regrouping in criminal bands.

Continuing attempts to reduce or prevent guerrilla activity may not be successful and guerrilla activity may disrupt Arrow's operations in the future. The Company may not be able to establish or maintain the safety of its operations and personnel in Colombia and this violence may affect its operations in the future. Continued or heightened security concerns in Colombia could also result in a significant loss to Arrow and/or costs exceeding current expectations. The perception that matters have not improved in Colombia may hinder the Company's ability to access capital in a timely or cost-effective manner. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and site safety. The Company's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's exploration, development and production activities in the foreign jurisdictions in which it operates could be substantially affected by factors beyond Arrow's control, any of which could have a material adverse effect on the Company.

Laws and Regulations

Oil and natural gas operations (including exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government in Colombia and internationally that may be amended from time to time.

The Company is subject to laws and regulations that can adversely affect the cost, manner and feasibility of its operations. Because the oil and gas industry in Colombia is less developed than elsewhere, changes in laws and interpretations of laws are more likely to occur than in countries with a more developed oil and gas industry. Future laws or regulations, as well as any adverse change in the interpretation of existing laws or our failure to comply with existing legal requirements, may harm the Company's results of operations and financial condition.

In order to comply with laws and regulations, the Company may be required to make unanticipated expenditures relating, among other things, to: (a) work programme guarantees and other financial responsibility requirements; (b) taxation; (c) royalty requirements; (d) customer requirements; (e) employee compensation and benefit costs; (f) operational reporting; (g) environmental and safety requirements; and (h) unitisation requirements.

Health and Safety and Workforce

The Company is subject to labour and health and safety laws and regulations, at a national, state and local level in Colombia, that govern, among other things, the relationship between the Company and its employees and the health and safety of the Company's employees. For example, the Company is required to adopt certain measures to safeguard the health and safety of its employees, as well as third parties, in its facilities. In the event that compliance by the Company with such requirements is reviewed by the applicable authorities and a decision is made, resulting from such review, that the Company violated any labour laws, the Company then may be exposed to penalties and sanctions, including the payment of fines and, depending on the level of severity of the infraction, exposed to the closure of its facilities and/or stoppage of its operations and the cancellation or suspension of governmental registrations, authorisations and licences, any one of which may result in interruption or discontinuity of activities in the Company's facilities, and materially and adversely affect the Company.

The Group's operations may be affected by labour-related problems in the future, such as union demands and litigation for pay rises and increased benefits. There can be no assurance that work stoppages or other labour-related developments will not adversely affect the results of operations or the financial condition of the Group.

Insurance

The Company's involvement in the exploration for, and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Company has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks or additional risks may not, in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

Substantial Capital Requirements and Liquidity

The Company anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas resources or reserves in the future, including in relation to its assets. If the Company's future revenues or resources decline, the Company may have a limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that cash flow from operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or further equity financing is required, that it will be available and on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalisation significantly. The inability of the Company to access sufficient capital for its operations could have material adverse effect on the Company's financial condition, results of operations or prospects.

Failure to Realise Anticipated Benefits of Acquisitions and Dispositions

The Company may make further acquisitions and dispositions of businesses and assets. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as realising the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters.

Indirect Interests in Assets and Operational Dependence

Currently the Group owns a 100 per cent. working interest in, and is the operator of, two exploration and production contracts with ANH (in relation to the Santa Isabel block and the Cor-39 block). The Group only has a minority work interest (10%) in the exploration and production contract with ANH for the Ombu block that is operated by Emerald Energy. The Group's interests in the Los Picachos block (37.5%) and the Macaya block (37.5%) are held through private contracts with the parties who hold and operate the exploration and production contracts with ANH. The Group's interest in the Tapir block (50%) is held through a private contract with Petrolco who holds a 50% participating interest in, and is the named operator of, the Tapir Association Contract with Ecopetrol.

In cases where the Company has a smaller interest, it will have diminished ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Company's financial performance. The Company's return on assets operated by others may therefore depend upon a number of factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Whilst the private contractual interests held by the Group are enforceable against the parties thereto, they are not enforceable against the ANH or Ecopetrol, as applicable, and the Group has no related rights or obligations under the relevant exploration and production contract or association contract until an assignment of the relevant interest in such contract is transferred to it with the consent of the ANH or Ecopetrol, as applicable. While there can be no guarantee that the Group will meet the qualification requirements for ANH or Ecopetrol consent to such transfers, these types of agreements have been common between junior oil and gas companies operating in Colombia and the Directors are not aware of any instance where ANH or Ecopetrol have terminated an exploration and production contract or an association contract for this reason. In addition, in relation to the Group's interest in the Tapir block, until such consent is provided the Group maintains security over the shares in the companies that own Petrolco.

Reliance on Key Personnel

The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company does not have any key person insurance in effect. However, the Company's compensation plan is geared to incentivise the key personnel to perform and remain in the Company. The contributions of the management team to the Company's immediate and near-term operations are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense, particularly in Colombia, and there can be no assurance that the Company will be able to attract and retain all personnel necessary for the development and operation of its business.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects.

Permits and Licences

The operations of the Company require licences and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licences and permits that are required to carry out exploration and development at its properties. The permitting process in Colombia takes significant time, meaning that exploration and development projects have a longer cycle time to completion than they might elsewhere.

Regulations and policies relating to licences and permits may change, be implemented in a way that the Company does not currently anticipate or take significantly greater time to obtain. These licences and permits are subject to numerous requirements, including compliance with the environmental regulations of the local governments. The imposition of monetary fines on the Company as a consequence of an environmental licence or permit's breach, or the revocation or suspension of the Company's environmental and operating permits could have a material adverse effect on its business, financial condition and results of operations.

The Company's properties are currently held, and any future properties are expected to be held, in the form of licences and working interests in licences. If the Company or the holder of the licence fails to meet the specific requirement of a licence, the licence may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence will be met. The termination or expiration of the Company's licences or the working interests relating to a licence may have a material adverse effect on the Company's results of operations and business.

In particular, as at 30 June 2021, the Company had obligations under Letters of Credit ("LC's") outstanding totaling $5.2 million to guarantee work commitments on exploration blocks and other contractual commitments. Of the total, approximately $4.1 million has been guaranteed by Canacol. Under an agreement with Canacol, Canacol will continue to provide security for the LC's, providing that Arrow uses all reasonable efforts to replace the LC's. In the event the Company fails to secure the renewal of the LC's, ANH could decide to cancel the underlying exploration and production contract for a particular block, as applicable. In this instance, the Company could risk losing its entire interest in the applicable block, including all capital expended to date, and could possibly also incur additional abandonment and reclamation costs if applied by ANH.

Additionally, there can be no assurance that Canacol will not request Arrow to replace the existing parent company guarantees or for how long the ANH will continue accepting the existing guarantees, considering that Canacol is no longer Carrao's controlling entity. In any of these situations, the ANH may require additional guarantees, or the replacement of the existing guarantees, from Carrao. There is no assurance that Carrao can deliver replacement guarantees satisfactory to ANH.

Furthermore, the Company has entered into a number of exploration and production contracts in Colombia which require the Company to fulfil work program commitments and issue financial guarantees related thereto. In aggregate, the Company has outstanding exploration commitments of $17.8 million as at 30 June 2021. During 2019, the Company, in conjunction with its partners, made applications to cancel a further $15.5 million in commitments on the Macaya block and Los Picachos block. This request was subsequently denied by the ANH. The remaining commitments are expected to be satisfied by means of seismic work, exploration drilling and farm-outs.

Additional Funding Requirements

The Company's cash flow from its operations may not be sufficient to fund its ongoing activities at all times. From time to time, the Company may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Company's cash flow from operations and current cash balance are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favourable terms.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian and Colombian producers is therefore affected by the Canadian/United States dollar and Colombian peso/United States dollar exchange rates, which will fluctuate over time. Future Canadian/United States dollar and Colombian peso/United States dollar exchange rates could accordingly impact the future value of the Company's reserves as determined by independent evaluators. Furthermore, an increase in interest rates could result in a significant increase in the amount the Company pays to service debt.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the securities of other business entities. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis or to take advantage of business opportunities that may arise.

Hedging

From time to time, the Company may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Company will not benefit from such increases. Similarly, from time to time, the Company may enter into agreements to fix the exchange rate of Canadian to United States dollars or Colombian peso to United States dollars in order to offset the risk of revenue losses if the Canadian dollar or the Colombian peso increases in value compared to the United States dollar; however, if the Canadian dollar or the Colombian peso declines in value compared to the United States dollar, the Company will not benefit from its fluctuating exchange rate.

Information Technology Systems and Cyber-Security

The Company depends on digital technology, among other things, to process and record financial and operating data; communicate with its employees and business partners; analyse seismic and drilling information; and estimate quantities of oil and gas resources and reserves. Accordingly, the Company is susceptible to cyber incidents (both deliberate and unintentional).

The unauthorised release, gathering, monitoring, misuse, loss or destruction of proprietary and other information could disrupt the Company's business plans and negatively impact its operations in a number of ways. As cyber threats continue to evolve, the Company may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any information security vulnerabilities.

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of future proceedings cannot be predicted with certainty and may be determined adversely to the Company and, as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition, and results of operations.

Third Party Credit Risk

The Company may be exposed to third party credit risk through its contractual arrangements with its future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Company's ongoing capital programme, potentially delaying the programme and the results of such programme until the Company finds a suitable alternative partner.

Corruption

The Company is subject to the Foreign Corrupt Practices Act (the "FCPA"), the Corruption of Foreign Public Officials Act ("CFPOA") and the UK Bribery Act, and its failure to comply with the laws and regulations thereunder could result in material adverse effect on the Company's business, results of operations and financial condition. The FCPA prohibits companies and their intermediaries from making improper payments to foreign officials to secure any improper advantage for the purpose of obtaining or keeping business and/or other benefits. Similarly, the CFPOA prohibits persons form, directly or indirectly, giving, offering to give or agreeing to give a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official. The UK Bribery Act prohibits persons from offering, promising or giving a financial or other advantage to a foreign public official, directly or indirectly, with the intention of influencing that foreign public official in the performance of their official functions.

Any violation of these laws could result in monetary penalties against the Company or its subsidiaries and could damage its reputation and, therefore, its ability to do business.

Ethnic Communities and Prior Consultation

To develop activities related to oil and gas business, the Company may need to request under certain circumstances the issuance of an administrative act with the Ministry of Internal Affairs in order to determine whether or not a prior consultation process with certain ethnic communities within Colombia ("Ethnic Communities") is necessary for executing certain works or interventions in the oil and gas projects. Applicable law and jurisprudence provide that Ethnic Communities must be consulted regarding any administrative and legal measures that may directly affect them and with respect to the exploitation of natural resources that may directly affect their integrity, regardless of whether the Ethnic Community is or no registered with the Ministry of Internal Affairs. The Colombian Constitutional Court has specifically stated that, even when a certain Ethnic Community is not registered with such Ministry, it may be entitled to the right to be consulted, as detailed below. If the Company verifies the presence of non-registered Ethnic Communities within the area of influence of the oil and gas project, it must comply with all reporting and/or information obligation to the Ministry of Internal Affairs, so that this entity may decide on whether those communities should be consulted. Ethnic Communities are also entitled to bring a lawsuit to request their right to be consulted, and, as result, courts can order the Ministry of Internal Affairs to initiate and coordinate a prior consultation process, ordering in certain cases the suspension of the on-going activities of the oil and gas project – until the consultation is duly finalised. In any case, if it is determined that the oil and gas project affects any Ethnic Community, the Colombian Government must guarantee the participation of the representatives of the affected community in the decisions related to the project.

Accordingly, the Colombian Constitutional Court has ruled that although the prior consultation should be carried out prior to the initiation of a project, Ethnic Communities that were not initially consulted have the constitutional right to be consulted during the course of a project or even after the project finalises, provided that it is evidenced that the project directly impacts or has impacted such communities. If the prior consultation process is ordered during the construction or operation phase of a project, the project's construction works and activities are usually suspended until the consultation process is finalised, which may result in cost overruns and delays. If the prior consultation process is ordered after a project is finalised, the purpose of such consultation is the establishment and recognition of reparation measures (*medidas de etno-reparación*), which may imply additional costs for the oil and gas project. Failure to carry out a required prior consultation process might, in addition to leading to the suspension of a project, trigger measures for compensation and reparation of damages caused to the Ethnic Communities (as applicable).

Likewise, according to applicable law, it is not mandatory that a prior consultation process ends with an agreement between the oil and gas company and the Ethnic Communities (except for certain circumstances that would result in the displacement of such communities, events involving the dumping of toxic waste in the Ethnic Communities' land, projects that involve high social, cultural and environmental impacts on the Ethnic Communities that can jeopardise the existence of the communities). In cases where agreements between the oil and gas companies and Ethnic Communities are not reached, the environmental authority will assess whether additional obligations should be imposed on the companies in order to compensate, mitigate and avoid impacts to the communities, their traditions, customs and the natural resources affected by an oil and gas project. The agreements reached within a prior consultation process are meant to compensate for the impacts of a project that the communities within the area of influence must bear due to its development. In other projects, some communities have requested the development of certain additional works, scholarships for members of the communities, education, or special training to participate in the development of the relevant project, among other benefits, which could entail additional project costs.

As of the date, no prior consultation process has been developed for any of the Company's oil and gas projects since the Ministry of Internal Affairs has stated that there are no Ethnic Communities that may be directly impacted due to the Company's projects. However, as mentioned above, this is no bar to an Ethnic Community claiming and bringing evidence that it may be directly impacted by the oil and gas project, and that, hence, it is entitled to the right to prior consultation.

Popular Consultations

In 2013 and subsequent years, certain municipalities had called popular consultations, participation mechanisms where citizens may vote to decide on certain matters of public interest, to decide whether mining and hydrocarbon activities could be conducted in their territories. In 2018, the Colombian Constitutional Court issued a decision, SU-095 of 2018, where such Court limited the capacity of municipalities (local authorities) with respect to the possibility of prohibiting extractive activities in their jurisdictions. The Court stated that local authorities lacked the power to decide which activities could be executed over natural resources found in the subsoil which belong to the entire nation-and that popular consultations were not the appropriate mechanism to determine if those activities could be executed or not because that could equate to a constitutional reform. The conflict between powers over the soil and the subsoil, said the Court, had to be solved through the principles of coordination and concurrency. As part of its decision, the Court ordered Congress to issue a law setting the appropriate mechanism to reconcile this conflict. To date, no such law has been issued.

In the event that new regulations require the coordination of the development of extractive activities between national and local authorities, it is possible that execution of hydrocarbon and mining projects could be further complicated. Authorisations, permits and/or concessions from local municipalities might be necessary, which could result in delays and additional costs. Further, certain decisions taken through the coordination and concurrency mechanism to be regulated could be politically driven, which could subject the continuation or commencement of a project to unforeseeable social and/or political motivations.

COVID-19

There exists a risk that the significant outbreak of COVID-19 across the world may detrimentally impact the Company's operations in Colombia. The Company may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of the government responses to the spread of COVID-19 or other potential pandemics.

As a result of the COVID-19 outbreak, there are currently travel restrictions in place in many countries with many land borders closed and suspension of flights. These restrictions may have an immediate impact on the operations of the Company in terms of access to resources and supplies from neighbouring countries, access to its projects by key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. The outbreak of COVID-19 has demonstrated the need to have contingency plans in place in relation to the outbreak of pandemics, including ensuring sufficient oversight of management in the country, and has also resulted in a number of companies across the globe being essentially shut down for an extended period of time. As a consequence, the Company will have to ensure that its future plans include an appropriate amount of contingency planning for the current COVID-19 and future pandemics, but are also likely to result in some prices from suppliers being higher than previously thought, as they too include contingencies into their pricing models and work to ensure they remain profitable. As such, costs could escalate from the level originally anticipated.

While the Company will seek to manage the effect of COVID-19 on its personnel and operations, if and when necessary, there can be no assurance that COVID-19 will not have an adverse effect on the future operations of the Company's projects or an investment in the Company.

Civil Unrest in Colombia

Since April 2021, Colombia has been experiencing continuing demonstrations, unrest, and disruptions throughout the country due to the economic effects of the COVID-19 pandemic and other factors. The nationwide events have caused the shutdown of local roads and major highways, often without prior notice or estimated reopening timelines. Road closures and other forms of violent protest may significantly affect transportation and may disrupt operations in the country. Several cities have seen vandalism, looting, and destruction. Demonstrations have resulted in fatalities and injuries across the country.

2. General Exploration, Development and Production Risks

Joint and Several Liability Commitment of Canacol

Pursuant to the Canacol SPA, Arrow acquired all the oil and gas interests that Canacol had in Colombia which were transferred to Carrao prior to closing of the acquisition.

The obligations to the ANH under the Santa Isabel and Cor-39 E&P contracts, to which Carrao is a party, are jointly and severally guaranteed by Canacol. There is no assurance that the ANH will continue to accept them, given that Canacol is no longer the controlling entity of Carrao.

Financial Guarantees supported by Canacol

Certain financial performance securities delivered by Carrao Energy to the ANH are financially supported by Canacol, including:

Guarantee	Block	Issued by	Valid Until	Amount	Secured obligation
Bank Guarantee 186-07-1800943-0	Santa Isabel	Banco Davivienda	December 31, 2021	$1,672,162	Carrao's Financial Capacity
Letter of Credit W002310	COR-39	Banco de Occidente	December 31, 2021	$2,400,000	Exploration activities of Phase I

In the event that the guarantees are not renewed or extended on 31 December 2021, there is a risk that the financial support provided by Canacol will fall away.

Samaria and Carrao Qualifications to enter into New E&P Contracts or to Obtain Assignments of Interests in Concession Contracts

In order to obtain new exploration acreage pursuant to contracts with the ANH, Arrow or its subsidiaries must be (i) awarded contracts in the ANH's ongoing competitive bidding processes; or (ii) be assigned participating interests in such contracts by the parties to such contract with the consent of the ANH. In either case, Arrow or its relevant subsidiaries will need to meet certain minimum legal, financial, technical and operational, environmental and corporate social responsibility requirements set out by the ANH Agreement 02 of 2017.

Although these qualifications may vary depending on the type of block, given that neither Carrao nor Samaria have drilled wells as operators of record in the past three years and that reserves derived from blocks in which Carrao and/or Samaria have private interests would not be recognised by ANH for this purpose, there is a risk that neither Carrao nor Samaria may be able to meet the qualification requirements.

Ecopetrol's Consent for the Tapir Interest Assignment

Samaria´s participating interest in the Tapir block and its ability to continue to manage operations and receive a 50% participation in revenues from the field derive from various private oil and gas agreements, and Samaria will not be a party to the Tapir contract until the interest is assigned by the relevant holder of record and approved by Ecopetrol in its sole discretion. There is a possibility that

Ecopetrol could interpret the assignment of a private contractual interest as contrary to the assignment clause in the Tapir Association Contract.

Ecopetrol previously rejected the request for its consent to the assignment of Petrolco's fifty per cent. (50%) participating interest and operatorship in the Tapir block to Samaria on the grounds that Samaria did not meet the technical and financial requirements established by it to qualify for the assignment which have not been made public by Ecopetrol. There is no guarantee that Samaria will be able to obtain Ecopetrol's consent to the assignment.

Further extensions of the Tapir Association Contract

The current terms of the Tapir Association Contract state that the curation of the contract will be until February 5, 2028 or when the economic limit is reached (at the discretion of the contractor), whichever occurs first. The economic limit will be deemed reached when for a period of four consecutive months, after deducting royalties, the net revenues from the sale of oil and gas at sales prices are less than the operational expenses incurred and there is no expectation within the following six months of an increase in oil and gas prices, an investment activity which is economically justifiable or a cost optimisation.

There is no assurance that after February 5, 2028 Ecopetrol will grant an additional extension of the Association Contract. Said extension will be subject to Ecopetrol's entire discretion and additional economic rights in favour of Ecopetrol may be required for additional extensions.

Hydrocarbon spill inside the Tapir block

On 23 September 2020, a minor hydrocarbon spill occurred within the operative area of the Tapir block, reported to have resulted from a leak in a flux line. Remediation works were performed in late September 2020 and the spill was contained and cleaned up.

The spill was reported to the ANLA and the regional environmental authority. A final report of the contingency was presented on April 16, 2021. If the environmental authorities are not satisfied with the remediation works set by the block operator and if they consider that this spill resulted in environmental damage, this could entail the commission of an environmental infringement, which may be investigated and sanctioned in the terms of Colombian regulations. Thus, if the Company is found liable for causing an environmental damage, under current regulations it can be subject to the imposition of preventive measures, including a written warning, the temporary suspension of its activities and/or one or more of the following sanctions: (i) daily fines of an amount ranging up to 5,000 times the Colombian monthly minimum wage (approximately US$1.2 million) depending on the severity of the violation; (ii) temporary or permanent closing of the facility; (iii) revocation or expiration of the applicable environmental licence, authorisation, concession, permit or registration; (iv) demolition of constructions at the offender's expense; (v) seizure of individuals, products or machines used for the environmental infraction; and/or (vi) rendering of community service. Some of these sanctions, if imposed to the full extent of regulatory power, could materially and adversely affect the Company's business, financial condition and results of operations.

Participating interests in the Los Picachos and Macaya blocks

Carrao's interest in the Los Picachos and Macaya blocks (37.5% each) derives solely from private oil and gas agreements.

Private oil and gas agreements granting to a third party a private participating interest in a block are not enforceable against the ANH and such third party has no rights or obligations under the relevant contracts until an assignment of the relevant interest is transferred to it with the consent of the ANH. There is a possibility that the ANH could interpret the assignment of a private contractual interest as contrary to the assignment clause of the contracts relating to the Picachos and Macaya blocks.

Suspension in the Los Picachos and Macaya blocks

By means of suspension minutes dated April 2017 and December 2017, the ANH approved the suspension of the exploration phase relating to the Picachos and Macaya block until CORMACARENA defines the permitted uses within an environmental protected area that overlaps the area where the blocks are located.

Before the ANH approved this suspension, no exploration activities were executed in the relevant areas and the contracts had been suspended several times by the ANH between 2011 and 2017 due to force majeure reasons related to security concerns in the area.

No exploration activities may be executed within the area of the blocks and the exploration phase will remain suspended until CORMACARENA defines permitted uses of the protected area.

Hydrocarbons exploration and production activities may be executed within such protected area only if said activities are compatible with the zoning and regime of uses to be adopted by CORMACARENA for such area. If they are not compatible, the Company may assess the legal and technical feasibility of requesting a carve out of the protected area to be able to develop the oil and gas activities therein.

Additionally, an environmental licence will have to be requested and granted by ANLA before any exploration activities are performed with the exception of seismic activities, which do not require the obtainment of such licence.

On November 3 2020, Hupecol Operating Co Llc filed a request to the ANH to terminate, by mutual agreement, the Los Picachos and Macaya E&P Contracts on the basis it was impossible to perform the contract due to the environmental restrictions imposed by local environmental authorities. This request has not yet been determined by the ANH.

Pending obligations derived from the VMM-2 Assignment

By means of sale and purchase agreements ("SPAs") dated April 25 December 8, 2018 and April 25, 2019, Carrao assigned its entire participating interest in the VMM-2 block to Gran Tierra Colombia Inc. including the operatorship and its private participation in the deep and shallow sections agreed under two different JOAs with Vetra Exploración y Producción Colombia S.A.S.

Despite accepting the assignment of the relevant production environmental licence, Gran Tierra considered that it is not obliged to accept the assignment of the environmental licence for exploration activities since, as of closing date of the SPAs, the VMM-2 block did not have remaining exploration areas and, under its view, they would only have to accept the environmental license for production activities.

If Gran Tierra does not accept the assignment of the environmental licence for exploration activities, this licence will remain under the responsibility of the Company before ANLA. Therefore, Carrao will continue to be responsible for the completion of the environmental obligations derived from such licence until ANLA declares the termination thereof. Some of these obligations may entail additional costs relating to compensation obligations, among others. The Company will be also responsible for any environmental breach committed in connection with the block's exploration activities as well as with the environmental licence's obligations. ANLA may only declare the termination of the exploration environmental licence once all obligations have been fulfilled and once all abandonment and closure activities are completed.

No rights to the extended Oso Pardo field

The remaining area of the Santa Isobel block is currently limited to the area of the current Oso Pardo commercial field.

All other parts of the Santa Isabel block have been relinquished and the exploration phase has elapsed, so the drilling of new wells and production activities may only be performed within the retained area unless and until Carrao secures from the ANH an extension of the production area to cover the extended Oso Pardo field area.

The Company is interested in securing rights to an adjacent area from the VMM-2 block which is in the process of being relinquished by Gran Tierra Energy Inc. There can be no certainty that the Company will be successful in securing such rights or the terms on which such rights are granted.

The Company may be found liable for environmental breaches

On July 6, 2020, the 1% investment plan was filed before ANLA, which rests under File No. 2020107013-1-000 and under this filing the National Environmental Licensing Authority issued Resolution 848 of November 20, 2020, in which it pronounced on the evaluation made in the 1% investment plan, the Company is currently in the process of making adjustments requested in the aforementioned resolution.

Also, on August 7, 2020, ANLA initiated an environmental sanctioning procedure against the Company relating to the exploratory drilling activities in connection to the Algarrobo Field within the Llanos-23 block. In its opening writ, ANLA claims that the Company failed to execute the compensation obligations arising from the logging permits granted for the project. On January 28, 2021, the discharges were filed with ANLA and a response is pending.

In addition, on January 18, 2021, ANLA initiated an environmental sanctioning procedure against the Company in connection to the VMM-2 block's exploration works. ANLA is investigating the alleged commission of three breaches relating to the re-use of waste waters, the disposition of such reused water and the activities for driving fauna away from the project sites. On June 28, 2021, the Company answered ANLA Claims 0519 and 03473, a process that started in January 2021 for issues from 2014 when Vetra was the operator of the VMM-2 block. A response from ANLA is pending.

If the Company is found liable for the violation of environmental laws, including the violation of any environmental licenses and permits, under current regulations, it can be subject to the imposition of preventive measures as described in the paragraph above headed "Hydrocarbon spill inside the Tapir block". Some of these sanctions, if imposed to the full extent of regulatory power, could materially and adversely affect the Company's business, financial condition and results of operations.

COR-39 block further exploration activities

ANLA has denied the environmental licence for exploration activities on the COR-39 block due to the possible overlapping of the project with environmental protected areas and sensitive social areas.

Due to these social and environmental reasons, the exploration phase has been suspended since November 24, 2017.

Given the social and environmental conditions of the block, there can be no assurance that Carrao will be able to obtain an environmental licence for the exploration or development of this block.

Pending exploration activities for the COR-39 block

According to the terms contract relating to the COR-39 block, if and when the suspension referred to above is lifted, Carrao does not perform all required activities committed in the exploration program, it may be required to transfer to the ANH an amount equal to any committed but not invested work programme within the 90 days following the termination of the corresponding phase of the exploration programme.

Carrao has not performed any of its exploration commitments under the COR-39 contract at the gross outstanding amount of pending commitments equals US$27.6 million.

Commodity Price Volatility

The Company's results of operations and financial condition are dependent on the prevailing prices of crude oil and natural gas. Crude oil and natural gas prices have fluctuated widely in the recent past and are subject to fluctuations in response to relatively minor changes in supply, demand, market uncertainty and other factors that are beyond the Company's control. Crude oil and natural gas prices are impacted by a number of factors including, but not limited to: the global supply of and demand for crude oil and natural gas; global economic conditions; the actions of the Organisation of Petroleum Exporting Countries ("OPEC"); government regulation; political stability and geopolitical factors; the ability to transport crude to markets; developments relating to the market for liquefied natural gas; the availability and prices of alternate fuel sources; and weather conditions. All of these factors are beyond the Company's control and can result in a high degree of price volatility.

Fluctuations in currency exchange rates further compound this volatility when the commodity prices, which are generally set in United States dollars, are stated in Canadian dollars or Colombian pesos. The Company's financial performance also depends on revenues from the sale of commodities which differ in quality and location from underlying commodity prices quoted on financial exchanges. Of particular importance are the price differentials between the Company's light/medium oil and heavy oil (in particular the light/heavy differential) and quoted market prices. Not only are these discounts influenced by regional supply and demand factors, but they are also influenced by other factors such as transportation costs, capacity and interruptions; refining demand; the availability and cost of diluent used to blend and transport product; and the quality of the oil produced, all of which are beyond the Company's control.

Fluctuations in the price of commodities and associated price differentials may impact the value of the Company's assets and the ability to maintain its business and to fund growth projects. Prolonged periods of commodity price depression and volatility may also negatively impact the Company's ability to meet guidance targets and meet all of its financial obligations as they come due. Any substantial and extended decline in the price of oil would have an adverse effect on the Company's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and the level of expenditures for the development of oil reserves, including delay or cancellation of existing or future drilling or development programs or curtailment in production.

In addition, future bank borrowings available to the Company may, in part, be determined by the Company's borrowing base, which is impacted, inter alia, by the carrying value of its reserves and assets.

The Company conducts regular assessments of the carrying value of its assets in accordance with IFRS. If crude oil prices decline significantly and remain at low levels for an extended period of time, the carrying value of the Company's assets may be subject to impairment.

Crude oil and natural gas prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies and OPEC actions. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Guerrilla Activity

Continuing attempts of the Colombian Government to reduce or prevent guerrilla activity may not be successful and guerrilla activity may disrupt Arrow's operations in the future. The Company may not be able to establish or maintain the safety of its operations and personnel in Colombia and this violence may affect its operations in the future. Continued or heightened security concerns in Colombia could also result in a significant loss to Arrow and/or costs exceeding current expectations. The perception that matters have not improved in Colombia may hinder the Company's ability to access capital in a timely or cost effective manner. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and site safety.

Ethnic Communities Activity

Activities of ethnic communities can disrupt the Company's operation. Ethnic communities are specially protected under Colombian law and are subject to prerogatives relating to their territories. Based on their constitutional right to protest, certain indigenous peoples have historically engaged in strikes or social demonstrations ("paros") to make social demands to the Colombian Government. In pursuance of these "paros", ethnic communities have blocked the access to certain zones, impede the development of extractive activities, and/or restrict circulation through national, regional or local roads. These social demonstrations could adversely affect the operations of the Company.

Markets and Marketing

The marketability and price of crude oil and natural gas that may be acquired, produced or discovered by the Company is, and will continue to be, affected by numerous factors beyond its control. The Company's ability to market its crude oil may depend upon its ability to acquire space in pipelines or other means of transport to bring such crude oil to commercial markets. The Company may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and many other aspects of the oil and gas business.

Exploration and Production Risks

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Company will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling programme due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various unexpected drilling conditions, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil resources or reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomical.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximising production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow outs, cratering, sour gas releases, fires, spills or leaks. These risks could result in personal injury, loss of life, and environmental or property damage. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial conditions.

Weakness in the Oil and Gas Industry

Recent market events and conditions, including global excess oil and natural gas supply, actions taken by OPEC, slowing growth in emerging economies, market volatility and disruptions in Asia, sovereign debt levels and political upheavals in various countries and the impact of the COVID-19 pandemic have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. Lower commodity prices may also affect the volume and value of the Company's reserves, rendering certain reserves uneconomical. In addition, lower commodity prices have restricted, and may continue to restrict, the Company's cash flow resulting in a reduced capital expenditure budget. Consequently, the Company may not be able to replace its production with additional reserves and both the Company's production and reserves could be reduced on a year over year basis.

Project Risks

The Company manages and participates in a variety of projects in the conduct of its business. Project delays may delay expected revenues from operations. Project cost estimates may not be accurate due to a lack of history of comparable projects. Furthermore, significant project cost over-runs could make a project uneconomical.

The Company's ability to execute projects and market oil will depend upon numerous factors beyond the Company's control, including: the availability of processing capacity; the availability and proximity of pipeline capacity or other routes to market; the availability of storage capacity; the supply of and demand for oil and natural gas; the availability of alternative fuel sources; the effects of inclement weather; the availability of drilling and related equipment; unexpected cost increases; accidental events; currency fluctuations; changes in regulations; the availability and productivity of skilled labour; and the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Company could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil that it produces.

Infrastructure, Availability of Drilling Equipment and Access Restrictions

Crude oil and natural gas exploration, development and production activities depend, to one degree or another, on adequate infrastructure and the availability of drilling and related equipment in the particular areas where such activities will be conducted. Reliable roads, bridges, power sources, water supply and disposal facilities are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

The oil and gas industry in South America is not as efficient or developed as the oil and gas industry in North America. As a result, the Company's exploration and development activities may take longer to complete and may be more expensive than similar operations in North America. The availability of technical expertise, specific equipment and supplies may be more limited than in North America. If the Company is unable to obtain, or unable to obtain without undue cost, drilling rigs, equipment, supplies or personnel, its exploration and production operations could be delayed or adversely affected. Furthermore, once oil and natural gas production is recovered, there are fewer ways to transport it to market for sale. Pipeline and trucking operations are subject to uncertainty and lack of availability. Oil and natural gas pipelines and truck transport travel through miles of territory and are subject to the risk of diversion, destruction or delay. Such factors may subject the Company's international operations to economic and operating risks that may not be experienced in North American operations.

Further, the Company operates in remote areas and may rely on helicopter, boats or other transportation methods. Some of these transport methods may result in increased levels of risk and could lead to operational delays which could affect the Company's ability to add to its resource base and produce oil and could have a significant impact on its reputation or cash flow. Additionally, some required equipment may be difficult to obtain in the Company's areas of operations, which could hamper or delay operations, and could increase the cost of those operations.

Strategic and Business Relationships

To develop the Company's business, it may enter into strategic and business relationships, which may take the form of joint ventures with other parties or with local government bodies, or contractual arrangements with other oil and gas companies, including those that supply equipment and other resources that the Company may use in its business. The Company may not be able to establish these business relationships or, if established, it may not be able to maintain them. In addition, the dynamics of the Company's relationships with strategic partners may require the Company to incur expenses or undertake activities it would not otherwise be inclined to take to fulfil its obligations to these partners or maintain its relationships. If the Company fails to make the cash calls required by its joint venture partners in the joint ventures it does not operate, the Company may be required to forfeit its interests in joint ventures. If the Company's strategic relationships are not established or maintained, its business prospects may be limited, which could diminish its ability to conduct its operations.

External contractors and sub-contractors

When the world oil and gas industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as drilling contractors, laboratories and other providers of engineering, project management and oil and gas services.

As a result, the Group may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is unable to predict the risk of insolvency or other managerial failure by any of the contractors or other service providers currently or in the future used by the Group in its activities. Any of the foregoing may have a material adverse effect on the results of operations or the financial condition of the Group. In addition, the termination of these arrangements, if not replaced on similar terms, could have a material adverse effect on the results of operations or the financial condition of the Group.

Competition

The oil and gas industry is highly competitive. The Company will actively compete for acquisitions, exploration leases, licences and concessions, skilled industry personnel and capital to finance such activities with a substantial number of other oil and gas companies, many of which have significantly greater financial, technical and personnel resources than the Company. The Company's competitors will include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators. Competitors may be able to evaluate, bid for and purchase a greater number of properties and prospects than the Company's financial, technical or personnel resources permit. The Company's size and financial status may impair its ability to compete for oil and natural gas properties and prospects.

Changes in Colombian government regulation have enabled multinational and regional companies to enter the Colombian energy market. Competition in oil and gas business activities has increased and may increase further, as existing and new participants expand their activities. The greater resources of competitors may be particularly important in reviewing prospects and purchasing properties in the course of such bids. Competitors may be able to pay more for productive oil and natural gas properties and exploratory prospects than the Company is able or willing to pay.

The Company's ability to acquire additional prospects and to find and develop reserves in the future will depend on its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. If the Company is unable to compete successfully in these areas in the future, its future revenues and growth may be diminished or restricted. The availability of properties for acquisition depends largely on the business practices of other oil and natural gas companies, commodity prices, general economic conditions and other factors the Company cannot control or influence.

Cost of New Technologies

The oil industry is characterised by rapid and significant technological advancements and introductions of new products and services utilising new technologies. Other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilised by the Company or implemented in the future may become obsolete. In such case, the Company's business, financial condition and results of operations could be materially adversely affected.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national, state and local laws and regulations. Environmental authorities in the national and local level are responsible for overseeing the activities of the Company, and therefore, are in capacity to formulate specific requirements to the project holders in connection with the compliance of the environmental regulations. As an owner, licensee and/or operator of oil and gas properties in Colombia, the Company is then subject to (i) various national and local laws and regulations relating to the discharge of materials into, and protection of, the environment; and (ii) the periodic and specific requirements made by environmental authorities with competence and jurisdiction over the Company's oil and gas projects. Any breach of environmental regulations, requirements, and/or environmental damage caused in relation to, or as a consequence of, the oil and natural gas exploration and production activities can be considered an environmental infraction and can be subject to sanctioning procedures.

One of the environmental obligations associated with oil and gas projects is the requirement to invest an amount equal to 1% of the total value of a project in forest and water restoration and maintenance activities. The investment must be done after obtaining the approval of the competent environmental authority which may make specific requirements relating to this obligation.

Reserve and Resource Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids resources, reserves and cash flows to be derived therefrom, including many factors beyond the Company's control. In estimating proved reserves, the chance of commerciality is effectively 100 per cent. For prospective resources, the chance of commerciality will be the product of the chance that a project will result in a discovery of petroleum or natural gas and the chance that an accumulation will be commercially developed. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The reserves and associated cash flow information and estimates represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Further, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Actual future net revenue from the Company's assets will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs. Actual production and revenues derived therefrom will vary from the estimates, and such variations could be material.

There are numerous uncertainties inherent in estimating quantities of resources, including many factors beyond the Company's control, and no assurance can be given that the indicated level of resources will be realised. In general, estimates of recoverable resources are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates which have inherent uncertainties, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable natural gas and/or oil and the classification of such resources based on risk of recovery prepared by different engineers or by the same engineers at different times may vary substantially.

Estimates with respect to resources that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of resources, rather than upon actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same resources based upon production history will result in variations, which may be material, in the estimated resources.

Resource estimates may require revision based on actual production experience. Market price fluctuations of natural gas and/or oil prices may render uneconomic the recovery of the resources.

Climate Change

The Company's exploration and production facilities and other operations and activities emit greenhouse gases and the Company may be required to comply with greenhouse gas emissions legislation in Colombia or other countries in which the Company may operate in the future. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

Reserves Replacement

The Company's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Company successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Community Relationships

The operations of the Company may have a significant effect on the areas in which it operates. Maintaining good community relationships is an essential aspect of operating in the oil and gas industry. Communities have demonstrated an ability and willingness to halt operations or delay approvals.

To enjoy the support and trust of local populations and governments, the Company will need to demonstrate a commitment to: (a) local employment, training and business opportunities; (b) environmental stewardship; (c) open and transparent communication; and (d) community development investments that are carefully selected, not unduly costly and bring lasting social and economic benefits to the community and the area. Improper management of these relationships could lead to a delay in operations, loss of licence or major impact to the Company's reputation in these communities, which could adversely affect its business.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Reputational Risk Associated with Operations

Any environmental damage, loss of life, injury or damage to property caused by the Company's operations could damage its reputation in the areas in which the Company operates. Negative sentiment towards the Company could result in a lack of willingness of municipal authorities being willing to grant the necessary licences or permits for the Company to operate its business and in residents in the areas where the Company is doing business opposing the Company's further operations in the area. If the Company develops a reputation of having an unsafe work site it may impact the Company's ability to attract and retain the necessary skilled employees and consultants to operate its business. Further, the Company's reputation could be affected by actions and activities of other companies operating in the oil and gas industry, over which the Company has no control. In addition, environmental damage, loss of life, injury or damage to property caused by the Company's operations could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Common Shares.

3. Investment, Common Shares, Warrants and AIM Risks

Control Persons and Other Significant Shareholders of the Company

Following Admission, Canacol will own 19.9 per cent. of the Common Shares of the Company and will have two employees on the Board. Canacol will also own Warrants which, if exercised by Canacol, could further increase their holding of Common Shares to a maximum 26.4 per cent of the share capital enlarged by the exercise of the Warrants. Any increase through 20 per cent would be subject to applicable Canadian securities laws. Therefore, they could be perceived as having an element of control. A Relationship Agreement, as described more fully in paragraph 11 of Part 1, has been entered into with effect from Admission.

Dilution and Further Sales

The Company may issue new Common Shares in the future, including on exercise of the Warrants, which may dilute a Shareholder's holdings in the Company. The Company's Articles permit the issuance of an unlimited number of Common Shares and Shareholders will have no pre-emptive rights in connection with such further issuances. Also, additional Common Shares may be issued by the Company on the exercise of broker warrants, or on the exercise of options under the Company's Stock Option Plan, which was approved by Shareholders at the Company's annual general meeting held on 3 June 2021.

Changing Investor Sentiment

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, concerns of the impact of oil and gas operations on the environment, concerns of environmental damage relating to spills of petroleum products during transportation and concerns of indigenous rights, have affected certain investors' sentiments towards investing in the oil and gas industry. As a result of these concerns, some institutional, retail and public investors have announced that they no longer are willing to fund or invest in oil and gas properties or companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Company's Board, management and employees. Failing to implement the policies and practices as requested by institutional investors may result in such investors reducing their investment in the Company or not investing in the Company at all. Any reduction in the investor base interested or willing to invest in the oil and gas industry and more specifically, the Company, may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Common Shares.

Risks Relating to the Common Shares

Securities traded on AIM

AIM securities are not admitted to the Official List. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success, and liquidity in the market for the Company's securities, cannot be guaranteed.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached compared with larger or more established companies. Each investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser duly authorised under FSMA (or the corresponding legislation in the jurisdiction in which a prospective investor is resident) who specialises in advising on the acquisition of shares and other securities.

Discounts

The market price of the Common Shares in the Company is determined by the interaction of supply and demand for such Common Shares in the market as well as the underlying value per Common Share. The Common Share price can therefore fluctuate and may represent a discount or premium to the underlying value per Common Share. This discount or premium is itself variable as conditions for supply and demand for the Common Shares change. This can mean that the Common Share price can fall when the underlying value per Common Share rises, or vice versa.

The Company is incorporated in Canada

The Company was incorporated in Alberta, Canada, and, accordingly, transactions in Common Shares in the Company will not be subject to the UK Takeover Code. As a result, Shareholders will not be afforded the protections of the UK Takeover Code. However, Canadian laws applicable to the Company provide for early warning disclosure requirements in relation to potential takeover bids as well as rules regarding the manner in which bids may be conducted which are designed to ensure fair treatment of shareholders, further details of which are set out in paragraph 21 of Part I – (Information on the Group) of this document.

The Company will be listed both in Canada and the UK

The Common Shares will be listed on two separate stock markets and investors seeking to take advantage of price differences between such markets may create unexpected volatility in the share price. The Common Shares are already listed and traded on the TSX-V and upon Admission will also be listed and traded on AIM. While the Common Shares are traded on both markets, price and volume levels could fluctuate significantly on either market, independent of the share price or trading volume on the other market. Investors could seek to sell or buy Common Shares to take advantage of any price differences between the two markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both Common Share prices on either exchange and in the volumes of Common Shares available for trading on either market. In addition, holders of Common Shares in either jurisdiction will not immediately be able to transfer such shares for trading on the other market without effecting necessary procedures with the Company's transfer agents/registrars. This could result in time delays and additional cost for Shareholders. In certain circumstances, Common Shares held by Canadian shareholders may also be subject to mandatory hold periods.

Liquidity

Shareholders have no right to have their Common Shares repurchased by the Company at any time and, therefore, Shareholders wishing to realise their investment in the Company will be required to dispose of their Common Shares through the stock market.

Whilst the Directors retain the right to effect repurchases of Common Shares, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so.

Market liquidity in the shares of similar companies to the Company is frequently inferior to the market liquidity in shares issued by larger companies traded on the Main Market of the London Stock Exchange. There can be no guarantee that a liquid market in the Common Shares on AIM will exist. Accordingly, Shareholders may be unable to realise their Common Shares at the quoted market price or at all.

The Company can give no assurance that an active trading market on AIM for the Common Shares will develop, or if such a market develops, that it will be sustained. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Common Shares on AIM could be adversely affected and Shareholders may have difficulty selling their Common Shares. The market price of the Common Shares may drop below the price at which a Shareholder purchased Common Shares. Any investment in the Common Shares should be viewed as a long-term investment.

The Warrants are not listed or traded on any public exchange or market.

Investment risk

An investment in a share which is traded on AIM, such as the Common Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Common Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his or her investment in the Company and he or she may lose all of his or her investment.

Investors should be aware that the market price of Common Shares may be volatile and may go down as well as up and Shareholders may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various factors and events, including the availability of information for determining the market value of the Common Shares, any regulatory or economic changes affecting the Company's operations, variations in the Company's operating results, developments in the Company's business or its competitors, or changes in market sentiment towards the Common Shares. In addition, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Common Shares regardless of the Company's operating performance or the overall performance of the sector in which the Company operates. Stock market conditions are affected by many factors, including general economic outlook, movements in or outlook regarding interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Common Shares may not reflect the underlying value of the Company's net assets, and the price at which investors may dispose of their Common Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others of which may be outside the Company's control.

If the Company's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Common Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Common Shares may fall for reasons unrelated to the Company's business, results of operations or financial condition. Therefore, Shareholders might be unable to resell their Common Shares at or above the price at which they have purchased their Common Shares, if at all.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to in this Part II – (Risk Factors) crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Common Shares could decline and investors may lose all or part of their investment. Although the Directors will seek to minimise the impact of the risk factors listed above, investment in the Group should only be made by investors able to sustain a total loss of their investment.

Part III

Competent Persons Report

October 13, 2021

ARROW EXPLORATION CORP.
Suite 1430, 333 – 11th Avenue SW
Calgary, Alberta, Canada
T2R 1L9
Attention: Joe McFarlane, Chief Financial Officer
Telephone: 403 237-5700

ARDEN PARTNERS PLC.
125 Old Broad Street
London, England
EC2N 1AR

Dear Sir:

Boury Global Energy Consultants Ltd. ("BGEC") has prepared the Competent Persons Report ("CPR") and addendum thereto ("Addendum") for Arrow Exploration Corp ("Arrow" or "the Company") and Arden Partners plc (in its capacity as nominated adviser to Arrow) for use in connection with the Company's admission to the AIM market of the London Stock Exchange (''Admission'').

We can confirm that as at the publication date of this letter there is no material change to the CPR and the Addendum since their respective effective dates of 31 December 2020 and 31 May 2021, to which we have estimated the reserves and resources contained within these reports, to which we have estimated the reserves and resources contained within these reports.

BGEC is responsible for the preparation of the CPR and the Addendum and has consented to their inclusion in the Admission Document in the form and context in which they are included and has taken all reasonable care to ensure that the information contained in the CPR and Addendum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect their import.

The copyright of the CPR and Addendum remain the property of BGEC. These reports have been provided to Arrow for the purpose of Admission and their inclusion in the related AIM Admission Document and disclosure on the Arrow website in accordance with the AIM Rules (these together being the ''Purpose''). BGEC agrees to disclose the enclosed CPR and Addendum to Arrow for the Purpose. The recipient should also note that these reports are being provided on the express terms that, other than for the Purpose, there are not to be copied in part or as a whole, used or disclosed in any manner or by any means unless as authorized in writing by BGEC. Notwithstanding these general conditions, BGEC additionally agrees to the publication of the CPR and Addendum, in full, on the Arrow website in accordance with AIM rules.

Yours Truly,
Nahla Boury, P.Eng., ICD.D

President

Boury Global Energy Consultants Ltd.

BOURY
Global Energy Consultants

ADDENDUM TO THE COMPETENT PERSON'S REPORT

on

CERTAIN PROPERTIES

owned by

ARROW EXPLORATION CORP.

in

CANADA and COLOMBIA

as of

May 31, 2021

Office: 403.265.1770
PO Box 22139 Bankers Hall, Calgary, Alberta, Canada T2P 4J5
Cell: 403.615.2382

July 9, 2021

ARROW EXPLORATION CORP.
Suite 2400, 635 – 8th Avenue SW
Calgary, Alberta, Canada
T2P 8M8
Attention: Joe McFarlane, Chief Financial Officer
Telephone: 403 237-5700

ARDEN PARTNERS PLC.
125 Old Broad Street
London, England
EC2N 1AR

Dear Sir:

Pursuant to your request, we have prepared this Addendum as of May 31, 2021 to the Competent Persons' Report (CPR) dated December 31, 2020. This Addendum estimates the extent of the proved, probable, and possible crude oil, natural gas and NGL's reserves and the value of the proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves in Tapir Block - Rio Cravo Este and Mateguafa properties, Santa Isabel Block - Oso Pardo property, all located in Colombia, Fir and Pepper properties located in Alberta, Canada. Arrow Exploration Corp. (Arrow) has represented that it owns interests in the properties evaluated herein.

Estimated revenue attributable to Arrow's interests in the proved, proved plus probable and proved plus probable plus possible reserves after income tax, as of May 31, 2021, of the properties appraised under the assumptions concerning future prices and costs for the Forecast Price Case are summarized as follows, expressed in millions of U.S. dollars (MM U.S.$):

TOTAL COMPANY	**COMPANY SHARE - FORECAST PRICE CASE**				
	Future Net Revenue After Income Tax as of May 31, 2021				
	Undis-	Discounted			
Reserve Category	counted	at 5%	at 10%	at 15%	at 20%
	MM U.S.$	MM U.S.$	MM U.S.$	MM U.S.$	MM U.S.$
Proved Developed					
Producing	4.4	4.2	4.0	3.8	3.7
Non-Producing	5.2	4.6	4.0	3.6	3.2
Proved Undeveloped	2.1	1.7	1.4	1.2	1.0
Total Proved	11.7	10.5	9.5	8.6	7.9
Probable	26.4	17.3	11.5	7.6	4.9
Total Proved + Probable	38.1	27.8	20.9	16.2	12.8
Possible	41.5	24.3	15.1	9.8	6.6
Total Proved + Prob + Poss	79.6	52.2	36.0	25.9	19.4

This Addendum to the Competent Persons' Report was prepared using reserves definitions in accordance with those of Canadian Securities Administrator's National Instrument 51-101 (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (COGEH). This evaluation was prepared under a Forecast Price Case scenario. The Society of Petroleum Reservoir Engineers (SPEE)'s COGEH guidelines is an acceptable standard in published guidance of the United Kingdom Listing Authority. The reserves definitions are discussed in detail under the "Definitions of Reserves" heading and those for prospective resources under the "Definitions of Prospective Resources" of this report.

This Addendum to the Competent Person's Report (CPR) has been prepared in accordance with AIM Rules of Companies, specifically the "Note for Mining, Oil and Gas Companies – June 2009" (Note for Mining, Oil and Gas Companies) and for the purpose of assisting Arrow in its application for a main board listing on the London Stock Exchange. In the preparation of this CPR, Boury Global Energy Consultants Ltd. (BGEC) has complied with the requirements of the "Prospectus Rules" as published by the United Kingdom(UK) Financial Conduct Authority from time to time and Governed by the UK Listing Authority and the European Securities and Markets Authority (ESMA).

In this report reserves are expressed as gross, company gross, and company net reserves. Gross reserves are defined as the total estimated petroleum to be produced after May 31, 2021, from the properties evaluated herein. Company gross reserves are defined as Arrow's working interest reserves before deduction of royalties while Company net reserves are defined as Arrow's working interest reserves (operating or non-operating) before deduction of royalty obligations. Company net reserves are defined as the company gross reserves after deduction of royalty obligations.

This report also presents estimated values for proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves using the BouryGEC May 31, 2021 BGEC price forecast as represented in "Table A", and costs as specified by Arrow with escalations based on future conditions, hereinafter referred to as the "Forecast Price Scenario." Costs were escalated for inflation. Monetary values in this report are expressed in United States dollars (U.S.$).

Values of total proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves in this report are expressed in terms of estimated future revenue, future net revenue, and net present value. Future gross revenue is defined as the revenue to be realized from the sale of the company gross reserves. Future net revenue is defined as the future revenue less direct operating expenses, post government taxes, royalty payable, transportation costs and capital expenditures required to develop the company gross reserves. Direct operating expenses include operating expenses, petroleum processing costs, transportation expenses, and field overhead. Capital costs include such items as surface production facilities, pipelines, infield flowlines and manifolds, and the drilling and completion of wells. Net present value of future net revenue is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. The net present values were estimated using discount rates of 5, 8, 10, 15, and 20 percent; these values are presented as totals in the “Tables” section of this report, the values using a discount rate of 10 percent are reported in detail. In this report net present value should not be construed to represent fair market value of the properties evaluated herein.

Estimates of crude oil, natural gas and NGL’s. These values are based on available data as of the effective date and on the uncertainties associated with professional judgement and interpretations; therefore, may change as additional information become available.

In the preparation of this report we have relied, without independent verification, upon information furnished by Arrow with respect to property interests, production from such properties, costs of operation and development, current prices for production, agreements relating to future operations and sale of production, and various other information and data that were accepted as represented. A field examination of the property was not considered necessary for the purposes of this report.

SUMMARY

Estimates of the gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 1, expressed in thousands of barrels (Mbbl) for oil and NGL and in millions of cubic feet (MMcf) for gas:

Table 1

Gross Reserves

		Oil and NGL's			Marketable Gas		
Country	**Property**	**1P (Mbbl)**	**2P (Mbbl)**	**3P (Mbbl)**	**1P (MMcf)**	**2P (MMcf)**	**3P (MMcf)**
Colombia	Rio Cravo Este	510	2,500	3,830	-	-	-
Colombia	Mateguafa	-	-	2,304	-	-	-
Colombia	Oso Pardo	111	290	373	-	-	-
Canada	Fir	41	134	164	3,894	12,625	15,436
Canada	Pepper	65	87	108	3,250	4,372	5,418
Total		**727**	**3,010**	**6,778**	**7,144**	**16,997**	**20,854**

Notes:

1. Numbers in this table may not add exactly due to rounding.

Estimates of the gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 2, expressed in thousands of barrels of oil equivalent (Mboe):

Table 2

Gross Reserves

		Oil Equivalent		
Country	**Property**	**1P (Mboe)**	**2P (Mboe)**	**3P (Mboe)**
Colombia	Rio Cravo Este	510	2,500	3,830
Colombia	Mateguafa	-	-	2,304
Colombia	Oso Pardo	111	290	373
Canada	Fir	690	2,238	2,737
Canada	Pepper	607	816	1,011
Total		**1,919**	**5,843**	**10,254**

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the company gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 3, expressed in thousands of barrels (Mbbl) for oil and NGL and in millions of cubic feet (MMcf) for gas:

Table 3
Company Gross Reserves

		Oil and NGL's			Marketable Gas		
Country	**Property**	**1P (Mbbl)**	**2P (Mbbl)**	**3P (Mbbl)**	**1P (MMcf)**	**2P (MMcf)**	**3P (MMcf)**
Colombia	Rio Cravo Este	255	1,250	1,915	-	-	-
Colombia	Mateguafa	-	-	1,152	-	-	-
Colombia	Oso Pardo	111	290	373	-	-	-
Canada	Fir	13	40	49	1,189	3,810	4,655
Canada	Pepper	65	87	108	3,250	4,372	5,418
Total		**445**	**1,668**	**3,598**	**4,439**	**8,183**	**10,073**

Notes:
1. Numbers in this table may not add exactly due to rounding.

Estimates of the company gross total proved, proved plus probable, and proved plus probable plus possible oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 4, expressed in thousands of barrels of oil equivalent (Mboe):

Table 4
Company Gross Reserves

		Oil Equivalent		
Country	**Property**	**1P (Mboe)**	**2P (Mboe)**	**3P (Mboe)**
Colombia	Rio Cravo Este	255	1,250	1,915
Colombia	Mateguafa	-	-	1,152
Colombia	Oso Pardo	111	290	373
Canada	Fir	211	675	825
Canada	Pepper	607	816	1,011
Total		**1,184**	**3,031**	**5,276**

Notes:
1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of proved, probable, and possible crude oil, natural gas, and NGL reserves attributable to the company gross owned by Arrow and evaluated herein are summarized in Table 5, expressed in Mbbl and MMcf:

`

Table 5

Company Gross Reserves Summary

	1P	2P	3P
Oil and NGL, Mbbl	445	1,668	3,598
Marketable Natural Gas, MMcf	4,439	8,183	10,073

Estimates of the net present value after income tax, discounted at a rate of 10 percent, of the unrisked proved, proved plus probable and proved plus probable plus possible base case scenario reserves of the petroleum interests attributable to Arrow, expressed in millions of United States dollars (MM U.S.$), are presented in Table 6.

Table 6

Reserves - Company Gross After Tax Net Present Values Discounted at 10%

Asset	1P (MM U.S.$)	2P (MM U.S.$)	3P (MM U.S.$)
Canada & Colombia	9.5	20.9	36.0

CONCLUSIONS

In this Addendum the following changes from the main CPR were incorporated; Capella property removed, BouryGEC May 31, 2021 price forecast was used, Colombia inflation increased by 0.5%. 3.5% inflation in 2022, and 4% thereafter, updated production history to April 30, 2021 for Fir with wells forecasts reviewed as needed, updated production history to May 31, 2021 for RCE-01 with the wells Qi updated, however no change to EUR, updated timing of Oso Pardo well reactivations and reduced capital cost to 387 MUS$, Oso Pardo-03 location is now economic and is included in the economics, and the Petrolco Claw back balance has been updated to 1,110 MUS$. In addition, the total company Corporate Summaries are attached to this report.

This Addendum has been supervised by Ms. Nahla R. Boury. Ms. Boury, President, with Boury Global Energy Consultants Ltd., a Registered Professional Engineer in the Province of Alberta, has 31 years of oil and gas industry experience and 27 years of applicable evaluation experience.

Yours Truly,

SIGNED: July 9, 2021

Nahla R. Boury, P.Eng.ICD.D
APEGA ID: 52097
President
Boury Global Energy Consultants Ltd.

PROFESSIONAL ENGINEER ALBERTA
NAHLA R. BOURY

Table A

BOURY GLOBAL ENERGY CONSULTANTS PRICE FORECAST

Effective Date as of May 31, 2021

YEAR	INFLATION %	EXCHANGE RATE USD/CAD	WTI UNESC Constant $US/bbl	WTI @CUSHING $US/bbl	Brent $US/bbl	LIGHT OIL EDMONTON $/bbl	WESTERN CANADIAN ELECT (WCS 20.5 API $/bbl	NYMEX Henry Hub Reference $US/MMBtu	AECO-C SPOT $/MMBtu	EDMONTON ETHANE PRICE $/bbl	EDMONTON PROPANE PRICE $/bbl	EDMONTON BUTANE PRICE $/bbl	EDMONTON PENTANES PLUS $/bbl	PLANT GATE SULPHUR PRICE $/LT
2017	0.0	0.760	50.84	50.84	54.80	61.16	50.49	3.02	2.19	6.12	25.08	40.98	65.44	47.00
2018	0.0	0.780	64.90	64.90	71.34	79.95	52.21	3.11	1.53	4.00	28.78	38.37	87.14	47.94
2019	0.0	0.754	56.12	56.12	63.52	67.83	58.76	2.58	1.80	6.78	19.15	24.89	71.86	60.00
2020	0.0	0.745	0.00	39.23	41.75	45.20	35.50	2.13	2.25	5.42	16.40	22.15	49.15	2.85
2021	0.0	0.790	0.00	62.00	65.00	70.48	59.88	2.95	2.63	10.57	26.78	28.19	75.41	2.60
2022	3.0	0.790	0.00	61.00	63.50	68.71	57.71	2.98	2.67	9.96	24.73	30.92	73.51	9.00
2023	3.0	0.790	0.00	59.00	61.00	68.64	57.34	3.00	2.70	9.95	26.08	39.13	73.45	25.00
2024	2.0	0.790	0.00	60.00	62.04	69.92	58.43	3.05	2.76	10.14	26.57	39.86	74.82	25.50
2025	2.0	0.790	0.00	61.50	63.58	71.85	60.15	3.13	2.81	10.42	27.30	40.95	76.88	26.01
2026	2.0	0.790	0.00	62.50	64.62	71.63	59.63	3.20	2.87	10.39	27.22	40.83	76.64	26.53
2027	2.0	0.790	0.00	64.00	66.17	74.05	61.85	3.25	2.93	10.74	28.14	42.21	79.23	27.06
2028	2.0	0.790	0.00	65.50	67.49	75.97	63.47	3.30	2.98	11.02	28.87	43.31	81.29	27.60
2029	2.0	0.790	0.00	66.50	68.84	77.26	64.56	3.35	3.04	11.20	29.36	44.04	82.66	28.15
2030	2.0	0.790	0.00	68.00	70.22	79.18	66.18	3.45	3.10	11.48	30.09	45.13	84.72	28.72
2031	2.0	0.790	0.00	69.00	71.62	80.46	67.26	3.50	3.17	11.67	30.58	45.86	86.09	29.29
2032	2.0	0.790	0.00	70.50	73.06	81.24	67.93	3.60	3.23	11.78	30.87	46.31	86.93	29.88
2032+	escalate oil, gas and product prices at 2.0% per year thereafter													

Disclaimer: This price forecast is an estimate of future pricing and should be used at his/her own risk.
BGEC and its officers, directors and employees shall not be held responsible or liable for any use of the above information.

Arrow Exploration Corp.
Table 1A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Proved Developed Producing

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	PP	-	21	0.2	-	17	0.1	-21	-13	-8	-4
100/01-29-058-22W5/0	W=30.0	Commingled	PP	-	80	0.8	-	67	0.5	23	31	32	31
100/05-29-058-22W5/0	W=30.0	Commingled	PP	-	65	0.7	-	55	0.4	9	18	22	23
100/03-31-058-22W5/0	W=30.0	Commingled	PP	-	301	3.2	-	254	2.2	344	271	217	179
100/05-31-058-22W5/0	W=30.0	Commingled	PP	-	106	1.1	-	89	0.7	46	51	49	45
100/03-33-058-22W5/0	W=24.0	Commingled	PP	-	45	0.5	-	38	0.3	1	9	12	14
100/16-33-058-22W5/0	W=30.0	Commingled	PP	-	32	0.3	-	27	0.2	-14	-5	0	3
100/01-24-058-23W5/0	W=30.0	Commingled	PP	-	52	0.5	-	43	0.3	-11	0	5	8
100/15-24-058-23W5/0	W=30.0	Commingled	PP	-	95	1.0	-	80	0.6	42	47	46	44
102/16-25-058-23W5/0	W=30.0	Commingled	PP	-	234	2.5	-	197	1.7	225	188	155	131
100/01-36-058-23W5/0	W=30.0	Commingled	PP	-	30	0.3	-	25	0.2	-8	0	5	7
100/15-05-059-22W5/0	W=40.0	Commingled	PP	-	129	1.4	-	109	0.8	70	76	74	69
Subtotal 01) Fir (Producers)				**-**	**1,189**	**12.6**	**-**	**1,001**	**8.1**	**707**	**671**	**609**	**550**
Colombia													
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	PP	129	-	-	113	-	-	6,872	6,466	6,114	5,806
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-3,228	-2,950	-2,714	-2,512
Subtotal Rio Cravo Este				**129**	**-**	**-**	**113**	**-**	**-**	**3,644**	**3,516**	**3,400**	**3,294**
Total Arrow Exploration Corp.				**129**	**1,189**	**12.6**	**113**	**1,001**	**8.1**	**4,351**	**4,187**	**4,009**	**3,844**

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BOURY
Global Energy Consultants

Arrow Exploration Corp.

Table 1B – Summary of Reserves and Future Net Revenue Forecast – Total Company

Effective Date as of as May 31, 2021

Proved Developed Producing

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	4.14	145	31	57.57	1,782	461	99	2.24	221	5	1	42.23	44	226	48	42.26	2,047
2022	4.14	112	41	56.60	2,319	423	155	2.28	352	4	2	41.41	68	187	68	40.06	2,739
2023	4.14	85	31	54.64	1,686	381	139	2.30	320	4	1	41.97	62	152	56	37.25	2,068
2024	4.14	66	24	55.62	1,342	339	124	2.35	292	4	1	42.75	56	126	46	36.63	1,690
2025	3.84	5	2	57.09	103	281	103	2.40	246	3	1	43.93	48	55	20	19.83	397
2026	2.74	-	-	-	-	243	89	2.45	217	3	1	43.79	41	43	16	16.42	258
2027	2.74	-	-	-	-	222	81	2.50	202	2	1	45.27	39	39	14	16.80	241
2028	2.74	-	-	-	-	201	74	2.54	187	2	1	46.45	36	36	13	17.11	224
2029	2.50	-	-	-	-	159	58	2.59	150	2	1	47.23	29	28	10	17.44	179
2030	1.90	-	-	-	-	136	50	2.64	131	1	1	48.41	25	24	9	17.80	156
2031	1.90	-	-	-	-	102	37	2.70	100	1	0	49.19	19	18	7	18.19	120
2032	1.20	-	-	-	-	73	27	2.75	74	1	0	49.67	14	13	5	18.50	88
2033	0.90	-	-	-	-	65	24	2.81	67	1	0	50.66	13	12	4	18.87	79
2034	0.60	-	-	-	-	49	18	2.86	52	1	0	51.68	10	9	3	19.25	61
2035	0.60	-	-	-	-	46	17	2.92	49	0	0	52.71	9	8	3	19.64	59
Rem.	0.60	-	-	-	-	30	96	3.17	305	0	1	57.15	58	5	17	21.29	363
23.25 yr			**129**	**56.19**	**7,231**		**1,189**	**2.49**	**2,966**		**13**	**45.43**	**573**		**339**	**31.72**	**10,770**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	143	49	31	22	9	254	12.4	2,047	254	1,794
2022	186	64	33	35	14	330	12.1	2,739	330	2,408
2023	135	47	15	31	12	239	11.6	2,068	239	1,829
2024	107	37	5	28	10	188	11.1	1,690	188	1,502
2025	8	3	0	24	9	43	11.0	397	43	353
2026	-	-	-	20	7	28	10.7	258	28	230
2027	-	-	-	4	7	10	4.3	241	10	231
2028	-	-	-	3	6	9	4.1	224	9	214
2029	-	-	-	3	5	7	4.0	179	7	172
2030	-	-	-	2	4	6	3.8	156	6	151
2031	-	-	-	2	3	4	3.7	120	4	115
2032	-	-	-	1	2	3	3.5	88	3	85
2033	-	-	-	1	2	3	3.4	79	3	77
2034	-	-	-	1	1	2	3.2	61	2	59
2035	-	-	-	1	1	2	3.1	59	2	57
Rem.	-	-	-	4	6	10	2.7	363	10	354
23.25 yr	**578**	**200**	**84**	**182**	**95**	**1,139**	**10.6**	**10,770**	**1,139**	**9,631**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	127	27	1,559	386	83	215	3	1	20	193	41	1,794
2022	99	36	2,037	354	129	341	2	1	30	160	58	2,408
2023	75	27	1,489	319	116	312	2	1	28	130	47	1,829
2024	59	21	1,192	284	104	285	2	1	25	108	39	1,502
2025	4	2	92	235	86	240	2	1	21	45	16	353
2026	-	-	-	203	74	212	1	0	18	35	13	230
2027	-	-	-	189	69	198	2	1	32	33	12	231
2028	-	-	-	171	63	184	2	1	30	30	11	214
2029	-	-	-	135	49	148	1	1	24	24	9	172
2030	-	-	-	115	42	129	1	0	21	20	7	151
2031	-	-	-	87	32	99	1	0	16	15	6	115
2032	-	-	-	62	23	73	1	0	12	11	4	85
2033	-	-	-	55	20	66	1	0	11	10	4	77
2034	-	-	-	42	15	51	0	0	8	7	3	59
2035	-	-	-	39	14	49	0	0	8	7	3	57
Rem.	-	-	-	26	82	305	0	1	49	5	14	354
23.25 yr		**113**	**6,369**		**1,001**	**2,907**		**8**	**354**		**288**	**9,631**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	490	118	87	695	14.35	-	780	1,878	38.77	-	-	-	-	1,878	1,878	1,829
2022	853	205	130	1,189	17.39	-	330	1,550	22.67	-	-	-	-	1,550	3,428	1,413
2023	885	212	114	1,212	21.82	-	-	617	11.11	-	-	-	-	617	4,045	509
2024	921	215	101	1,236	26.80	-	-	266	5.76	-	-	-	-	266	4,311	200
2025	78	120	64	262	13.09	168	-	-77	4.56	-	-	-	-	-77	4,234	-57
2026	-	104	55	159	10.09	-	-	72	4.58	-	-	-	-	72	4,306	44
2027	-	106	51	157	10.93	-	-	74	5.15	-	-	-	-	74	4,380	41
2028	-	107	47	154	11.78	-	-	61	4.63	-	-	-	-	61	4,440	31
2029	-	86	38	123	12.02	25	-	23	4.73	-	-	-	-	23	4,464	11
2030	-	78	33	111	12.65	51	-	-12	4.47	-	-	-	-	-12	4,452	-5
2031	-	58	25	84	12.68	-	-	32	4.83	-	-	-	-	32	4,484	12
2032	-	40	19	58	12.21	-	-	27	5.64	-	-	-	-	27	4,510	9
2033	-	37	17	54	12.80	22	-	1	5.44	-	-	-	-	1	4,511	0
2034	-	27	13	40	12.44	55	-	-36	6.19	-	-	-	-	-36	4,476	-11
2035	-	27	12	40	13.29	-	-	17	5.74	-	-	-	-	17	4,493	4
Rem.	-	219	77	296	17.32	200	-	-142	3.39	-	-	-	-	-142	4,351	-23
23.25 yr	**3,228**	**1,758**	**883**	**5,869**	**17.29**	**522**	**1,110**	**4,351**	**14.35**	**-**	**-**	**-**	**-**	**4,351**	**4,351**	**4,009**

Country/State	N/A
Avg. WI Share	35.82 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	4.40 yr
Capital Cost NPV @ 10%	-
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	-

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	257	129	113	6,369	5,923	5,686	5,539	5,207	4,916
Sales Gas (MMcf)	3,894	1,189	1,001	2,907	2,203	1,923	1,774	1,489	1,288
NGL (Mbbl)	41	13	8	354	254	215	195	157	132
Total (MBOE)	**948**	**339**	**288**	**9,631**	**8,379**	**7,824**	**7,507**	**6,853**	**6,336**
Total BTCF				**4,351**	**4,187**	**4,079**	**4,009**	**3,844**	**3,697**

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BOURY Global Energy Consultants

Arrow Exploration Corp.

Table 1C – Summary of Reserves and Future Net Revenue Forecast – Total Canada

Effective Date as of as May 31, 2021

Proved Developed Producing

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.64	-	-	-	-	461	99	2.24	221	5	1	42.23	44	82	17	15.17	265
2022	3.64	-	-	-	-	423	155	2.28	352	4	2	41.41	68	75	27	15.32	420
2023	3.64	-	-	-	-	381	139	2.30	320	4	1	41.97	62	68	25	15.49	382
2024	3.64	-	-	-	-	339	124	2.35	292	4	1	42.75	56	60	22	15.83	348
2025	3.34	-	-	-	-	281	103	2.40	246	3	1	43.93	48	50	18	16.14	294
2026	2.74	-	-	-	-	243	89	2.45	217	3	1	43.79	41	43	16	16.42	258
2027	2.74	-	-	-	-	222	81	2.50	202	2	1	45.27	39	39	14	16.80	241
2028	2.74	-	-	-	-	201	74	2.54	187	2	1	46.45	36	36	13	17.11	224
2029	2.50	-	-	-	-	159	58	2.59	150	2	1	47.23	29	28	10	17.44	179
2030	1.90	-	-	-	-	136	50	2.64	131	1	1	48.41	25	24	9	17.80	156
2031	1.90	-	-	-	-	102	37	2.70	100	1	0	49.19	19	18	7	18.19	120
2032	1.20	-	-	-	-	73	27	2.75	74	1	0	49.67	14	13	5	18.50	88
2033	0.90	-	-	-	-	65	24	2.81	67	1	0	50.66	13	12	4	18.87	79
2034	0.60	-	-	-	-	49	18	2.86	52	1	0	51.68	10	9	3	19.25	61
2035	0.60	-	-	-	-	46	17	2.92	49	0	0	52.71	9	8	3	19.64	59
Rem.	0.60	-	-	-	-	30	96	3.17	305	0	1	57.15	58	5	17	21.29	363
23.25 yr			**-**	**-**	**-**		**1,189**	**2.49**	**2,966**		**13**	**45.43**	**573**		**211**	**16.79**	**3,539**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	-	-	-	22	9	31	11.7	265	31	234
2022	-	-	-	35	14	48	11.5	420	48	371
2023	-	-	-	31	12	43	11.2	382	43	339
2024	-	-	-	28	10	39	11.1	348	39	310
2025	-	-	-	24	9	32	11.0	294	32	262
2026	-	-	-	20	7	28	10.7	258	28	230
2027	-	-	-	4	7	10	4.3	241	10	231
2028	-	-	-	3	6	9	4.1	224	9	214
2029	-	-	-	3	5	7	4.0	179	7	172
2030	-	-	-	2	4	6	3.8	156	6	151
2031	-	-	-	2	3	4	3.7	120	4	115
2032	-	-	-	1	2	3	3.5	88	3	85
2033	-	-	-	1	2	3	3.4	79	3	77
2034	-	-	-	1	1	2	3.2	61	2	59
2035	-	-	-	1	1	2	3.1	59	2	57
Rem.	-	-	-	4	6	10	2.7	363	10	354
23.25 yr	**-**	**-**	**-**	**182**	**95**	**277**	**7.8**	**3,539**	**277**	**3,262**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	-	-	-	386	83	215	3	1	20	67	14	234
2022	-	-	-	354	129	341	2	1	30	61	22	371
2023	-	-	-	319	116	312	2	1	28	55	20	339
2024	-	-	-	284	104	285	2	1	25	49	18	310
2025	-	-	-	235	86	240	2	1	21	41	15	262
2026	-	-	-	203	74	212	1	0	18	35	13	230
2027	-	-	-	189	69	198	2	1	32	33	12	231
2028	-	-	-	171	63	184	2	1	30	30	11	214
2029	-	-	-	135	49	148	1	1	24	24	9	172
2030	-	-	-	115	42	129	1	0	21	20	7	151
2031	-	-	-	87	32	99	1	0	16	15	6	115
2032	-	-	-	62	23	73	1	0	12	11	4	85
2033	-	-	-	55	20	66	1	0	11	10	4	77
2034	-	-	-	42	15	51	0	0	8	7	3	59
2035	-	-	-	39	14	49	0	0	8	7	3	57
Rem.	-	-	-	26	82	305	0	1	49	5	14	354
23.25 yr		**-**	**-**		**1,001**	**2,907**		**8**	**354**		**175**	**3,262**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	-	72	55	127	7.26	-	-	107	6.13	-	-	-	-	107	107	104
2022	-	126	87	213	7.76	-	-	159	5.80	-	-	-	-	159	266	144
2023	-	130	80	210	8.51	-	-	129	5.24	-	-	-	-	129	395	106
2024	-	129	73	203	9.20	-	-	107	4.87	-	-	-	-	107	503	80
2025	-	112	62	174	9.57	-	-	87	4.80	-	-	-	-	87	590	59
2026	-	104	55	159	10.09	-	-	72	4.58	-	-	-	-	72	662	44
2027	-	106	51	157	10.93	-	-	74	5.15	-	-	-	-	74	736	41
2028	-	107	47	154	11.78	-	-	61	4.63	-	-	-	-	61	796	31
2029	-	86	38	123	12.02	25	-	23	4.73	-	-	-	-	23	820	11
2030	-	78	33	111	12.65	51	-	-12	4.47	-	-	-	-	-12	808	-5
2031	-	58	25	84	12.68	-	-	32	4.83	-	-	-	-	32	840	12
2032	-	40	19	58	12.21	-	-	27	5.64	-	-	-	-	27	866	9
2033	-	37	17	54	12.80	22	-	1	5.44	-	-	-	-	1	867	0
2034	-	27	13	40	12.44	55	-	-36	6.19	-	-	-	-	-36	832	-11
2035	-	27	12	40	13.29	-	-	17	5.74	-	-	-	-	17	849	4
Rem.	-	219	77	296	17.32	200	-	-142	3.39	-	-	-	-	-142	707	-23
23.25 yr	**-**	**1,458**	**743**	**2,201**	**10.44**	**354**	**-**	**707**	**5.03**	**-**	**-**	**-**	**-**	**707**	**707**	**609**

Country/State	Canada/Alberta
Avg. WI Share	30.54 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	6.88 yr
Capital Cost NPV @ 10%	-
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	-

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	3,894	1,189	1,001	2,907	2,203	1,923	1,774	1,489	1,288
NGL (Mbbl)	41	13	8	354	254	215	195	157	132
Total (MBOE)	**690**	**211**	**175**	**3,262**	**2,457**	**2,138**	**1,969**	**1,647**	**1,420**
Total BTCF				**707**	**671**	**634**	**609**	**550**	**499**

Arrow Exploration Corp.

Table 1D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia
Effective Date as of as May 31, 2021
Proved Developed Producing

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	0.50	145	31	57.57	1,782	-	-	-	-	-	-	-	-	145	31	57.57	1,782
2022	0.50	112	41	56.60	2,319	-	-	-	-	-	-	-	-	112	41	56.60	2,319
2023	0.50	85	31	54.64	1,686	-	-	-	-	-	-	-	-	85	31	54.64	1,686
2024	0.50	66	24	55.62	1,342	-	-	-	-	-	-	-	-	66	24	55.62	1,342
2025 (1)	0.50	58	2	57.09	103	-	-	-	-	-	-	-	-	58	2	57.09	103
3.67 yr			**129**	**56.19**	**7,231**		**-**	**-**	**-**		**-**	**-**	**-**		**129**	**56.19**	**7,231**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	143	49	31	-	-	222	12.5	1,782	222	1,559
2022	186	64	33	-	-	282	12.2	2,319	282	2,037
2023	135	47	15	-	-	196	11.7	1,686	196	1,489
2024	107	37	5	-	-	149	11.1	1,342	149	1,192
2025 (1)	8	3	0	-	-	11	10.9	103	11	92
3.67 yr	**578**	**200**	**84**	**-**	**-**	**862**	**11.9**	**7,231**	**862**	**6,369**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	127	27	1,559	-	-	-	-	-	-	127	27	1,559
2022	99	36	2,037	-	-	-	-	-	-	99	36	2,037
2023	75	27	1,489	-	-	-	-	-	-	75	27	1,489
2024	59	21	1,192	-	-	-	-	-	-	59	21	1,192
2025 (1)	52	2	92	-	-	-	-	-	-	52	2	92
3.67 yr		**113**	**6,369**		**-**	**-**		**-**	**-**		**113**	**6,369**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	490	46	32	568	18.35	-	780	1,771	57.23	-	-	-	-	1,771	1,771	1,725
2022	853	79	44	976	23.83	-	330	1,391	33.94	-	-	-	-	1,391	3,162	1,269
2023	885	82	34	1,002	32.46	-	-	488	15.81	-	-	-	-	488	3,650	402
2024	921	85	28	1,034	42.86	-	-	159	6.57	-	-	-	-	159	3,808	120
2025 (1)	78	7	2	88	48.72	168	-	-164	2.15	-	-	-	-	-164	3,644	-116
3.67 yr	**3,228**	**300**	**140**	**3,667**	**28.50**	**168**	**1,110**	**3,644**	**29.62**	**-**	**-**	**-**	**-**	**3,644**	**3,644**	**3,400**

Country/State	Colombia
Avg. WI Share	50.00 %
Econ. Life/To Aban.	3.67 yr / 3.67 yr
Econ. RLI	2.24 yr
Capital Cost NPV @ 10%	-
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	-

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	257	129	113	6,369	5,923	5,686	5,539	5,207	4,916
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**257**	**129**	**113**	**6,369**	**5,923**	**5,686**	**5,539**	**5,207**	**4,916**
Total BTCF				**3,644**	**3,516**	**3,445**	**3,400**	**3,294**	**3,198**

Arrow Exploration Corp.
Table 1E – After Tax Analysis – Total Company
Effective Date as of as May 31, 2021
Proved Developed Producing

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	1,714	1,355	-	-	-	-	-	-	-	1,878	-	1,878	1,878	1,829
2022	1,810	1,811	-	-	-	-	-	-	-	1,550	-	1,550	3,428	1,413
2023	870	1,373	-	-	-	-	-	-	-	617	-	617	4,045	509
2024	507	1,080	-	-	-	-	-	-	-	266	-	266	4,311	200
2025	130	160	-	-	-	-	-	-	-	-77	-	-77	4,234	-57
2026	258	72	-	-	-	-	-	-	-	72	-	72	4,306	44
2027	241	74	-	-	-	-	-	-	-	74	-	74	4,380	41
2028	224	61	-	-	-	-	-	-	-	61	-	61	4,440	31
2029	179	23	-	-	-	-	-	-	-	23	-	23	4,464	11
2030	156	-	-	-	-	-	-	-	-	-12	-	-12	4,452	-5
2031	120	32	-	-	-	-	-	-	-	32	-	32	4,484	12
2032	88	27	-	-	-	-	-	-	-	27	-	27	4,510	9
2033	79	1	-	-	-	-	-	-	-	1	-	1	4,511	0
2034	61	-	-	-	-	-	-	-	-	-36	-	-36	4,476	-11
2035	59	17	-	-	-	-	-	-	-	17	-	17	4,493	4
Rem.	363	21	-	-	-	-	-	-	-	-142	-	-142	4,351	-23
29.00 yr	**6,861**	**6,105**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,351**	**-**	**4,351**	**4,351**	**4,009**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	4,351	4,187	4,079	4,009	3,844	3,697
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	4,351	4,187	4,079	4,009	3,844	3,697

Arrow Exploration Corp.
Table 1F – After Tax Analysis – Total Canada
Effective Date as of as May 31, 2021
Proved Developed Producing

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	107	107	-	-	-	-	-	107	-	107	107	104
2022	159	159	-	-	-	-	-	159	-	159	266	144
2023	129	129	-	-	-	-	-	129	-	129	395	106
2024	107	107	-	-	-	-	-	107	-	107	503	80
2025	87	87	-	-	-	-	-	87	-	87	590	59
2026	72	72	-	-	-	-	-	72	-	72	662	44
2027	74	74	-	-	-	-	-	74	-	74	736	41
2028	61	61	-	-	-	-	-	61	-	61	796	31
2029	23	23	-	-	-	-	-	23	-	23	820	11
2030	-12	-	-	-	-	-	-	-12	-	-12	808	-5
2031	32	32	-	-	-	-	-	32	-	32	840	12
2032	27	27	-	-	-	-	-	27	-	27	866	9
2033	1	1	-	-	-	-	-	1	-	1	867	0
2034	-36	-	-	-	-	-	-	-36	-	-36	832	-11
2035	17	17	-	-	-	-	-	17	-	17	849	4
Rem.	-142	21	-	-	-	-	-	-142	-	-142	707	-23
29.00 yr	**707**	**917**	**-**	**-**	**-**	**-**	**-**	**707**	**-**	**707**	**707**	**609**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	707	671	634	609	550	499
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	707	671	634	609	550	499

Arrow Exploration Corp.
Table 1G – After Tax Analysis – Total Colombia
Effective Date as of as May 31, 2021
Proved Developed Producing

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	1,449	1,247	-	-	-	1,771	-	1,771	1,771	1,725
2022	1,391	1,652	-	-	-	1,391	-	1,391	3,162	1,269
2023	488	1,243	-	-	-	488	-	488	3,650	402
2024	159	972	-	-	-	159	-	159	3,808	120
2025	-164	73	-	-	-	-164	-	-164	3,644	-116
5.00 yr	**3,322**	**5,187**	**-**	**-**	**-**	**3,644**	**-**	**3,644**	**3,644**	**3,400**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	3,644	3,516	3,445	3,400	3,294	3,198
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	3,644	3,516	3,445	3,400	3,294	3,198

Arrow Exploration Corp.

Table 2A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved Developed

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	PP	-	21	0.2	-	17	0.1	-21	-13	-8	-4
100/01-29-058-22W5/0	W=30.0	Commingled	PP	-	80	0.8	-	67	0.5	23	31	32	31
100/05-29-058-22W5/0	W=30.0	Commingled	PP	-	65	0.7	-	55	0.4	9	18	22	23
100/03-31-058-22W5/0	W=30.0	Commingled	PP	-	301	3.2	-	254	2.2	344	271	217	179
100/05-31-058-22W5/0	W=30.0	Commingled	PP	-	106	1.1	-	89	0.7	46	51	49	45
100/03-33-058-22W5/0	W=24.0	Commingled	PP	-	45	0.5	-	38	0.3	1	9	12	14
100/16-33-058-22W5/0	W=30.0	Commingled	PP	-	32	0.3	-	27	0.2	-14	-5	0	3
100/01-24-058-23W5/0	W=30.0	Commingled	PP	-	52	0.5	-	43	0.3	-11	0	5	8
100/15-24-058-23W5/0	W=30.0	Commingled	PP	-	95	1.0	-	80	0.6	42	47	46	44
102/16-25-058-23W5/0	W=30.0	Commingled	PP	-	234	2.5	-	197	1.7	225	188	155	131
100/01-36-058-23W5/0	W=30.0	Commingled	PP	-	30	0.3	-	25	0.2	-8	0	5	7
100/15-05-059-22W5/0	W=40.0	Commingled	PP	-	129	1.4	-	109	0.8	70	76	74	69
Subtotal 01) Fir (Producers)				**-**	**1,189**	**12.6**	**-**	**1,001**	**8.1**	**707**	**671**	**609**	**550**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+NP	-	1,295	25.9	-	1,215	20.1	1,540	1,324	1,133	972
100/06-26-052-23W5/0	W=100.0		P+NP	-	1,956	39.1	-	1,794	29.0	2,847	2,398	2,031	1,736
Subtotal 01) Pepper Locations				**-**	**3,250**	**65.0**	**-**	**3,009**	**49.1**	**4,386**	**3,722**	**3,164**	**2,708**
Subtotal Alberta				**-**	**4,439**	**77.6**	**-**	**4,010**	**57.3**	**5,093**	**4,393**	**3,773**	**3,258**
Colombia													
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+NP	72	-	-	64	-	-	2,718	2,556	2,414	2,288
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+NP	35	-	-	31	-	-	1,196	1,136	1,083	1,035
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+NP	5	-	-	4	-	-	-163	-144	-128	-114
Subtotal 1) Oso Pardo (Oil)				**111**	**-**	**-**	**99**	**-**	**-**	**3,751**	**3,548**	**3,369**	**3,208**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-2,893	-2,687	-2,509	-2,354
Subtotal Oso Pardo				**111**	**-**	**-**	**99**	**-**	**-**	**857**	**861**	**860**	**855**
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	PP	129	-	-	113	-	-	6,872	6,466	6,114	5,806
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-3,228	-2,950	-2,714	-2,512
Subtotal Rio Cravo Este				**129**	**-**	**-**	**113**	**-**	**-**	**3,644**	**3,516**	**3,400**	**3,294**
Subtotal Colombia				**240**	**-**	**77.6**	**213**	**-**	**57.3**	**4,501**	**4,377**	**4,260**	**4,149**
Total Arrow Exploration Corp.				**240**	**4,439**	**77.6**	**213**	**4,010**	**57.3**	**9,594**	**8,770**	**8,033**	**7,407**

Arrow Exploration Corp.

Table 2B – Summary of Reserves and Future Net Revenue Forecast – Total Company

Effective Date as of as May 31, 2021

Total Proved Developed

Year	WI Wells	Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			Company Share Sales Revenue M$US
		Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	
2021 (7)	7.14	279	60	58.06	3,473	461	99	2.24	221	5	1	42.23	44	361	77	48.36	3,738
2022	9.14	218	80	57.11	4,546	1,343	490	2.28	1,117	23	8	54.80	458	465	170	36.07	6,121
2023	9.14	166	61	55.19	3,348	3,307	1,207	2.30	2,780	63	23	56.99	1,301	780	285	26.10	7,429
2024	8.14	105	38	56.02	2,145	1,783	653	2.35	1,537	32	12	57.30	681	434	159	27.45	4,362
2025	5.84	5	2	57.09	103	1,191	435	2.40	1,042	21	8	58.37	451	225	82	19.47	1,595
2026	4.74	-	-	-	-	885	323	2.45	791	15	6	57.75	325	163	59	18.76	1,116
2027	4.74	-	-	-	-	708	259	2.50	646	12	4	59.22	261	130	47	19.10	907
2028	4.74	-	-	-	-	587	215	2.54	546	10	4	60.36	217	108	39	19.38	763
2029	4.50	-	-	-	-	474	173	2.59	449	8	3	61.50	179	87	32	19.78	628
2030	3.90	-	-	-	-	401	146	2.64	387	7	2	62.97	155	73	27	20.18	541
2031	3.90	-	-	-	-	328	120	2.70	324	6	2	64.39	132	60	22	20.70	456
2032	3.20	-	-	-	-	225	82	2.76	227	4	1	64.78	90	41	15	20.98	317
2033	1.90	-	-	-	-	168	61	2.81	172	3	1	65.18	65	31	11	21.18	237
2034	1.60	-	-	-	-	140	51	2.87	147	2	1	67.04	57	26	9	21.74	204
2035	1.60	-	-	-	-	81	29	2.92	86	1	0	64.54	28	15	5	21.33	114
Rem.	0.60	-	-	-	-	30	96	3.17	305	0	1	57.15	58	5	17	21.29	363
23.25 yr			**240**	**56.69**	**13,614**		**4,439**	**2.43**	**10,776**		**78**	**58.03**	**4,504**		**1,058**	**27.32**	**28,893**

Year	Royalties & Burdens							Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %			
2021 (7)	278	96	31	22	9	435	11.6	3,738	435	3,303
2022	364	125	33	72	14	608	9.9	6,121	608	5,513
2023	268	92	15	399	12	786	10.6	7,429	786	6,643
2024	172	59	5	277	10	523	12.0	4,362	523	3,840
2025	8	3	0	174	9	193	12.1	1,595	193	1,402
2026	-	-	-	119	7	126	11.3	1,116	126	990
2027	-	-	-	36	7	43	4.7	907	43	864
2028	-	-	-	23	6	29	3.8	763	29	734
2029	-	-	-	16	5	20	3.2	628	20	608
2030	-	-	-	12	4	15	2.9	541	15	526
2031	-	-	-	9	3	12	2.5	456	12	444
2032	-	-	-	6	2	8	2.4	317	8	309
2033	-	-	-	4	2	6	2.5	237	6	231
2034	-	-	-	3	1	5	2.3	204	5	200
2035	-	-	-	2	1	3	2.5	114	3	111
Rem.	-	-	-	4	6	10	2.7	363	10	354
23.25 yr	**1,089**	**376**	**84**	**1,178**	**95**	**2,822**	**9.8**	**28,893**	**2,822**	**26,072**

Year	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	247	53	3,068	386	83	215	3	1	20	314	67	3,303
2022	193	70	4,024	1,228	448	1,086	20	7	403	418	152	5,513
2023	148	54	2,972	2,956	1,079	2,657	47	17	1,014	687	251	6,643
2024	93	34	1,909	1,618	592	1,494	19	7	436	382	140	3,840
2025	4	2	92	1,078	393	1,021	12	5	289	196	72	1,402
2026	-	-	-	798	291	780	9	3	210	142	52	990
2027	-	-	-	651	237	640	10	4	224	118	43	864
2028	-	-	-	537	197	542	8	3	192	98	36	734
2029	-	-	-	434	159	446	7	3	162	79	29	608
2030	-	-	-	367	134	385	6	2	141	67	25	526
2031	-	-	-	302	110	323	5	2	122	55	20	444
2032	-	-	-	206	75	226	3	1	83	38	14	309
2033	-	-	-	153	56	171	2	1	60	28	10	231
2034	-	-	-	128	47	147	2	1	53	24	9	200
2035	-	-	-	72	26	86	1	0	25	13	5	111
Rem.	-	-	-	26	82	305	0	1	49	5	14	354
23.25 yr		**213**	**12,066**		**4,010**	**10,523**		**57**	**3,483**		**938**	**26,072**

Year	Operating Costs					Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs				Before Tax Cash Flow		
	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE					Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	265	155	1,400	18.11	-	780	2,682	34.70	387	-	-	387	2,295	2,295	2,226
2022	1,707	487	467	2,661	15.68	-	330	3,183	18.76	-	-	1,611	1,611	1,572	3,867	1,435
2023	1,770	584	980	3,334	11.71	225	-	3,083	11.62	-	-	-	-	3,083	6,950	2,550
2024	1,453	483	539	2,476	15.58	472	-	892	8.58	-	-	-	-	892	7,842	673
2025	78	285	321	685	8.35	168	-	549	8.75	-	-	-	-	549	8,391	369
2026	-	273	240	513	8.62	-	-	478	8.03	-	-	-	-	478	8,869	295
2027	-	278	194	472	9.95	-	-	392	8.25	-	-	-	-	392	9,261	220
2028	-	282	163	446	11.31	-	-	288	7.32	-	-	-	-	288	9,549	147
2029	-	265	134	399	12.57	25	-	183	6.57	-	-	-	-	183	9,733	85
2030	-	261	116	377	14.04	51	-	98	5.56	-	-	-	-	98	9,831	41
2031	-	245	97	342	15.54	-	-	102	4.64	-	-	-	-	102	9,933	39
2032	-	174	68	242	16.02	-	-	67	4.45	-	-	-	-	67	10,000	23
2033	-	134	51	185	16.50	22	-	25	4.16	-	-	-	-	25	10,025	8
2034	-	126	44	169	18.03	55	-	-25	3.21	-	-	-	-	-25	10,000	-7
2035	-	69	24	93	17.47	-	-	18	3.33	-	-	-	-	18	10,017	5
Rem.	-	219	77	296	17.32	481	-	-423	3.39	-	-	-	-	-423	9,594	-76
23.25 yr	**5,989**	**4,430**	**3,670**	**14,089**	**13.32**	**1,500**	**1,110**	**11,593**	**12.38**	**387**	**-**	**1,611**	**1,998**	**9,594**	**9,594**	**8,033**

Country/State	N/A
Avg. WI Share	63.49 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	6.69 yr
Capital Cost NPV @ 10%	1,810
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	0.4

Product	Remaining Reserves			Net Revenue NPV (M$US)					
	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	369	240	213	12,066	11,262	10,833	10,567	9,962	9,432
Sales Gas (MMcf)	7,144	4,439	4,010	10,523	8,450	7,540	7,030	6,000	5,220
NGL (Mbbl)	106	78	57	3,483	2,813	2,515	2,347	2,006	1,746
Total (MBOE)	**1,666**	**1,058**	**938**	**26,072**	**22,525**	**20,889**	**19,944**	**17,968**	**16,398**
Total BTCF				**9,594**	**8,770**	**8,314**	**8,033**	**7,407**	**6,880**

Arrow Exploration Corp.

Table 2C – Summary of Reserves and Future Net Revenue Forecast – Total Canada

Effective Date as of as May 31, 2021

Total Proved Developed

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.64	-	-	-	-	461	99	2.24	221	5	1	42.23	44	82	17	15.17	265
2022	5.64	-	-	-	-	1,343	490	2.28	1,117	23	8	54.80	458	247	90	17.48	1,575
2023	5.64	-	-	-	-	3,307	1,207	2.30	2,780	63	23	56.99	1,301	614	224	18.22	4,081
2024	5.64	-	-	-	-	1,783	653	2.35	1,537	32	12	57.30	681	330	121	18.38	2,218
2025	5.34	-	-	-	-	1,191	435	2.40	1,042	21	8	58.37	451	220	80	18.62	1,493
2026	4.74	-	-	-	-	885	323	2.45	791	15	6	57.75	325	163	59	18.76	1,116
2027	4.74	-	-	-	-	708	259	2.50	646	12	4	59.22	261	130	47	19.10	907
2028	4.74	-	-	-	-	587	215	2.54	546	10	4	60.36	217	108	39	19.38	763
2029	4.50	-	-	-	-	474	173	2.59	449	8	3	61.50	179	87	32	19.78	628
2030	3.90	-	-	-	-	401	146	2.64	387	7	2	62.97	155	73	27	20.18	541
2031	3.90	-	-	-	-	328	120	2.70	324	6	2	64.39	132	60	22	20.70	456
2032	3.20	-	-	-	-	225	82	2.76	227	4	1	64.78	90	41	15	20.98	317
2033	1.90	-	-	-	-	168	61	2.81	172	3	1	65.18	65	31	11	21.18	237
2034	1.60	-	-	-	-	140	51	2.87	147	2	1	67.04	57	26	9	21.74	204
2035	1.60	-	-	-	-	81	29	2.92	86	1	0	64.54	28	15	5	21.33	114
Rem.	0.60	-	-	-	-	30	96	3.17	305	0	1	57.15	58	5	17	21.29	363
23.25 yr			**-**	**-**	**-**		**4,439**	**2.43**	**10,776**		**78**	**58.03**	**4,504**		**817**	**18.69**	**15,279**

Year	Royalties & Burdens Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	-	-	-	22	9	31	11.7	265	31	234
2022	-	-	-	72	14	86	5.4	1,575	86	1,489
2023	-	-	-	399	12	411	10.1	4,081	411	3,670
2024	-	-	-	277	10	287	13.0	2,218	287	1,931
2025	-	-	-	174	9	182	12.2	1,493	182	1,310
2026	-	-	-	119	7	126	11.3	1,116	126	990
2027	-	-	-	36	7	43	4.7	907	43	864
2028	-	-	-	23	6	29	3.8	763	29	734
2029	-	-	-	16	5	20	3.2	628	20	608
2030	-	-	-	12	4	15	2.9	541	15	526
2031	-	-	-	9	3	12	2.5	456	12	444
2032	-	-	-	6	2	8	2.4	317	8	309
2033	-	-	-	4	2	6	2.5	237	6	231
2034	-	-	-	3	1	5	2.3	204	5	200
2035	-	-	-	2	1	3	2.5	114	3	111
Rem.	-	-	-	4	6	10	2.7	363	10	354
23.25 yr	**-**	**-**	**-**	**1,178**	**95**	**1,273**	**8.3**	**15,279**	**1,273**	**14,006**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	-	-	-	386	83	215	3	1	20	67	14	234
2022	-	-	-	1,228	448	1,086	20	7	403	224	82	1,489
2023	-	-	-	2,956	1,079	2,657	47	17	1,014	540	197	3,670
2024	-	-	-	1,618	592	1,494	19	7	436	289	106	1,931
2025	-	-	-	1,078	393	1,021	12	5	289	192	70	1,310
2026	-	-	-	798	291	780	9	3	210	142	52	990
2027	-	-	-	651	237	640	10	4	224	118	43	864
2028	-	-	-	537	197	542	8	3	192	98	36	734
2029	-	-	-	434	159	446	7	3	162	79	29	608
2030	-	-	-	367	134	385	6	2	141	67	25	526
2031	-	-	-	302	110	323	5	2	122	55	20	444
2032	-	-	-	206	75	226	3	1	83	38	14	309
2033	-	-	-	153	56	171	2	1	60	28	10	231
2034	-	-	-	128	47	147	2	1	53	24	9	200
2035	-	-	-	72	26	86	1	0	25	13	5	111
Rem.	-	-	-	26	82	305	0	1	49	5	14	354
23.25 yr		**-**	**-**		**4,010**	**10,523**		**57**	**3,483**		**726**	**14,006**

Year	Operating Costs Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	-	72	55	127	7.26	-	-	107	6.13	-	-	-	-	107	107	104
2022	-	152	331	483	5.36	-	-	1,006	11.17	-	-	1,611	1,611	-605	-498	-546
2023	-	288	872	1,160	5.18	-	-	2,511	11.21	-	-	-	-	2,511	2,013	2,078
2024	-	291	475	767	6.35	-	-	1,164	9.64	-	-	-	-	1,164	3,177	872
2025	-	278	319	597	7.45	-	-	713	8.90	-	-	-	-	713	3,890	485
2026	-	273	240	513	8.62	-	-	478	8.03	-	-	-	-	478	4,368	295
2027	-	278	194	472	9.95	-	-	392	8.25	-	-	-	-	392	4,760	220
2028	-	282	163	446	11.31	-	-	288	7.32	-	-	-	-	288	5,048	147
2029	-	265	134	399	12.57	25	-	183	6.57	-	-	-	-	183	5,231	85
2030	-	261	116	377	14.04	51	-	98	5.56	-	-	-	-	98	5,329	41
2031	-	245	97	342	15.54	-	-	102	4.64	-	-	-	-	102	5,432	39
2032	-	174	68	242	16.02	-	-	67	4.45	-	-	-	-	67	5,499	23
2033	-	134	51	185	16.50	22	-	25	4.16	-	-	-	-	25	5,523	8
2034	-	126	44	169	18.03	55	-	-25	3.21	-	-	-	-	-25	5,498	-7
2035	-	69	24	93	17.47	-	-	18	3.33	-	-	-	-	18	5,516	5
Rem.	-	219	77	296	17.32	481	-	-423	3.39	-	-	-	-	-423	5,093	-76
23.25 yr	**-**	**3,407**	**3,260**	**6,667**	**8.16**	**635**	**-**	**6,704**	**8.98**	**-**	**-**	**1,611**	**1,611**	**5,093**	**5,093**	**3,773**

Country/State	Canada/Alberta
Avg. WI Share	63.03 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	12.92 yr
Capital Cost NPV @ 10%	1,425
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	0.5

Product	Remaining Reserves Gross	Company Share	Company Net	Net Revenue NPV (M$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	7,144	4,439	4,010	10,523	8,450	7,540	7,030	6,000	5,220
NGL (Mbbl)	106	78	57	3,483	2,813	2,515	2,347	2,006	1,746
Total (MBOE)	**1,297**	**817**	**726**	**14,006**	**11,263**	**10,055**	**9,377**	**8,006**	**6,967**
Total BTCF				**5,093**	**4,393**	**4,008**	**3,773**	**3,258**	**2,836**

Arrow Exploration Corp.

Table 2D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia
Effective Date as of as May 31, 2021
Total Proved Developed

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.50	279	60	58.06	3,473	-	-	-	-	-	-	-	-	279	60	58.06	3,473
2022	3.50	218	80	57.11	4,546	-	-	-	-	-	-	-	-	218	80	57.11	4,546
2023	3.50	166	61	55.19	3,348	-	-	-	-	-	-	-	-	166	61	55.19	3,348
2024	2.50	105	38	56.02	2,145	-	-	-	-	-	-	-	-	105	38	56.02	2,145
2025 (1)	0.50	58	2	57.09	103	-	-	-	-	-	-	-	-	58	2	57.09	103
3.67 yr			**240**	**56.69**	**13,614**		**-**	**-**	**-**		**-**	**-**	**-**		**240**	**56.69**	**13,614**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	278	96	31	-	-	404	11.6	3,473	404	3,068
2022	364	125	33	-	-	522	11.5	4,546	522	4,024
2023	268	92	15	-	-	375	11.2	3,348	375	2,972
2024	172	59	5	-	-	236	11.0	2,145	236	1,909
2025 (1)	8	3	0	-	-	11	10.9	103	11	92
3.67 yr	**1,089**	**376**	**84**	**-**	**-**	**1,548**	**11.4**	**13,614**	**1,548**	**12,066**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	247	53	3,068	-	-	-	-	-	-	247	53	3,068
2022	193	70	4,024	-	-	-	-	-	-	193	70	4,024
2023	148	54	2,972	-	-	-	-	-	-	148	54	2,972
2024	93	34	1,909	-	-	-	-	-	-	93	34	1,909
2025 (1)	52	2	92	-	-	-	-	-	-	52	2	92
3.67 yr		**213**	**12,066**		**-**	**-**		**-**	**-**		**213**	**12,066**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	193	100	1,273	21.28	-	780	2,575	43.06	387	-	-	387	2,188	2,188	2,121
2022	1,707	335	136	2,178	27.36	-	330	2,177	27.34	-	-	-	-	2,177	4,365	1,981
2023	1,770	296	108	2,174	35.84	225	-	573	13.16	-	-	-	-	573	4,938	472
2024	1,453	192	64	1,709	44.64	472	-	-272	5.22	-	-	-	-	-272	4,665	-199
2025 (1)	78	7	2	88	48.72	168	-	-164	2.15	-	-	-	-	-164	4,501	-116
3.67 yr	**5,989**	**1,023**	**410**	**7,422**	**30.90**	**865**	**1,110**	**4,888**	**23.96**	**387**	**-**	**-**	**387**	**4,501**	**4,501**	**4,260**

Country/State	Colombia
Avg. WI Share	65.11 %
Econ. Life/To Aban.	3.67 yr / 3.67 yr
Econ. RLI	2.48 yr
Capital Cost NPV @ 10%	385
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	0.1

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	369	240	213	12,066	11,262	10,833	10,567	9,962	9,432
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**369**	**240**	**213**	**12,066**	**11,262**	**10,833**	**10,567**	**9,962**	**9,432**
Total BTCF				**4,501**	**4,377**	**4,306**	**4,260**	**4,149**	**4,044**

Arrow Exploration Corp.

Table 2E – After Tax Analysis – Total Company
Effective Date as of as May 31, 2021
Total Proved Developed

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,393	7,620	-	-	-	-	-	-	-	2,295	-	2,295	2,295	2,226
2022	3,751	11,046	-	-	-	-	-	-	-	1,572	-	1,572	3,867	1,435
2023	4,654	10,225	-	-	-	-	-	-	-	3,083	-	3,083	6,950	2,550
2024	1,946	5,211	-	-	-	-	-	-	-	892	-	892	7,842	673
2025	1,329	786	-	-	-	-	-	-	-	549	-	549	8,391	369
2026	1,116	478	-	-	-	-	-	-	-	478	-	478	8,869	295
2027	907	392	-	-	-	-	-	-	-	392	-	392	9,261	220
2028	763	288	-	-	-	-	-	-	-	288	-	288	9,549	147
2029	628	183	-	-	-	-	-	-	-	183	-	183	9,733	85
2030	541	98	-	-	-	-	-	-	-	98	-	98	9,831	41
2031	456	102	-	-	-	-	-	-	-	102	-	102	9,933	39
2032	317	67	-	-	-	-	-	-	-	67	-	67	10,000	23
2033	237	25	-	-	-	-	-	-	-	25	-	25	10,025	8
2034	204	-	-	-	-	-	-	-	-	-25	-	-25	10,000	-7
2035	114	18	-	-	-	-	-	-	-	18	-	18	10,017	5
Rem.	363	15	-	-	-	-	-	-	-	-423	-	-423	9,594	-76
29.00 yr	**19,720**	**36,554**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,594**	**-**	**9,594**	**9,594**	**8,033**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	9,594	8,770	8,314	8,033	7,407	6,880
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	9,594	8,770	8,314	8,033	7,407	6,880

Arrow Exploration Corp.

Table 2F – After Tax Analysis – Total Canada
Effective Date as of as May 31, 2021
Total Proved Developed

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	107	107	-	-	-	-	-	107	-	107	107	104
2022	1,006	1,006	-	-	-	-	-	-605	-	-605	-498	-546
2023	2,511	2,511	-	-	-	-	-	2,511	-	2,511	2,013	2,078
2024	1,164	1,164	-	-	-	-	-	1,164	-	1,164	3,177	872
2025	713	713	-	-	-	-	-	713	-	713	3,890	485
2026	478	478	-	-	-	-	-	478	-	478	4,368	295
2027	392	392	-	-	-	-	-	392	-	392	4,760	220
2028	288	288	-	-	-	-	-	288	-	288	5,048	147
2029	183	183	-	-	-	-	-	183	-	183	5,231	85
2030	98	98	-	-	-	-	-	98	-	98	5,329	41
2031	102	102	-	-	-	-	-	102	-	102	5,432	39
2032	67	67	-	-	-	-	-	67	-	67	5,499	23
2033	25	25	-	-	-	-	-	25	-	25	5,523	8
2034	-25	-	-	-	-	-	-	-25	-	-25	5,498	-7
2035	18	18	-	-	-	-	-	18	-	18	5,516	5
Rem.	-423	15	-	-	-	-	-	-423	-	-423	5,093	-76
29.00 yr	**6,704**	**7,168**	**-**	**-**	**-**	**-**	**-**	**5,093**	**-**	**5,093**	**5,093**	**3,773**

Cash Flow NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	5,093	4,393	4,008	3,773	3,258	2,836
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	5,093	4,393	4,008	3,773	3,258	2,836

Arrow Exploration Corp.
Table 2G – After Tax Analysis – Total Colombia
Effective Date as of as May 31, 2021
Total Proved Developed

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,127	7,513	-	-	-	2,188	-	2,188	2,188	2,121
2022	2,177	10,039	-	-	-	2,177	-	2,177	4,365	1,981
2023	573	7,714	-	-	-	573	-	573	4,938	472
2024	-272	4,047	-	-	-	-272	-	-272	4,665	-199
2025	-164	73	-	-	-	-164	-	-164	4,501	-116
5.00 yr	**4,440**	**29,386**	**-**	**-**	**-**	**4,501**	**-**	**4,501**	**4,501**	**4,260**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	4,501	4,377	4,306	4,260	4,149	4,044
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	4,501	4,377	4,306	4,260	4,149	4,044

Arrow Exploration Corp.
Table 3A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	PP	-	21	0.2	-	17	0.1	-21	-13	-8	-4
100/01-29-058-22W5/0	W=30.0	Commingled	PP	-	80	0.8	-	67	0.5	23	31	32	31
100/05-29-058-22W5/0	W=30.0	Commingled	PP	-	65	0.7	-	55	0.4	9	18	22	23
100/03-31-058-22W5/0	W=30.0	Commingled	PP	-	301	3.2	-	254	2.2	344	271	217	179
100/05-31-058-22W5/0	W=30.0	Commingled	PP	-	106	1.1	-	89	0.7	46	51	49	45
100/03-33-058-22W5/0	W=24.0	Commingled	PP	-	45	0.5	-	38	0.3	1	9	12	14
100/16-33-058-22W5/0	W=30.0	Commingled	PP	-	32	0.3	-	27	0.2	-14	-5	0	3
100/01-24-058-23W5/0	W=30.0	Commingled	PP	-	52	0.5	-	43	0.3	-11	0	5	8
100/15-24-058-23W5/0	W=30.0	Commingled	PP	-	95	1.0	-	80	0.6	42	47	46	44
102/16-25-058-23W5/0	W=30.0	Commingled	PP	-	234	2.5	-	197	1.7	225	188	155	131
100/01-36-058-23W5/0	W=30.0	Commingled	PP	-	30	0.3	-	25	0.2	-8	0	5	7
100/15-05-059-22W5/0	W=40.0	Commingled	PP	-	129	1.4	-	109	0.8	70	76	74	69
Subtotal 01) Fir (Producers)				**-**	**1,189**	**12.6**	**-**	**1,001**	**8.1**	**707**	**671**	**609**	**550**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+NP	-	1,295	25.9	-	1,215	20.1	1,540	1,324	1,133	972
100/06-26-052-23W5/0	W=100.0		P+NP	-	1,956	39.1	-	1,794	29.0	2,847	2,398	2,031	1,736
Subtotal 01) Pepper Locations				**-**	**3,250**	**65.0**	**-**	**3,009**	**49.1**	**4,386**	**3,722**	**3,164**	**2,708**
Subtotal Alberta				**-**	**4,439**	**77.6**	**-**	**4,010**	**57.3**	**5,093**	**4,393**	**3,773**	**3,258**
Colombia													
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+NP	72	-	-	64	-	-	2,718	2,556	2,414	2,288
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+NP	35	-	-	31	-	-	1,196	1,136	1,083	1,035
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+NP	5	-	-	4	-	-	-163	-144	-128	-114
Subtotal 1) Oso Pardo (Oil)				**111**	**-**	**-**	**99**	**-**	**-**	**3,751**	**3,548**	**3,369**	**3,208**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-2,893	-2,687	-2,509	-2,354
Subtotal Oso Pardo				**111**	**-**	**-**	**99**	**-**	**-**	**857**	**861**	**860**	**855**
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	P+PU	102	-	-	89	-	-	5,435	5,146	4,895	4,675
RCE-02_C7A	W=50.0	Carbonera C7A	P+PU	154	-	-	134	-	-	4,590	3,991	3,491	3,071
Subtotal 01) RCE - C7A Carbonera				**255**	**-**	**-**	**224**	**-**	**-**	**10,026**	**9,137**	**8,386**	**7,746**

Arrow Exploration Corp.

Table 3A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves			Net Reserves			Before Tax Cash Flow			
				Oil Mbbl	Sales Gas MMcf	NGL Mbbl	Oil Mbbl	Sales Gas MMcf	NGL Mbbl	NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-3,945	-3,538	-3,202	-2,920
Subtotal Rio Cravo Este				**255**	**-**	**-**	**224**	**-**	**-**	**6,081**	**5,599**	**5,185**	**4,827**
Subtotal Colombia				**367**	**-**	**77.6**	**323**	**-**	**57.3**	**6,939**	**6,460**	**6,044**	**5,681**
Total Arrow Exploration Corp.				**367**	**4,439**	**77.6**	**323**	**4,010**	**57.3**	**12,032**	**10,853**	**9,817**	**8,939**

Arrow Exploration Corp.

Table 3B – Summary of Reserves and Future Net Revenue Forecast – Total Company

Effective Date as of as May 31, 2021

Total Proved

Year	WI Wells	Company Share Oil: Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL: Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal: Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	7.14	269	58	58.08	3,347	461	99	2.24	221	5	1	42.23	44	351	75	48.09	3,612
2022	9.64	329	120	56.93	6,847	1,343	490	2.28	1,117	23	8	54.80	458	576	210	40.04	8,422
2023	9.64	274	100	54.97	5,504	3,307	1,207	2.30	2,780	63	23	56.99	1,301	888	324	29.57	9,586
2024	8.64	168	61	55.87	3,432	1,783	653	2.35	1,537	32	12	57.30	681	498	182	31.03	5,650
2025	6.34	75	27	57.09	1,557	1,191	435	2.40	1,042	21	8	58.37	451	294	107	28.39	3,049
2026	4.74	-	-	-	-	885	323	2.45	791	15	6	57.75	325	163	59	18.76	1,116
2027	4.74	-	-	-	-	708	259	2.50	646	12	4	59.22	261	130	47	19.10	907
2028	4.74	-	-	-	-	587	215	2.54	546	10	4	60.36	217	108	39	19.38	763
2029	4.50	-	-	-	-	474	173	2.59	449	8	3	61.50	179	87	32	19.78	628
2030	3.90	-	-	-	-	401	146	2.64	387	7	2	62.97	155	73	27	20.18	541
2031	3.90	-	-	-	-	328	120	2.70	324	6	2	64.39	132	60	22	20.70	456
2032	3.20	-	-	-	-	225	82	2.76	227	4	1	64.78	90	41	15	20.98	317
2033	1.90	-	-	-	-	168	61	2.81	172	3	1	65.18	65	31	11	21.18	237
2034	1.60	-	-	-	-	140	51	2.87	147	2	1	67.04	57	26	9	21.74	204
2035	1.60	-	-	-	-	81	29	2.92	86	1	0	64.54	28	15	5	21.33	114
Rem.	0.60	-	-	-	-	30	96	3.17	305	0	1	57.15	58	5	17	21.29	363
23.25 yr			**367**	**56.41**	**20,686**		**4,439**	**2.43**	**10,776**		**78**	**58.03**	**4,504**		**1,184**	**30.37**	**35,966**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	268	92	27	22	9	419	11.6	3,612	419	3,193
2022	548	189	91	72	14	914	10.9	8,422	914	7,508
2023	440	152	69	399	12	1,072	11.2	9,586	1,072	8,513
2024	275	95	36	277	10	693	12.3	5,650	693	4,957
2025	125	43	13	174	9	362	11.9	3,049	362	2,687
2026	-	-	-	119	7	126	11.3	1,116	126	990
2027	-	-	-	36	7	43	4.7	907	43	864
2028	-	-	-	23	6	29	3.8	763	29	734
2029	-	-	-	16	5	20	3.2	628	20	608
2030	-	-	-	12	4	15	2.9	541	15	526
2031	-	-	-	9	3	12	2.5	456	12	444
2032	-	-	-	6	2	8	2.4	317	8	309
2033	-	-	-	4	2	6	2.5	237	6	231
2034	-	-	-	3	1	5	2.3	204	5	200
2035	-	-	-	2	1	3	2.5	114	3	111
Rem.	-	-	-	4	6	10	2.7	363	10	354
23.25 yr	**1,655**	**571**	**237**	**1,178**	**95**	**3,735**	**10.4**	**35,966**	**3,735**	**32,230**

Year	Company Net Oil: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total: Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	238	51	2,959	386	83	215	3	1	20	305	65	3,193
2022	290	106	6,019	1,228	448	1,086	20	7	403	514	188	7,508
2023	241	88	4,843	2,956	1,079	2,657	47	17	1,014	781	285	8,513
2024	148	54	3,027	1,618	592	1,494	19	7	436	437	160	4,957
2025	66	24	1,377	1,078	393	1,021	12	5	289	258	94	2,687
2026	-	-	-	798	291	780	9	3	210	142	52	990
2027	-	-	-	651	237	640	10	4	224	118	43	864
2028	-	-	-	537	197	542	8	3	192	98	36	734
2029	-	-	-	434	159	446	7	3	162	79	29	608
2030	-	-	-	367	134	385	6	2	141	67	25	526
2031	-	-	-	302	110	323	5	2	122	55	20	444
2032	-	-	-	206	75	226	3	1	83	38	14	309
2033	-	-	-	153	56	171	2	1	60	28	10	231
2034	-	-	-	128	47	147	2	1	53	24	9	200
2035	-	-	-	72	26	86	1	0	25	13	5	111
Rem.	-	-	-	26	82	305	0	1	49	5	14	354
23.25 yr		**323**	**18,224**		**4,010**	**10,523**		**57**	**3,483**		**1,049**	**32,230**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	265	153	1,398	18.61	-	725	2,521	33.56	387	-	-	387	2,134	2,134	2,070
2022	1,707	540	510	2,757	13.11	-	385	5,136	24.41	-	2,360	1,611	3,972	1,164	3,298	996
2023	1,770	666	1,023	3,460	10.67	225	-	4,828	15.59	-	-	-	-	4,828	8,126	3,987
2024	1,453	569	566	2,588	14.21	472	-	1,897	13.01	-	-	-	-	1,897	10,023	1,426
2025	795	418	352	1,565	14.57	316	-	806	10.45	-	-	-	-	806	10,829	558
2026	-	273	240	513	8.62	-	-	478	8.03	-	-	-	-	478	11,306	295
2027	-	278	194	472	9.95	-	-	392	8.25	-	-	-	-	392	11,698	220
2028	-	282	163	446	11.31	-	-	288	7.32	-	-	-	-	288	11,987	147
2029	-	265	134	399	12.57	25	-	183	6.57	-	-	-	-	183	12,170	85
2030	-	261	116	377	14.04	51	-	98	5.56	-	-	-	-	98	12,268	41
2031	-	245	97	342	15.54	-	-	102	4.64	-	-	-	-	102	12,370	39
2032	-	174	68	242	16.02	-	-	67	4.45	-	-	-	-	67	12,437	23
2033	-	134	51	185	16.50	22	-	25	4.16	-	-	-	-	25	12,462	8
2034	-	126	44	169	18.03	55	-	-25	3.21	-	-	-	-	-25	12,437	-7
2035	-	69	24	93	17.47	-	-	18	3.33	-	-	-	-	18	12,455	5
Rem.	-	219	77	296	17.32	481	-	-423	3.39	-	-	-	-	-423	12,032	-76
23.25 yr	**6,706**	**4,784**	**3,812**	**15,301**	**12.92**	**1,649**	**1,110**	**16,390**	**15.23**	**387**	**2,360**	**1,611**	**4,359**	**12,032**	**12,032**	**9,817**

Country/State	N/A
Avg. WI Share	61.71 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	7.75 yr
Capital Cost NPV @ 10%	3,982
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	1.1

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	622	367	323	18,224	16,745	15,967	15,487	14,407	13,472
Sales Gas (MMcf)	7,144	4,439	4,010	10,523	8,450	7,540	7,030	6,000	5,220
NGL (Mbbl)	106	78	57	3,483	2,813	2,515	2,347	2,006	1,746
Total (MBOE)	**1,919**	**1,184**	**1,049**	**32,230**	**28,009**	**26,022**	**24,864**	**22,413**	**20,438**
Total BTCF				**12,032**	**10,853**	**10,212**	**9,817**	**8,939**	**8,197**

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BOURY Global Energy Consultants

Arrow Exploration Corp.

Table 3C – Summary of Reserves and Future Net Revenue Forecast – Total Canada

Effective Date as of as May 31, 2021

Total Proved

Year	WI Wells	Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			Company Share Sales Revenue
		Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	M$US
2021 (7)	3.64	-	-	-	-	461	99	2.24	221	5	1	42.23	44	82	17	15.17	265
2022	5.64	-	-	-	-	1,343	490	2.28	1,117	23	8	54.80	458	247	90	17.48	1,575
2023	5.64	-	-	-	-	3,307	1,207	2.30	2,780	63	23	56.99	1,301	614	224	18.22	4,081
2024	5.64	-	-	-	-	1,783	653	2.35	1,537	32	12	57.30	681	330	121	18.38	2,218
2025	5.34	-	-	-	-	1,191	435	2.40	1,042	21	8	58.37	451	220	80	18.62	1,493
2026	4.74	-	-	-	-	885	323	2.45	791	15	6	57.75	325	163	59	18.76	1,116
2027	4.74	-	-	-	-	708	259	2.50	646	12	4	59.22	261	130	47	19.10	907
2028	4.74	-	-	-	-	587	215	2.54	546	10	4	60.36	217	108	39	19.38	763
2029	4.50	-	-	-	-	474	173	2.59	449	8	3	61.50	179	87	32	19.78	628
2030	3.90	-	-	-	-	401	146	2.64	387	7	2	62.97	155	73	27	20.18	541
2031	3.90	-	-	-	-	328	120	2.70	324	6	2	64.39	132	60	22	20.70	456
2032	3.20	-	-	-	-	225	82	2.76	227	4	1	64.78	90	41	15	20.98	317
2033	1.90	-	-	-	-	168	61	2.81	172	3	1	65.18	65	31	11	21.18	237
2034	1.60	-	-	-	-	140	51	2.87	147	2	1	67.04	57	26	9	21.74	204
2035	1.60	-	-	-	-	81	29	2.92	86	1	0	64.54	28	15	5	21.33	114
Rem.	0.60	-	-	-	-	30	96	3.17	305	0	1	57.15	58	5	17	21.29	363
23.25 yr			**-**	**-**	**-**		**4,439**	**2.43**	**10,776**		**78**	**58.03**	**4,504**		**817**	**18.69**	**15,279**

Year	Royalties & Burdens							Company Share Sales Revenue	Total Roy. & Burdens	Company Net Revenue
	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	M$US	M$US	M$US
2021 (7)	-	-	-	22	9	31	11.7	265	31	234
2022	-	-	-	72	14	86	5.4	1,575	86	1,489
2023	-	-	-	399	12	411	10.1	4,081	411	3,670
2024	-	-	-	277	10	287	13.0	2,218	287	1,931
2025	-	-	-	174	9	182	12.2	1,493	182	1,310
2026	-	-	-	119	7	126	11.3	1,116	126	990
2027	-	-	-	36	7	43	4.7	907	43	864
2028	-	-	-	23	6	29	3.8	763	29	734
2029	-	-	-	16	5	20	3.2	628	20	608
2030	-	-	-	12	4	15	2.9	541	15	526
2031	-	-	-	9	3	12	2.5	456	12	444
2032	-	-	-	6	2	8	2.4	317	8	309
2033	-	-	-	4	2	6	2.5	237	6	231
2034	-	-	-	3	1	5	2.3	204	5	200
2035	-	-	-	2	1	3	2.5	114	3	111
Rem.	-	-	-	4	6	10	2.7	363	10	354
23.25 yr	**-**	**-**	**-**	**1,178**	**95**	**1,273**	**8.3**	**15,279**	**1,273**	**14,006**

Year	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	-	-	-	386	83	215	3	1	20	67	14	234
2022	-	-	-	1,228	448	1,086	20	7	403	224	82	1,489
2023	-	-	-	2,956	1,079	2,657	47	17	1,014	540	197	3,670
2024	-	-	-	1,618	592	1,494	19	7	436	289	106	1,931
2025	-	-	-	1,078	393	1,021	12	5	289	192	70	1,310
2026	-	-	-	798	291	780	9	3	210	142	52	990
2027	-	-	-	651	237	640	10	4	224	118	43	864
2028	-	-	-	537	197	542	8	3	192	98	36	734
2029	-	-	-	434	159	446	7	3	162	79	29	608
2030	-	-	-	367	134	385	6	2	141	67	25	526
2031	-	-	-	302	110	323	5	2	122	55	20	444
2032	-	-	-	206	75	226	3	1	83	38	14	309
2033	-	-	-	153	56	171	2	1	60	28	10	231
2034	-	-	-	128	47	147	2	1	53	24	9	200
2035	-	-	-	72	26	86	1	0	25	13	5	111
Rem.	-	-	-	26	82	305	0	1	49	5	14	354
23.25 yr		**-**	**-**		**4,010**	**10,523**		**57**	**3,483**		**726**	**14,006**

Year	Operating Costs					Aband.	Petrolco Income	Net Op. Income	Net Back	Capital Costs				Before Tax Cash Flow		
	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	M$US	M$US	M$US	$US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	-	72	55	127	7.26	-	-	107	6.13	-	-	-	-	107	107	104
2022	-	152	331	483	5.36	-	-	1,006	11.17	-	-	1,611	1,611	-605	-498	-546
2023	-	288	872	1,160	5.18	-	-	2,511	11.21	-	-	-	-	2,511	2,013	2,078
2024	-	291	475	767	6.35	-	-	1,164	9.64	-	-	-	-	1,164	3,177	872
2025	-	278	319	597	7.45	-	-	713	8.90	-	-	-	-	713	3,890	485
2026	-	273	240	513	8.62	-	-	478	8.03	-	-	-	-	478	4,368	295
2027	-	278	194	472	9.95	-	-	392	8.25	-	-	-	-	392	4,760	220
2028	-	282	163	446	11.31	-	-	288	7.32	-	-	-	-	288	5,048	147
2029	-	265	134	399	12.57	25	-	183	6.57	-	-	-	-	183	5,231	85
2030	-	261	116	377	14.04	51	-	98	5.56	-	-	-	-	98	5,329	41
2031	-	245	97	342	15.54	-	-	102	4.64	-	-	-	-	102	5,432	39
2032	-	174	68	242	16.02	-	-	67	4.45	-	-	-	-	67	5,499	23
2033	-	134	51	185	16.50	22	-	25	4.16	-	-	-	-	25	5,523	8
2034	-	126	44	169	18.03	55	-	-25	3.21	-	-	-	-	-25	5,498	-7
2035	-	69	24	93	17.47	-	-	18	3.33	-	-	-	-	18	5,516	5
Rem.	-	219	77	296	17.32	481	-	-423	3.39	-	-	-	-	-423	5,093	-76
23.25 yr	**-**	**3,407**	**3,260**	**6,667**	**8.16**	**635**	**-**	**6,704**	**8.98**	**-**	**-**	**1,611**	**1,611**	**5,093**	**5,093**	**3,773**

Country/State	Canada/Alberta
Avg. WI Share	63.03 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	12.92 yr
Capital Cost NPV @ 10%	1,425
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	0.5

Product	Remaining Reserves			Net Revenue NPV (M$US)					
	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	7,144	4,439	4,010	10,523	8,450	7,540	7,030	6,000	5,220
NGL (Mbbl)	106	78	57	3,483	2,813	2,515	2,347	2,006	1,746
Total (MBOE)	**1,297**	**817**	**726**	**14,006**	**11,263**	**10,055**	**9,377**	**8,006**	**6,967**
Total BTCF				**5,093**	**4,393**	**4,008**	**3,773**	**3,258**	**2,836**

Arrow Exploration Corp.

Table 3D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia

Effective Date as of as May 31, 2021

Total Proved

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.50	269	58	58.08	3,347	-	-	-	-	-	-	-	-	269	58	58.08	3,347
2022	4.00	329	120	56.93	6,847	-	-	-	-	-	-	-	-	329	120	56.93	6,847
2023	4.00	274	100	54.97	5,504	-	-	-	-	-	-	-	-	274	100	54.97	5,504
2024	3.00	168	61	55.87	3,432	-	-	-	-	-	-	-	-	168	61	55.87	3,432
2025 (10)	1.00	90	27	57.09	1,557	-	-	-	-	-	-	-	-	90	27	57.09	1,557
4.42 yr			**367**	**56.41**	**20,686**		**-**	**-**	**-**		**-**	**-**	**-**		**367**	**56.41**	**20,686**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	268	92	27	-	-	387	11.6	3,347	387	2,959
2022	548	189	91	-	-	828	12.1	6,847	828	6,019
2023	440	152	69	-	-	661	12.0	5,504	661	4,843
2024	275	95	36	-	-	405	11.8	3,432	405	3,027
2025 (10)	125	43	13	-	-	180	11.6	1,557	180	1,377
4.42 yr	**1,655**	**571**	**237**	**-**	**-**	**2,462**	**11.9**	**20,686**	**2,462**	**18,224**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	238	51	2,959	-	-	-	-	-	-	238	51	2,959
2022	290	106	6,019	-	-	-	-	-	-	290	106	6,019
2023	241	88	4,843	-	-	-	-	-	-	241	88	4,843
2024	148	54	3,027	-	-	-	-	-	-	148	54	3,027
2025 (10)	79	24	1,377	-	-	-	-	-	-	79	24	1,377
4.42 yr		**323**	**18,224**		**-**	**-**		**-**	**-**		**323**	**18,224**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	193	98	1,271	22.05	-	725	2,414	41.89	387	-	-	387	2,027	2,027	1,966
2022	1,707	388	179	2,275	18.91	-	385	4,129	34.33	-	2,360	-	2,360	1,769	3,796	1,543
2023	1,770	378	151	2,300	22.97	225	-	2,317	25.40	-	-	-	-	2,317	6,113	1,910
2024	1,453	278	90	1,821	29.65	472	-	733	19.62	-	-	-	-	733	6,846	554
2025 (10)	795	140	32	968	35.49	316	-	92	14.99	-	-	-	-	92	6,939	72
4.42 yr	**6,706**	**1,377**	**552**	**8,634**	**23.55**	**1,014**	**1,110**	**9,686**	**29.18**	**387**	**2,360**	**-**	**2,747**	**6,939**	**6,939**	**6,044**

Country/State	Colombia
Avg. WI Share	58.96 %
Econ. Life/To Aban.	4.42 yr / 4.42 yr
Econ. RLI	4.22 yr
Capital Cost NPV @ 10%	2,557
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	0.7

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	622	367	323	18,224	16,745	15,967	15,487	14,407	13,472
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**622**	**367**	**323**	**18,224**	**16,745**	**15,967**	**15,487**	**14,407**	**13,472**
Total BTCF				**6,939**	**6,460**	**6,204**	**6,044**	**5,681**	**5,361**

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Arrow Exploration Corp.
Table 3E – After Tax Analysis – Total Company
Effective Date as of as May 31, 2021
Total Proved

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,258	7,055	632	31.0	-	-	196	-	-	2,134	196	1,938	1,938	1,877
2022	5,704	12,182	556	30.0	-	-	167	-	-	1,164	167	997	2,935	846
2023	6,399	11,383	-	-	-	-	-	-	-	4,828	-	4,828	7,763	3,987
2024	2,951	5,852	-	-	-	-	-	-	-	1,897	-	1,897	9,660	1,426
2025	1,412	1,645	-	-	-	-	-	-	-	806	-	806	10,466	558
2026	1,116	478	-	-	-	-	-	-	-	478	-	478	10,944	295
2027	907	392	-	-	-	-	-	-	-	392	-	392	11,336	220
2028	763	288	-	-	-	-	-	-	-	288	-	288	11,624	147
2029	628	183	-	-	-	-	-	-	-	183	-	183	11,808	85
2030	541	98	-	-	-	-	-	-	-	98	-	98	11,905	41
2031	456	102	-	-	-	-	-	-	-	102	-	102	12,008	39
2032	317	67	-	-	-	-	-	-	-	67	-	67	12,075	23
2033	237	25	-	-	-	-	-	-	-	25	-	25	12,099	8
2034	204	-	-	-	-	-	-	-	-	-25	-	-25	12,074	-7
2035	114	18	-	-	-	-	-	-	-	18	-	18	12,092	5
Rem.	363	15	-	-	-	-	-	-	-	-423	-	-423	11,669	-76
29.00 yr	**24,371**	**39,783**	**1,187**	**30.5**	**-**	**-**	**363**	**-**	**-**	**12,032**	**363**	**11,669**	**11,669**	**9,474**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	12,032	10,853	10,212	9,817	8,939	8,197
Tax Payable	363	352	347	343	335	327
After Tax Cash Flow	11,669	10,500	9,865	9,474	8,604	7,870

Arrow Exploration Corp.

Table 3F – After Tax Analysis – Total Canada
Effective Date as of as May 31, 2021
Total Proved

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	107	107	-	-	-	-	-	107	-	107	107	104
2022	1,006	1,006	-	-	-	-	-	-605	-	-605	-498	-546
2023	2,511	2,511	-	-	-	-	-	2,511	-	2,511	2,013	2,078
2024	1,164	1,164	-	-	-	-	-	1,164	-	1,164	3,177	872
2025	713	713	-	-	-	-	-	713	-	713	3,890	485
2026	478	478	-	-	-	-	-	478	-	478	4,368	295
2027	392	392	-	-	-	-	-	392	-	392	4,760	220
2028	288	288	-	-	-	-	-	288	-	288	5,048	147
2029	183	183	-	-	-	-	-	183	-	183	5,231	85
2030	98	98	-	-	-	-	-	98	-	98	5,329	41
2031	102	102	-	-	-	-	-	102	-	102	5,432	39
2032	67	67	-	-	-	-	-	67	-	67	5,499	23
2033	25	25	-	-	-	-	-	25	-	25	5,523	8
2034	-25	-	-	-	-	-	-	-25	-	-25	5,498	-7
2035	18	18	-	-	-	-	-	18	-	18	5,516	5
Rem.	-423	15	-	-	-	-	-	-423	-	-423	5,093	-76
29.00 yr	**6,704**	**7,168**	**-**	**-**	**-**	**-**	**-**	**5,093**	**-**	**5,093**	**5,093**	**3,773**

Cash Flow NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	5,093	4,393	4,008	3,773	3,258	2,836
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	5,093	4,393	4,008	3,773	3,258	2,836

Arrow Exploration Corp.
Table 3G – After Tax Analysis – Total Colombia
Effective Date as of as May 31, 2021
Total Proved

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	1,993	6,948	632	31.0	196	2,027	196	1,831	1,831	1,773
2022	4,129	11,175	556	30.0	167	1,769	167	1,602	3,433	1,392
2023	2,317	8,872	-	-	-	2,317	-	2,317	5,751	1,910
2024	733	4,689	-	-	-	733	-	733	6,484	554
2025	-81	931	-	-	-	92	-	92	6,576	72
5.00 yr	**9,092**	**32,615**	**1,187**	**30.5**	**363**	**6,939**	**363**	**6,576**	**6,576**	**5,701**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	6,939	6,460	6,204	6,044	5,681	5,361
Tax Payable	363	352	347	343	335	327
After Tax Cash Flow	6,576	6,108	5,857	5,701	5,346	5,034

Arrow Exploration Corp.

Table 4A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved + Probable

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	P+PBP	-	23	0.2	-	20	0.1	-21	-12	-7	-4
100/01-29-058-22W5/0	W=30.0	Commingled	P+PBP	-	93	1.0	-	78	0.6	31	38	38	36
100/05-29-058-22W5/0	W=30.0	Commingled	P+PBP	-	74	0.8	-	62	0.5	14	23	26	26
100/03-31-058-22W5/0	W=30.0	Commingled	P+PBP	-	376	4.0	-	318	2.8	443	322	245	196
100/05-31-058-22W5/0	W=30.0	Commingled	P+PBP	-	127	1.4	-	107	0.9	60	62	57	51
100/03-33-058-22W5/0	W=24.0	Commingled	P+PBP	-	56	0.6	-	47	0.4	6	14	16	17
100/16-33-058-22W5/0	W=30.0	Commingled	P+PBP	-	46	0.5	-	38	0.3	-12	-1	4	7
100/01-24-058-23W5/0	W=30.0	Commingled	P+PBP	-	58	0.6	-	49	0.4	-8	3	8	10
100/15-24-058-23W5/0	W=30.0	Commingled	P+PBP	-	111	1.2	-	94	0.8	54	58	54	50
102/16-25-058-23W5/0	W=30.0	Commingled	P+PBP	-	277	2.9	-	234	2.1	281	220	175	144
100/01-36-058-23W5/0	W=30.0	Commingled	P+PBP	-	36	0.4	-	30	0.2	-5	3	8	10
100/15-05-059-22W5/0	W=40.0	Commingled	P+PBP	-	147	1.6	-	124	1.0	83	86	82	75
Subtotal 01) Fir (Producers)				**-**	**1,425**	**15.1**	**-**	**1,202**	**10.1**	**926**	**815**	**706**	**619**
02) Fir (Locations)													
1XX/16-19-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.2	394	152	27	-37
1XX/13-29-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.3	389	159	31	-40
1XX/06-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.3	389	159	31	-40
1XX/14-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.2	394	152	27	-37
Subtotal 02) Fir (Locations)				**-**	**2,385**	**25.3**	**-**	**2,027**	**21.0**	**1,565**	**623**	**117**	**-154**
Subtotal Fir				**-**	**3,810**	**40.4**	**-**	**3,229**	**31.0**	**2,491**	**1,438**	**824**	**465**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+PBN	-	1,735	34.7	-	1,617	26.5	2,368	1,976	1,655	1,400
100/06-26-052-23W5/0	W=100.0		P+PBN	-	2,637	52.7	-	2,399	38.6	4,231	3,413	2,803	2,344
Subtotal 01) Pepper Locations				**-**	**4,372**	**87.4**	**-**	**4,016**	**65.0**	**6,599**	**5,389**	**4,458**	**3,744**
Subtotal Alberta				**-**	**8,183**	**127.8**	**-**	**7,245**	**96.1**	**9,091**	**6,827**	**5,282**	**4,209**
Colombia													
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+PBN	121	-	-	108	-	-	4,846	4,344	3,933	3,593
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+PBN	61	-	-	55	-	-	2,147	1,941	1,769	1,624
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+PBN	6	-	-	5	-	-	-156	-133	-113	-97
OSO PARDO03	W=100.0	UMIR SANDS	P+PBU	102	-	-	91	-	-	863	479	202	0
Subtotal 1) Oso Pardo (Oil)				**290**	**-**	**-**	**259**	**-**	**-**	**7,700**	**6,631**	**5,791**	**5,121**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-5,920	-5,091	-4,442	-3,927
Subtotal Oso Pardo				**290**	**-**	**-**	**259**	**-**	**-**	**1,779**	**1,540**	**1,348**	**1,194**

Arrow Exploration Corp.

Table 4A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved + Probable

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	P+PBU	127	-	-	111	-	-	6,612	6,126	5,721	5,378
RCE-02_C7A	W=50.0	Carbonera C7A	P+PBU	216	-	-	189	-	-	7,452	6,131	5,117	4,322
RCE-03_C7A	W=50.0	Carbonera C7A	P+PBU	206	-	-	179	-	-	9,535	6,880	5,071	3,808
Subtotal 01) RCE - C7A Carbonera				**549**	**-**	**-**	**479**	**-**	**-**	**23,598**	**19,137**	**15,908**	**13,508**
02) RCE - C7C Carbonera													
RCE-01_C7C	W=50.0	Carbonera C7C	P+PBN	128	-	-	111	-	-	5,784	4,159	3,044	2,264
RCE-02_C7C	W=50.0	Carbonera C7C	P+PBU	121	-	-	105	-	-	5,564	3,503	2,257	1,485
RCE-04_C7C	W=50.0	Carbonera C7C	P+PBU	128	-	-	111	-	-	5,928	4,012	2,771	1,950
Subtotal 02) RCE - C7C Carbonera				**376**	**-**	**-**	**328**	**-**	**-**	**17,276**	**11,674**	**8,072**	**5,699**
03) RCE - Gacheta B													
RCE-01_GACHETA_B	W=50.0	Gacheta B	P+PBN	75	-	-	66	-	-	3,222	1,954	1,214	770
RCE-03_GACHETA_B	W=50.0	Gacheta B	P+PBU	95	-	-	82	-	-	1,262	959	710	503
RCE-04_GACHETA_B	W=50.0	Gacheta B	P+PBU	95	-	-	83	-	-	922	565	312	133
Subtotal 03) RCE - Gacheta B				**264**	**-**	**-**	**231**	**-**	**-**	**5,406**	**3,478**	**2,236**	**1,406**
04) RCE - Gacheta D													
RCE-03_GACHETA_D	W=50.0	Gacheta D	P+PBU	27	-	-	23	-	-	757	435	256	155
RCE-04_GACHETA_D	W=50.0	Gacheta D	P+PBU	34	-	-	30	-	-	1,136	660	394	240
Subtotal 04) RCE - Gacheta D				**61**	**-**	**-**	**53**	**-**	**-**	**1,893**	**1,095**	**650**	**395**
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-12,079	-9,015	-6,995	-5,613
Subtotal Rio Cravo Este				**1,250**	**-**	**-**	**1,091**	**-**	**-**	**36,095**	**26,369**	**19,871**	**15,394**
Subtotal Colombia				**1,540**	**-**	**127.8**	**1,350**	**-**	**96.1**	**37,874**	**27,909**	**21,219**	**16,588**
Total Arrow Exploration Corp.				**1,540**	**8,183**	**127.8**	**1,350**	**7,245**	**96.1**	**46,965**	**34,735**	**26,501**	**20,797**

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Arrow Exploration Corp.

Table 4B – Summary of Reserves and Future Net Revenue Forecast – Total Company

Effective Date as of as May 31, 2021

Total Proved + Probable

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	7.14	281	60	58.09	3,498	464	99	2.24	223	5	1	42.23	44	364	78	48.39	3,765
2022	10.14	452	165	56.86	9,376	1,437	524	2.28	1,194	25	9	55.00	496	716	261	42.35	11,066
2023	11.74	431	157	55.04	8,652	4,174	1,523	2.30	3,509	76	28	56.28	1,564	1,202	439	31.27	13,726
2024	11.84	465	170	56.01	9,522	2,973	1,088	2.35	2,561	48	18	54.85	970	1,008	369	35.37	13,053
2025	11.84	358	131	57.45	7,500	2,229	814	2.40	1,950	35	13	55.35	702	764	279	36.41	10,152
2026	11.24	458	167	58.27	9,748	1,671	610	2.45	1,493	26	9	55.02	519	763	278	42.25	11,759
2027	11.24	389	142	59.66	8,462	1,359	496	2.50	1,239	21	8	56.56	429	636	232	43.65	10,130
2028	8.24	346	127	60.99	7,724	1,138	417	2.54	1,059	17	6	57.79	365	553	202	45.20	9,148
2029	7.94	299	109	61.97	6,764	988	361	2.59	935	15	5	58.48	316	479	175	45.88	8,015
2030	7.94	305	111	63.44	7,060	857	313	2.64	827	13	5	59.84	280	461	168	48.58	8,167
2031	7.10	263	96	64.41	6,181	750	274	2.70	740	11	4	60.78	248	399	146	49.22	7,169
2032	7.10	268	98	65.88	6,456	676	247	2.75	682	10	4	61.19	225	390	143	51.51	7,362
2033	6.80	18	7	67.26	450	586	214	2.81	601	9	3	62.60	200	125	46	27.47	1,252
2034	4.40	-	-	-	-	519	189	2.87	543	8	3	63.88	181	94	34	21.03	723
2035	4.10	-	-	-	-	443	162	2.92	473	6	2	64.31	151	80	29	21.29	624
Rem.	3.10	-	-	-	-	149	851	3.28	2,795	2	10	63.48	641	27	152	22.61	3,436
30.25 yr			**1,540**	**59.36**	**91,393**		**8,183**	**2.54**	**20,824**		**128**	**57.33**	**7,329**		**3,031**	**39.44**	**119,547**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	280	97	28	23	9	436	11.6	3,765	436	3,329
2022	750	259	151	76	14	1,250	11.3	11,066	1,250	9,816
2023	692	239	110	545	23	1,609	11.7	13,726	1,609	12,116
2024	762	263	121	365	33	1,544	11.8	13,053	1,544	11,509
2025	600	207	87	239	28	1,160	11.4	10,152	1,160	8,992
2026	780	269	159	172	20	1,400	11.9	11,759	1,400	10,360
2027	677	234	148	72	17	1,147	11.3	10,130	1,147	8,982
2028	618	213	157	55	14	1,057	11.6	9,148	1,057	8,091
2029	541	187	130	40	12	909	11.3	8,015	909	7,106
2030	565	195	136	31	10	936	11.5	8,167	936	7,230
2031	495	171	111	24	8	809	11.3	7,169	809	6,360
2032	516	178	116	21	8	839	11.4	7,362	839	6,523
2033	36	12	7	20	6	82	6.6	1,252	82	1,169
2034	-	-	-	17	6	23	3.1	723	23	700
2035	-	-	-	14	5	19	3.0	624	19	605
Rem.	-	-	-	58	44	102	3.0	3,436	102	3,334
30.25 yr	**7,311**	**2,522**	**1,464**	**1,771**	**256**	**13,324**	**11.1**	**119,547**	**13,324**	**106,222**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	249	53	3,093	388	83	216	3	1	20	316	68	3,329
2022	396	144	8,216	1,316	480	1,161	21	8	439	637	232	9,816
2023	379	138	7,611	3,632	1,325	3,321	55	20	1,185	1,040	379	12,116
2024	409	150	8,376	2,630	963	2,483	31	11	650	878	321	11,509
2025	315	115	6,607	1,981	723	1,910	23	8	475	668	244	8,992
2026	401	147	8,540	1,483	541	1,468	17	6	352	665	243	10,360
2027	340	124	7,403	1,218	445	1,225	17	6	354	560	204	8,982
2028	302	110	6,736	1,020	373	1,050	14	5	305	486	178	8,091
2029	261	95	5,905	886	323	929	12	5	271	421	154	7,106
2030	266	97	6,164	768	280	823	11	4	243	405	148	7,230
2031	230	84	5,405	672	245	736	10	4	218	351	128	6,360
2032	234	86	5,645	605	221	679	9	3	199	344	126	6,523
2033	16	6	394	525	192	600	7	3	175	111	41	1,169
2034	-	-	-	465	170	541	7	2	159	84	31	700
2035	-	-	-	395	144	472	6	2	133	71	26	605
Rem.	-	-	-	128	735	2,793	1	8	541	23	131	3,334
30.25 yr		**1,350**	**80,096**		**7,245**	**20,407**		**96**	**5,719**		**2,653**	**106,222**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	265	158	1,403	18.03	-	740	2,666	34.26	387	-	-	387	2,279	2,279	2,210
2022	1,707	613	586	2,906	11.12	-	370	7,280	27.86	-	5,442	1,611	7,053	227	2,506	26
2023	1,770	848	1,335	3,953	9.01	230	-	7,933	18.60	-	3,682	1,288	4,970	2,963	5,469	2,440
2024	1,841	939	1,036	3,817	10.34	-	-	7,692	20.84	-	3,317	1,319	4,636	3,056	8,525	2,184
2025	1,915	976	789	3,681	13.20	-	-	5,311	19.05	-	347	-	347	4,964	13,488	3,377
2026	1,992	998	693	3,683	13.23	-	-	6,676	23.99	-	357	-	357	6,319	19,807	3,894
2027	1,721	927	569	3,218	13.86	533	-	5,232	24.84	-	375	-	375	4,857	24,664	2,738
2028	1,077	732	474	2,283	11.28	-	-	5,808	28.69	-	-	-	-	5,808	30,472	2,969
2029	1,120	754	420	2,294	13.13	-	-	4,812	27.55	-	401	-	401	4,411	34,883	2,035
2030	1,165	761	398	2,324	13.82	51	-	4,855	29.19	-	418	-	418	4,437	39,320	1,868
2031	1,211	766	356	2,333	16.02	-	-	4,026	27.65	-	439	-	439	3,587	42,907	1,383
2032	1,260	789	348	2,396	16.77	-	-	4,126	28.87	-	445	-	445	3,682	46,589	1,280
2033	107	340	182	629	13.81	831	-	-291	11.85	-	-	-	-	-291	46,298	-100
2034	-	292	154	447	13.00	-	-	254	7.38	-	-	-	-	254	46,551	73
2035	-	263	133	396	13.52	79	-	129	7.12	-	-	-	-	129	46,681	34
Rem.	-	1,639	728	2,367	15.58	682	-	285	6.36	-	-	-	-	285	46,965	93
30.25 yr	**17,867**	**11,904**	**8,360**	**38,131**	**12.58**	**2,407**	**1,110**	**66,794**	**22.83**	**387**	**15,223**	**4,219**	**19,829**	**46,965**	**46,965**	**26,501**

Country/State	N/A
Avg. WI Share	51.88 %
Econ. Life/To Aban.	30.25 yr / 35.25 yr
Econ. RLI	23.49 yr
Capital Cost NPV @ 10%	15,857
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	2.8

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	2,789	1,540	1,350	80,096	62,030	54,111	49,713	41,014	34,674
Sales Gas (MMcf)	16,997	8,183	7,245	20,407	14,733	12,576	11,445	9,317	7,829
NGL (Mbbl)	221	128	96	5,719	4,258	3,679	3,369	2,777	2,354
Total (MBOE)	**5,843**	**3,031**	**2,653**	**106,222**	**81,022**	**70,366**	**64,527**	**53,108**	**44,858**
Total BTCF				**46,965**	**34,735**	**29,425**	**26,501**	**20,797**	**16,729**

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Arrow Exploration Corp.

Table 4C – Summary of Reserves and Future Net Revenue Forecast – Total Canada
Effective Date as of as May 31, 2021
Total Proved + Probable

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.64	-	-	-	-	464	99	2.24	223	5	1	42.23	44	82	18	15.17	267
2022	5.64	-	-	-	-	1,437	524	2.28	1,194	25	9	55.00	496	264	96	17.53	1,690
2023	6.24	-	-	-	-	4,174	1,523	2.30	3,509	76	28	56.28	1,564	772	282	18.01	5,073
2024	6.84	-	-	-	-	2,973	1,088	2.35	2,561	48	18	54.85	970	544	199	17.74	3,531
2025	6.84	-	-	-	-	2,229	814	2.40	1,950	35	13	55.35	702	406	148	17.88	2,652
2026	6.24	-	-	-	-	1,671	610	2.45	1,493	26	9	55.02	519	304	111	18.11	2,012
2027	6.24	-	-	-	-	1,359	496	2.50	1,239	21	8	56.56	429	247	90	18.48	1,668
2028	6.24	-	-	-	-	1,138	417	2.54	1,059	17	6	57.79	365	207	76	18.79	1,424
2029	5.94	-	-	-	-	988	361	2.59	935	15	5	58.48	316	180	66	19.10	1,252
2030	5.94	-	-	-	-	857	313	2.64	827	13	5	59.84	280	156	57	19.48	1,106
2031	5.10	-	-	-	-	750	274	2.70	740	11	4	60.78	248	136	50	19.88	988
2032	5.10	-	-	-	-	676	247	2.75	682	10	4	61.19	225	123	45	20.18	906
2033	4.80	-	-	-	-	586	214	2.81	601	9	3	62.60	200	106	39	20.62	801
2034	4.40	-	-	-	-	519	189	2.87	543	8	3	63.88	181	94	34	21.03	723
2035	4.10	-	-	-	-	443	162	2.92	473	6	2	64.31	151	80	29	21.29	624
Rem.	3.10	-	-	-	-	149	851	3.28	2,795	2	10	63.48	641	27	152	22.61	3,436
30.25 yr			**-**	**-**	**-**		**8,183**	**2.54**	**20,824**		**128**	**57.33**	**7,329**		**1,492**	**18.87**	**28,153**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	-	-	-	23	9	31	11.7	267	31	236
2022	-	-	-	76	14	90	5.3	1,690	90	1,600
2023	-	-	-	545	23	568	11.2	5,073	568	4,505
2024	-	-	-	365	33	399	11.3	3,531	399	3,133
2025	-	-	-	239	28	267	10.1	2,652	267	2,385
2026	-	-	-	172	20	192	9.5	2,012	192	1,820
2027	-	-	-	72	17	88	5.3	1,668	88	1,579
2028	-	-	-	55	14	68	4.8	1,424	68	1,355
2029	-	-	-	40	12	51	4.1	1,252	51	1,200
2030	-	-	-	31	10	40	3.7	1,106	40	1,066
2031	-	-	-	24	8	33	3.3	988	33	955
2032	-	-	-	21	8	28	3.1	906	28	878
2033	-	-	-	20	6	27	3.3	801	27	775
2034	-	-	-	17	6	23	3.1	723	23	700
2035	-	-	-	14	5	19	3.0	624	19	605
Rem.	-	-	-	58	44	102	3.0	3,436	102	3,334
30.25 yr	**-**	**-**	**-**	**1,771**	**256**	**2,027**	**7.2**	**28,153**	**2,027**	**26,126**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	-	-	-	388	83	216	3	1	20	67	14	236
2022	-	-	-	1,316	480	1,161	21	8	439	241	88	1,600
2023	-	-	-	3,632	1,325	3,321	55	20	1,185	661	241	4,505
2024	-	-	-	2,630	963	2,483	31	11	650	469	172	3,133
2025	-	-	-	1,981	723	1,910	23	8	475	353	129	2,385
2026	-	-	-	1,483	541	1,468	17	6	352	264	96	1,820
2027	-	-	-	1,218	445	1,225	17	6	354	220	80	1,579
2028	-	-	-	1,020	373	1,050	14	5	305	184	67	1,355
2029	-	-	-	886	323	929	12	5	271	160	58	1,200
2030	-	-	-	768	280	823	11	4	243	139	51	1,066
2031	-	-	-	672	245	736	10	4	218	122	44	955
2032	-	-	-	605	221	679	9	3	199	110	40	878
2033	-	-	-	525	192	600	7	3	175	95	35	775
2034	-	-	-	465	170	541	7	2	159	84	31	700
2035	-	-	-	395	144	472	6	2	133	71	26	605
Rem.	-	-	-	128	735	2,793	1	8	541	23	131	3,334
30.25 yr		**-**	**-**		**7,245**	**20,407**		**96**	**5,719**		**1,304**	**26,126**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	-	72	55	127	7.24	-	-	108	6.16	-	-	-	-	108	108	105
2022	-	152	355	507	5.26	-	-	1,093	11.34	-	-	1,611	1,611	-518	-410	-471
2023	-	299	1,083	1,382	4.91	-	-	3,123	11.09	-	-	1,288	1,288	1,835	1,425	1,524
2024	-	328	754	1,082	5.44	-	-	2,050	10.30	-	-	1,319	1,319	731	2,156	550
2025	-	334	565	899	6.06	-	-	1,486	10.02	-	-	-	-	1,486	3,642	1,011
2026	-	330	431	760	6.85	-	-	1,059	9.54	-	-	-	-	1,059	4,702	654
2027	-	336	356	692	7.67	-	-	887	9.83	-	-	-	-	887	5,589	498
2028	-	332	304	636	8.39	-	-	719	9.49	-	-	-	-	719	6,309	367
2029	-	338	267	605	9.23	-	-	595	9.09	-	-	-	-	595	6,904	276
2030	-	328	236	564	9.93	51	-	451	8.84	-	-	-	-	451	7,355	190
2031	-	316	210	527	10.60	-	-	428	8.62	-	-	-	-	428	7,783	164
2032	-	321	194	514	11.45	-	-	364	8.10	-	-	-	-	364	8,147	127
2033	-	300	171	471	12.12	27	-	276	7.81	-	-	-	-	276	8,423	87
2034	-	292	154	447	13.00	-	-	254	7.38	-	-	-	-	254	8,677	73
2035	-	263	133	396	13.52	79	-	129	7.12	-	-	-	-	129	8,806	34
Rem.	-	1,639	728	2,367	15.58	682	-	285	6.36	-	-	-	-	285	9,091	93
30.25 yr	**-**	**5,981**	**5,996**	**11,977**	**8.03**	**840**	**-**	**13,310**	**9.49**	**-**	**-**	**4,219**	**4,219**	**9,091**	**9,091**	**5,282**

Country/State	Canada/Alberta
Avg. WI Share	48.84 %
Econ. Life/To Aban.	30.25 yr / 35.25 yr
Econ. RLI	30.31 yr
Capital Cost NPV @ 10%	3,456
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	1.4

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	16,997	8,183	7,245	20,407	14,733	12,576	11,445	9,317	7,829
NGL (Mbbl)	221	128	96	5,719	4,258	3,679	3,369	2,777	2,354
Total (MBOE)	**3,054**	**1,492**	**1,304**	**26,126**	**18,992**	**16,255**	**14,814**	**12,093**	**10,184**
Total BTCF				**9,091**	**6,827**	**5,831**	**5,282**	**4,209**	**3,438**

Arrow Exploration Corp.

Table 4D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia

Effective Date as of as May 31, 2021

Total Proved + Probable

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.50	281	60	58.09	3,498	-	-	-	-	-	-	-	-	281	60	58.09	3,498
2022	4.50	452	165	56.86	9,376	-	-	-	-	-	-	-	-	452	165	56.86	9,376
2023	5.50	431	157	55.04	8,652	-	-	-	-	-	-	-	-	431	157	55.04	8,652
2024	5.00	465	170	56.01	9,522	-	-	-	-	-	-	-	-	465	170	56.01	9,522
2025	5.00	358	131	57.45	7,500	-	-	-	-	-	-	-	-	358	131	57.45	7,500
2026	5.00	458	167	58.27	9,748	-	-	-	-	-	-	-	-	458	167	58.27	9,748
2027	5.00	389	142	59.66	8,462	-	-	-	-	-	-	-	-	389	142	59.66	8,462
2028	2.00	346	127	60.99	7,724	-	-	-	-	-	-	-	-	346	127	60.99	7,724
2029	2.00	299	109	61.97	6,764	-	-	-	-	-	-	-	-	299	109	61.97	6,764
2030	2.00	305	111	63.44	7,060	-	-	-	-	-	-	-	-	305	111	63.44	7,060
2031	2.00	263	96	64.41	6,181	-	-	-	-	-	-	-	-	263	96	64.41	6,181
2032	2.00	268	98	65.88	6,456	-	-	-	-	-	-	-	-	268	98	65.88	6,456
2033 (1)	2.00	216	7	67.26	450	-	-	-	-	-	-	-	-	216	7	67.26	450
11.67 yr			**1,540**	**59.36**	**91,393**		**-**	**-**	**-**		**-**	**-**	**-**		**1,540**	**59.36**	**91,393**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	280	97	28	-	-	405	11.6	3,498	405	3,093
2022	750	259	151	-	-	1,160	12.4	9,376	1,160	8,216
2023	692	239	110	-	-	1,041	12.0	8,652	1,041	7,611
2024	762	263	121	-	-	1,146	12.0	9,522	1,146	8,376
2025	600	207	87	-	-	894	11.9	7,500	894	6,607
2026	780	269	159	-	-	1,208	12.4	9,748	1,208	8,540
2027	677	234	148	-	-	1,059	12.5	8,462	1,059	7,403
2028	618	213	157	-	-	988	12.8	7,724	988	6,736
2029	541	187	130	-	-	858	12.7	6,764	858	5,905
2030	565	195	136	-	-	896	12.7	7,060	896	6,164
2031	495	171	111	-	-	776	12.6	6,181	776	5,405
2032	516	178	116	-	-	811	12.6	6,456	811	5,645
2033 (1)	36	12	7	-	-	56	12.4	450	56	394
11.67 yr	**7,311**	**2,522**	**1,464**	**-**	**-**	**11,298**	**12.4**	**91,393**	**11,298**	**80,096**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	249	53	3,093	-	-	-	-	-	-	249	53	3,093
2022	396	144	8,216	-	-	-	-	-	-	396	144	8,216
2023	379	138	7,611	-	-	-	-	-	-	379	138	7,611
2024	409	150	8,376	-	-	-	-	-	-	409	150	8,376
2025	315	115	6,607	-	-	-	-	-	-	315	115	6,607
2026	401	147	8,540	-	-	-	-	-	-	401	147	8,540
2027	340	124	7,403	-	-	-	-	-	-	340	124	7,403
2028	302	110	6,736	-	-	-	-	-	-	302	110	6,736
2029	261	95	5,905	-	-	-	-	-	-	261	95	5,905
2030	266	97	6,164	-	-	-	-	-	-	266	97	6,164
2031	230	84	5,405	-	-	-	-	-	-	230	84	5,405
2032	234	86	5,645	-	-	-	-	-	-	234	86	5,645
2033 (1)	189	6	394	-	-	-	-	-	-	189	6	394
11.67 yr		**1,350**	**80,096**		**-**	**-**		**-**	**-**		**1,350**	**80,096**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	193	103	1,276	21.19	-	740	2,558	42.47	387	-	-	387	2,171	2,171	2,104
2022	1,707	461	231	2,399	14.55	-	370	6,187	37.52	-	5,442	-	5,442	746	2,916	497
2023	1,770	549	251	2,571	16.36	230	-	4,810	32.06	-	3,682	-	3,682	1,128	4,044	916
2024	1,841	611	282	2,734	16.08	-	-	5,642	33.18	-	3,317	-	3,317	2,325	6,368	1,635
2025	1,915	643	225	2,782	21.31	-	-	3,824	29.29	-	347	-	347	3,477	9,846	2,366
2026	1,992	669	263	2,923	17.47	-	-	5,617	33.58	-	357	-	357	5,259	15,105	3,239
2027	1,721	590	214	2,526	17.81	533	-	4,345	34.39	-	375	-	375	3,969	19,075	2,240
2028	1,077	400	170	1,647	13.01	-	-	5,088	40.18	-	-	-	-	5,088	24,163	2,602
2029	1,120	416	153	1,689	15.48	-	-	4,216	38.63	-	401	-	401	3,816	27,979	1,759
2030	1,165	433	162	1,760	15.81	-	-	4,405	39.58	-	418	-	418	3,986	31,965	1,678
2031	1,211	450	145	1,807	18.83	-	-	3,598	37.50	-	439	-	439	3,159	35,124	1,219
2032	1,260	468	154	1,882	19.21	-	-	3,763	38.40	-	445	-	445	3,318	38,442	1,153
2033 (1)	107	40	11	158	23.58	804	-	-568	35.35	-	-	-	-	-568	37,874	-187
11.67 yr	**17,867**	**5,923**	**2,365**	**26,154**	**16.99**	**1,567**	**1,110**	**53,484**	**35.75**	**387**	**15,223**	**-**	**15,610**	**37,874**	**37,874**	**21,219**

Country/State	Colombia
Avg. WI Share	55.20 %
Econ. Life/To Aban.	11.67 yr / 11.67 yr
Econ. RLI	18.84 yr
Capital Cost NPV @ 10%	12,401
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	2.9

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	2,789	1,540	1,350	80,096	62,030	54,111	49,713	41,014	34,674
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**2,789**	**1,540**	**1,350**	**80,096**	**62,030**	**54,111**	**49,713**	**41,014**	**34,674**
Total BTCF				**37,874**	**27,909**	**23,594**	**21,219**	**16,588**	**13,291**

Arrow Exploration Corp.

Table 4E – After Tax Analysis – Total Company
Effective Date as of as May 31, 2021
Total Proved + Probable

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,396	2,973	1,186	31.0	-	-	368	-	-	2,279	368	1,911	1,911	1,848
2022	7,877	5,972	4,016	30.0	-	-	1,205	-	-	227	1,205	-978	934	-1,061
2023	9,883	10,021	2,549	30.0	-	-	765	-	-	2,963	765	2,198	3,132	1,813
2024	9,173	9,855	2,458	30.0	-	-	737	-	-	3,056	737	2,318	5,450	1,635
2025	6,476	7,465	1,637	30.0	-	-	491	-	-	4,964	491	4,473	9,923	3,044
2026	7,629	6,637	3,265	30.0	-	-	979	-	-	6,319	979	5,339	15,262	3,290
2027	6,012	4,695	2,978	30.0	-	-	893	-	-	4,857	893	3,963	19,225	2,237
2028	6,512	2,593	3,215	30.0	-	-	964	-	-	5,808	964	4,843	24,069	2,477
2029	5,468	2,314	2,498	30.0	-	-	749	-	-	4,411	749	3,662	27,730	1,688
2030	5,511	2,352	2,503	30.0	-	-	751	-	-	4,437	751	3,686	31,417	1,552
2031	4,586	2,278	1,749	30.0	-	-	525	-	-	3,587	525	3,063	34,479	1,182
2032	4,669	2,669	1,458	30.0	-	-	437	-	-	3,682	437	3,244	37,724	1,128
2033	234	434	-	-	-	-	-	-	-	-291	-	-291	37,432	-100
2034	723	254	-	-	-	-	-	-	-	254	-	254	37,686	73
2035	624	129	-	-	-	-	-	-	-	129	-	129	37,815	34
Rem.	3,436	703	-	-	-	-	-	-	-	285	-	285	38,100	93
36.00 yr	**81,209**	**61,342**	**29,511**	**30.0**	**-**	**-**	**8,865**	**-**	**-**	**46,965**	**8,865**	**38,100**	**38,100**	**20,931**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	46,965	34,735	29,425	26,501	20,797	16,729
Tax Payable	8,865	6,909	6,049	5,570	4,622	3,931
After Tax Cash Flow	38,100	27,826	23,376	20,931	16,175	12,798

Arrow Exploration Corp.

Table 4F – After Tax Analysis – Total Canada
Effective Date as of as May 31, 2021
Total Proved + Probable

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	108	108	-	-	-	-	-	108	-	108	108	105
2022	1,093	1,093	-	-	-	-	-	-518	-	-518	-410	-471
2023	3,123	3,123	-	-	-	-	-	1,835	-	1,835	1,425	1,524
2024	2,050	2,050	-	-	-	-	-	731	-	731	2,156	550
2025	1,486	1,486	-	-	-	-	-	1,486	-	1,486	3,642	1,011
2026	1,059	1,059	-	-	-	-	-	1,059	-	1,059	4,702	654
2027	887	887	-	-	-	-	-	887	-	887	5,589	498
2028	719	719	-	-	-	-	-	719	-	719	6,309	367
2029	595	595	-	-	-	-	-	595	-	595	6,904	276
2030	451	451	-	-	-	-	-	451	-	451	7,355	190
2031	428	428	-	-	-	-	-	428	-	428	7,783	164
2032	364	364	-	-	-	-	-	364	-	364	8,147	127
2033	276	276	-	-	-	-	-	276	-	276	8,423	87
2034	254	254	-	-	-	-	-	254	-	254	8,677	73
2035	129	129	-	-	-	-	-	129	-	129	8,806	34
Rem.	285	703	-	-	-	-	-	285	-	285	9,091	93
36.00 yr	**13,310**	**13,728**	**-**	**-**	**-**	**-**	**-**	**9,091**	**-**	**9,091**	**9,091**	**5,282**

	Cash Flow NPV (M$US)					
	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	9,091	6,827	5,831	5,282	4,209	3,438
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	9,091	6,827	5,831	5,282	4,209	3,438

Arrow Exploration Corp.

Table 4G – After Tax Analysis – Total Colombia

Effective Date as of as May 31, 2021

Total Proved + Probable

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,129	2,864	1,186	31.0	368	2,171	368	1,803	1,803	1,743
2022	6,187	4,879	4,016	30.0	1,205	746	1,205	-459	1,344	-590
2023	4,810	6,898	2,549	30.0	765	1,128	765	363	1,707	288
2024	5,642	7,804	2,458	30.0	737	2,325	737	1,587	3,294	1,085
2025	3,824	5,978	1,637	30.0	491	3,477	491	2,986	6,280	2,033
2026	5,617	5,578	3,265	30.0	979	5,259	979	4,280	10,560	2,636
2027	4,345	3,807	2,978	30.0	893	3,969	893	3,076	13,636	1,739
2028	5,088	1,873	3,215	30.0	964	5,088	964	4,124	17,760	2,110
2029	4,216	1,718	2,498	30.0	749	3,816	749	3,066	20,826	1,412
2030	4,405	1,901	2,503	30.0	751	3,986	751	3,236	24,062	1,362
2031	3,598	1,849	1,749	30.0	525	3,159	525	2,635	26,696	1,018
2032	3,763	2,305	1,458	30.0	437	3,318	437	2,881	29,577	1,001
2033	-568	157	-	-	-	-568	-	-568	29,009	-187
13.00 yr	**53,056**	**47,614**	**29,511**	**30.0**	**8,865**	**37,874**	**8,865**	**29,009**	**29,009**	**15,649**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	37,874	27,909	23,594	21,219	16,588	13,291
Tax Payable	8,865	6,909	6,049	5,570	4,622	3,931
After Tax Cash Flow	29,009	20,999	17,545	15,649	11,966	9,360

Arrow Exploration Corp.
Table 5A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved + Prob. + Poss.

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	P+PSP	-	24	0.3	-	20	0.1	-20	-12	-7	-3
100/01-29-058-22W5/0	W=30.0	Commingled	P+PSP	-	103	1.1	-	87	0.7	38	44	43	39
100/05-29-058-22W5/0	W=30.0	Commingled	P+PSP	-	85	0.9	-	72	0.6	20	29	30	29
100/03-31-058-22W5/0	W=30.0	Commingled	P+PSP	-	453	4.8	-	383	3.4	553	371	269	211
100/05-31-058-22W5/0	W=30.0	Commingled	P+PSP	-	147	1.6	-	124	1.1	75	74	65	57
100/03-33-058-22W5/0	W=24.0	Commingled	P+PSP	-	64	0.7	-	54	0.4	11	18	20	20
100/16-33-058-22W5/0	W=30.0	Commingled	P+PSP	-	52	0.6	-	44	0.3	-9	2	7	9
100/01-24-058-23W5/0	W=30.0	Commingled	P+PSP	-	65	0.7	-	55	0.4	-5	6	11	12
100/15-24-058-23W5/0	W=30.0	Commingled	P+PSP	-	131	1.4	-	111	1.0	68	69	62	56
102/16-25-058-23W5/0	W=30.0	Commingled	P+PSP	-	316	3.3	-	267	2.4	326	244	188	152
100/01-36-058-23W5/0	W=30.0	Commingled	P+PSP	-	43	0.5	-	36	0.2	-2	6	11	13
100/15-05-059-22W5/0	W=40.0	Commingled	P+PSP	-	163	1.7	-	137	1.1	96	97	90	81
Subtotal 01) Fir (Producers)				**-**	**1,646**	**17.4**	**-**	**1,389**	**11.9**	**1,150**	**947**	**789**	**676**
02) Fir (Locations)													
1XX/16-19-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	752	8.0	-	639	6.4	740	354	158	54
1XX/13-29-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	752	8.0	-	640	6.4	730	367	172	63
1XX/06-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	752	8.0	-	640	6.4	730	367	172	63
1XX/14-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	752	8.0	-	639	6.4	740	354	158	54
Subtotal 02) Fir (Locations)				**-**	**3,010**	**31.9**	**-**	**2,558**	**25.6**	**2,940**	**1,442**	**660**	**234**
Subtotal Fir				**-**	**4,655**	**49.3**	**-**	**3,947**	**37.5**	**4,090**	**2,389**	**1,450**	**910**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+PSN	-	2,152	43.0	-	1,995	32.3	3,215	2,599	2,130	1,774
100/06-26-052-23W5/0	W=100.0		P+PSN	-	3,266	65.3	-	2,945	47.1	5,602	4,392	3,539	2,922
Subtotal 01) Pepper Locations				**-**	**5,418**	**108.4**	**-**	**4,940**	**79.5**	**8,817**	**6,990**	**5,669**	**4,696**
Subtotal Alberta				**-**	**10,074**	**157.7**	**-**	**8,886**	**117.0**	**12,907**	**9,379**	**7,118**	**5,607**
Colombia													
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+PSN	150	-	-	134	-	-	6,126	5,361	4,759	4,276
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+PSN	75	-	-	67	-	-	2,710	2,384	2,122	1,910
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+PSN	7	-	-	6	-	-	-151	-123	-100	-81
OSO PARDO03	W=100.0	UMIR SANDS	P+PSU	141	-	-	125	-	-	2,686	1,866	1,275	844
Subtotal 1) Oso Pardo (Oil)				**373**	**-**	**-**	**333**	**-**	**-**	**11,371**	**9,489**	**8,057**	**6,950**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-7,439	-6,172	-5,225	-4,501
Subtotal Oso Pardo				**373**	**-**	**-**	**333**	**-**	**-**	**3,933**	**3,316**	**2,832**	**2,448**

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Arrow Exploration Corp.

Table 5A – Summary of Reserves and Net Present Value
Effective Date as of as May 31, 2021
Total Proved + Prob. + Poss.

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
Tapir Block													
Mateguafa													
Mateguafa-Oil													
MTG-05_C7A	W=50.0	CARBONERA C7-A	P+PSU	209	-	-	164	-	-	3,063	2,243	1,636	1,181
MTG-05_GA/GB	W=50.0	GUADALUPE A & B	P+PSU	245	-	-	214	-	-	9,271	5,592	3,473	2,215
MTG-05_U	W=50.0	UBAQUE	P+PSU	122	-	-	107	-	-	4,035	1,808	843	407
MTG-06_C7A	W=50.0	CARBONERA C7-A	P+PSU	203	-	-	158	-	-	6,479	3,785	2,278	1,408
MTG-06_GA/GB	W=50.0	GUADALUPE A & B	P+PSU	251	-	-	219	-	-	5,619	4,265	3,272	2,530
MTG-06_U	W=50.0	UBAQUE	P+PSU	121	-	-	106	-	-	4,009	1,791	832	401
MTG-FACILITY			NRA	-	-	-	-	-	-	-9,117	-5,677	-3,885	-2,871
Subtotal Mateguafa-Oil				**1,152**	**-**	**-**	**968**	**-**	**-**	**23,358**	**13,807**	**8,449**	**5,271**
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	P+PSU	222	-	-	194	-	-	11,056	9,643	8,568	7,732
RCE-02_C7A	W=50.0	Carbonera C7A	P+PSU	320	-	-	279	-	-	12,417	9,848	7,997	6,622
RCE-03_C7A	W=50.0	Carbonera C7A	P+PSU	304	-	-	265	-	-	14,670	9,979	6,992	5,027
Subtotal 01) RCE - C7A Carbonera				**846**	**-**	**-**	**738**	**-**	**-**	**38,143**	**29,470**	**23,557**	**19,380**
02) RCE - C7C Carbonera													
RCE-01_C7C	W=50.0	Carbonera C7C	P+PSN	191	-	-	167	-	-	9,512	5,659	3,466	2,179
RCE-02_C7C	W=50.0	Carbonera C7C	P+PSU	187	-	-	163	-	-	9,704	5,189	2,869	1,635
RCE-04_C7C	W=50.0	Carbonera C7C	P+PSU	191	-	-	166	-	-	9,215	5,972	3,969	2,698
Subtotal 02) RCE - C7C Carbonera				**569**	**-**	**-**	**496**	**-**	**-**	**28,431**	**16,820**	**10,305**	**6,513**
03) RCE - Gacheta B													
RCE-01_GACHETA_B	W=50.0	Gacheta B	P+PSN	85	-	-	74	-	-	4,034	1,915	942	478
RCE-03_GACHETA_B	W=50.0	Gacheta B	P+PSU	114	-	-	99	-	-	2,113	1,690	1,346	1,061
RCE-04_GACHETA_B	W=50.0	Gacheta B	P+PSU	113	-	-	98	-	-	1,790	1,247	857	573
Subtotal 03) RCE - Gacheta B				**311**	**-**	**-**	**272**	**-**	**-**	**7,937**	**4,853**	**3,145**	**2,113**
04) RCE - Gacheta D													
RCE-02_GACHETA_D	W=50.0	Gacheta D	P+PSU	17	-	-	15	-	-	228	102	47	23
RCE-03_GACHETA_D	W=50.0	Gacheta D	P+PSU	78	-	-	68	-	-	3,595	1,735	867	447
RCE-04_GACHETA_D	W=50.0	Gacheta D	P+PSU	94	-	-	82	-	-	4,310	2,166	1,126	604
Subtotal 04) RCE - Gacheta D				**189**	**-**	**-**	**165**	**-**	**-**	**8,133**	**4,003**	**2,040**	**1,074**
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-19,199	-12,577	-8,843	-6,605
Subtotal Rio Cravo Este				**1,915**	**-**	**-**	**1,671**	**-**	**-**	**63,445**	**42,568**	**30,204**	**22,475**
Subtotal Tapir Block				**3,067**	**-**	**-**	**2,639**	**-**	**-**	**86,803**	**56,375**	**38,653**	**27,746**
Subtotal Colombia				**3,440**	**-**	**157.7**	**2,972**	**-**	**117.0**	**90,736**	**59,692**	**41,485**	**30,194**
Total Arrow Exploration Corp.				**3,440**	**10,074**	**157.7**	**2,972**	**8,886**	**117.0**	**103,642**	**69,071**	**48,603**	**35,801**

Arrow Exploration Corp.

Table 5B – Summary of Reserves and Future Net Revenue Forecast – Total Company

Effective Date as of as May 31, 2021

Total Proved + Prob. + Poss.

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	7.14	295	63	58.09	3,668	466	100	2.24	224	5	1	42.23	45	378	81	48.70	3,936
2022	10.14	513	187	56.84	10,635	1,521	555	2.28	1,265	26	10	55.16	530	792	289	42.97	12,430
2023	12.74	817	298	53.14	15,857	4,646	1,696	2.30	3,906	85	31	56.33	1,747	1,677	612	35.15	21,510
2024	13.24	848	310	54.28	16,845	3,425	1,253	2.35	2,951	56	21	55.01	1,128	1,475	540	38.76	20,924
2025	12.84	649	237	55.71	13,208	2,623	957	2.40	2,295	41	15	55.60	838	1,128	412	39.69	16,340
2026	12.54	642	234	57.00	13,367	2,016	736	2.45	1,801	31	11	55.25	635	1,010	369	42.87	15,803
2027	12.24	544	199	58.56	11,627	1,656	604	2.50	1,510	26	9	56.87	532	846	309	44.29	13,669
2028	12.24	543	199	60.24	11,969	1,421	520	2.54	1,321	22	8	58.05	462	801	293	46.89	13,752
2029	12.24	475	173	60.15	10,436	1,237	451	2.59	1,170	19	7	58.83	403	700	256	46.99	12,009
2030	8.94	690	252	60.97	15,364	1,105	403	2.64	1,066	17	6	60.05	364	891	325	51.63	16,794
2031	8.94	558	204	61.62	12,549	986	360	2.70	973	15	5	60.91	329	737	269	51.48	13,851
2032	8.64	544	199	63.67	12,686	876	321	2.75	883	13	5	61.49	295	703	257	53.85	13,864
2033	8.10	442	161	65.16	10,514	789	288	2.81	809	12	4	62.59	269	585	214	54.26	11,592
2034	8.10	393	143	66.84	9,580	693	253	2.87	725	10	4	63.93	242	519	189	55.73	10,547
2035	7.40	392	143	68.69	9,820	621	227	2.92	662	9	3	65.12	220	504	184	58.13	10,702
Rem.	7.40	53	436	69.23	30,178	163	1,349	3.33	4,488	2	17	66.60	1,138	82	678	52.82	35,805
37.25 yr			**3,440**	**60.56**	**208,301**		**10,074**	**2.59**	**26,050**		**158**	**58.18**	**9,176**		**5,276**	**46.15**	**243,527**

Year	Royalties & Burdens Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	293	101	31	23	9	457	11.6	3,936	457	3,479
2022	851	294	180	80	14	1,419	11.4	12,430	1,419	11,012
2023	1,621	357	265	674	25	2,941	13.7	21,510	2,941	18,568
2024	1,643	397	273	450	38	2,801	13.4	20,924	2,801	18,123
2025	1,281	313	198	292	32	2,116	13.0	16,340	2,116	14,223
2026	1,239	330	218	217	24	2,028	12.8	15,803	2,028	13,775
2027	1,059	291	184	102	20	1,657	12.1	13,669	1,657	12,012
2028	1,056	308	202	83	17	1,666	12.1	13,752	1,666	12,086
2029	874	279	202	68	15	1,438	12.0	12,009	1,438	10,571
2030	1,537	353	317	65	13	2,286	13.6	16,794	2,286	14,508
2031	1,368	263	241	56	12	1,939	14.0	13,851	1,939	11,911
2032	1,292	286	248	46	10	1,882	13.6	13,864	1,882	11,982
2033	1,051	242	193	38	9	1,533	13.2	11,592	1,533	10,059
2034	925	228	170	32	7	1,362	12.9	10,547	1,362	9,184
2035	906	243	176	27	7	1,359	12.7	10,702	1,359	9,343
Rem.	2,431	829	531	127	64	3,981	11.1	35,805	3,981	31,823
37.25 yr	**19,428**	**5,113**	**3,631**	**2,379**	**315**	**30,867**	**12.7**	**243,527**	**30,867**	**212,660**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	261	56	3,242	390	83	217	3	1	20	328	70	3,479
2022	449	164	9,311	1,396	509	1,229	23	8	471	704	257	11,012
2023	701	256	13,615	3,969	1,449	3,660	60	22	1,294	1,423	519	18,568
2024	731	267	14,532	2,986	1,093	2,836	36	13	755	1,264	463	18,123
2025	561	205	11,415	2,334	852	2,242	27	10	566	976	356	14,223
2026	556	203	11,580	1,792	654	1,765	20	7	430	875	319	13,775
2027	472	172	10,092	1,485	542	1,488	20	7	432	739	270	12,012
2028	472	173	10,403	1,272	466	1,305	17	6	378	701	257	12,086
2029	413	151	9,080	1,105	403	1,158	15	6	333	613	224	10,571
2030	591	216	13,156	988	361	1,057	13	5	295	768	280	14,508
2031	474	173	10,677	884	323	966	12	4	268	633	231	11,911
2032	465	170	10,859	785	287	878	11	4	245	607	222	11,982
2033	379	138	9,028	707	258	805	10	4	226	507	185	10,059
2034	338	123	8,257	621	227	722	9	3	206	450	164	9,184
2035	339	124	8,494	556	203	660	8	3	189	439	160	9,343
Rem.	46	381	26,388	142	1,176	4,478	2	14	958	71	591	31,823
37.25 yr		**2,972**	**180,129**		**8,886**	**25,464**		**117**	**7,067**		**4,569**	**212,660**

Year	Operating Costs Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	265	163	1,408	17.42	-	785	2,856	35.33	387	-	-	387	2,469	2,469	2,393
2022	1,707	613	635	2,955	10.22	-	325	8,382	28.98	-	5,442	1,611	7,053	1,328	3,797	1,010
2023	2,061	1,067	2,096	5,224	8.54	-	-	13,344	21.80	1,035	10,432	1,288	12,755	589	4,386	228
2024	2,170	1,240	1,785	5,195	9.62	234	-	12,694	23.95	-	3,317	1,319	4,636	8,058	12,444	5,917
2025	2,257	1,252	1,389	4,898	11.90	-	-	9,326	22.65	-	-	-	-	9,326	21,770	6,339
2026	2,347	1,291	1,161	4,798	13.02	-	-	8,977	24.35	-	353	-	353	8,624	30,393	5,300
2027	2,441	1,328	968	4,737	15.35	-	-	7,275	23.57	-	-	-	-	7,275	37,668	4,087
2028	2,539	1,374	868	4,780	16.30	-	-	7,306	24.91	-	380	-	380	6,926	44,594	3,519
2029	1,612	1,103	892	3,607	14.11	563	-	6,401	27.25	-	807	-	807	5,594	50,189	2,577
2030	1,581	1,110	1,277	3,968	12.20	25	-	10,514	32.40	-	413	-	413	10,102	60,290	4,250
2031	1,644	1,136	1,146	3,927	14.60	26	-	7,958	29.68	-	-	-	-	7,958	68,249	3,053
2032	1,710	1,157	1,003	3,870	15.03	-	-	8,112	31.51	-	445	-	445	7,668	75,916	2,660
2033	1,778	1,190	834	3,802	17.80	-	-	6,256	29.29	-	475	-	475	5,781	81,698	1,837
2034	1,849	1,209	715	3,773	19.93	28	-	5,384	28.59	-	-	-	-	5,384	87,082	1,553
2035	1,923	1,242	648	3,813	20.71	-	-	5,530	30.04	-	1,006	-	1,006	4,524	91,606	1,175
Rem.	5,989	5,958	3,846	15,792	23.30	2,405	-	13,626	23.65	-	1,589	-	1,589	12,037	103,642	2,704
37.25 yr	**34,588**	**22,534**	**19,425**	**76,547**	**14.51**	**3,282**	**1,110**	**133,941**	**26.01**	**1,422**	**24,657**	**4,219**	**30,299**	**103,642**	**103,642**	**48,603**

Country/State	N/A
Avg. WI Share	51.46 %
Econ. Life/To Aban.	37.25 yr / 42.25 yr
Econ. RLI	40.95 yr
Capital Cost NPV @ 10%	23,059
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	3.0

Product	Remaining Reserves Gross	Company Share	Company Net	Net Revenue NPV (M$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	6,506	3,440	2,972	180,129	123,158	101,363	90,098	69,578	56,063
Sales Gas (MMcf)	20,854	10,074	8,886	25,464	17,750	14,942	13,498	10,833	9,011
NGL (Mbbl)	272	158	117	7,067	5,098	4,348	3,955	3,216	2,702
Total (MBOE)	**10,254**	**5,276**	**4,569**	**212,660**	**146,005**	**120,653**	**107,551**	**83,628**	**67,777**
Total BTCF				**103,642**	**69,071**	**55,607**	**48,603**	**35,801**	**27,385**

Arrow Exploration Corp.

Table 5C – Summary of Reserves and Future Net Revenue Forecast – Total Canada
Effective Date as of as May 31, 2021
Total Proved + Prob. + Poss.

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Company Share Oil Volume Mbbl	Company Share Oil Avg. Price $US/bbl	Company Share Oil Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Company Share Sales Gas Volume MMcf	Company Share Sales Gas Avg. Price $US/Mcf	Company Share Sales Gas Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Company Share NGL Volume Mbbl	Company Share NGL Avg. Price $US/bbl	Company Share NGL Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Company ShareTotal Volume MBOE	Company ShareTotal Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.64	-	-	-	-	466	100	2.24	224	5	1	42.23	45	83	18	15.17	268
2022	5.64	-	-	-	-	1,521	555	2.28	1,265	26	10	55.16	530	280	102	17.57	1,795
2023	6.24	-	-	-	-	4,646	1,696	2.30	3,906	85	31	56.33	1,747	859	314	18.02	5,653
2024	6.84	-	-	-	-	3,425	1,253	2.35	2,951	56	21	55.01	1,128	627	229	17.78	4,079
2025	6.84	-	-	-	-	2,623	957	2.40	2,295	41	15	55.60	838	478	175	17.93	3,132
2026	6.54	-	-	-	-	2,016	736	2.45	1,801	31	11	55.25	635	367	134	18.16	2,436
2027	6.24	-	-	-	-	1,656	604	2.50	1,510	26	9	56.87	532	302	110	18.55	2,042
2028	6.24	-	-	-	-	1,421	520	2.54	1,321	22	8	58.05	462	258	95	18.85	1,783
2029	6.24	-	-	-	-	1,237	451	2.59	1,170	19	7	58.83	403	225	82	19.17	1,573
2030	5.94	-	-	-	-	1,105	403	2.64	1,066	17	6	60.05	364	201	73	19.52	1,431
2031	5.94	-	-	-	-	986	360	2.70	973	15	5	60.91	329	179	65	19.91	1,302
2032	5.64	-	-	-	-	876	321	2.75	883	13	5	61.49	295	159	58	20.24	1,178
2033	5.10	-	-	-	-	789	288	2.81	809	12	4	62.59	269	143	52	20.61	1,078
2034	5.10	-	-	-	-	693	253	2.87	725	10	4	63.93	242	126	46	21.04	967
2035	4.40	-	-	-	-	621	227	2.92	662	9	3	65.12	220	113	41	21.45	882
Rem.	4.40	-	-	-	-	163	1,349	3.33	4,488	2	17	66.60	1,138	29	242	23.25	5,626
37.25 yr			**-**	**-**	**-**		**10,074**	**2.59**	**26,050**		**158**	**58.18**	**9,176**		**1,837**	**19.18**	**35,225**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	-	-	-	23	9	31	11.7	268	31	237
2022	-	-	-	80	14	94	5.2	1,795	94	1,701
2023	-	-	-	674	25	699	12.4	5,653	699	4,953
2024	-	-	-	450	38	488	12.0	4,079	488	3,591
2025	-	-	-	292	32	324	10.4	3,132	324	2,808
2026	-	-	-	217	24	241	9.9	2,436	241	2,195
2027	-	-	-	102	20	122	6.0	2,042	122	1,920
2028	-	-	-	83	17	100	5.6	1,783	100	1,683
2029	-	-	-	68	15	83	5.2	1,573	83	1,491
2030	-	-	-	65	13	79	5.5	1,431	79	1,352
2031	-	-	-	56	12	67	5.2	1,302	67	1,235
2032	-	-	-	46	10	55	4.7	1,178	55	1,123
2033	-	-	-	38	9	47	4.3	1,078	47	1,031
2034	-	-	-	32	7	39	4.1	967	39	927
2035	-	-	-	27	7	34	3.8	882	34	849
Rem.	-	-	-	127	64	191	3.4	5,626	191	5,435
37.25 yr	**-**	**-**	**-**	**2,379**	**315**	**2,694**	**7.6**	**35,225**	**2,694**	**32,531**

Year	Company Net Oil Cal Day Rate bbl/d	Company Net Oil Volume Mbbl	Company Net Oil Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Company Net Sales Gas Volume MMcf	Company Net Sales Gas Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Company Net NGL Volume Mbbl	Company Net NGL Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Company Net Total Volume MBOE	Company Net Total Net Revenue M$US
2021 (7)	-	-	-	390	83	217	3	1	20	68	14	237
2022	-	-	-	1,396	509	1,229	23	8	471	256	93	1,701
2023	-	-	-	3,969	1,449	3,660	60	22	1,294	722	263	4,953
2024	-	-	-	2,986	1,093	2,836	36	13	755	533	195	3,591
2025	-	-	-	2,334	852	2,242	27	10	566	416	152	2,808
2026	-	-	-	1,792	654	1,765	20	7	430	319	116	2,195
2027	-	-	-	1,485	542	1,488	20	7	432	268	98	1,920
2028	-	-	-	1,272	466	1,305	17	6	378	229	84	1,683
2029	-	-	-	1,105	403	1,158	15	6	333	199	73	1,491
2030	-	-	-	988	361	1,057	13	5	295	178	65	1,352
2031	-	-	-	884	323	966	12	4	268	159	58	1,235
2032	-	-	-	785	287	878	11	4	245	141	52	1,123
2033	-	-	-	707	258	805	10	4	226	127	47	1,031
2034	-	-	-	621	227	722	9	3	206	112	41	927
2035	-	-	-	556	203	660	8	3	189	100	37	849
Rem.	-	-	-	142	1,176	4,478	2	14	958	25	210	5,435
37.25 yr		**-**	**-**		**8,886**	**25,464**		**117**	**7,067**		**1,598**	**32,531**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	-	72	55	128	7.22	-	-	109	6.18	-	-	-	-	109	109	106
2022	-	152	377	529	5.18	-	-	1,172	11.47	-	-	1,611	1,611	-440	-331	-403
2023	-	299	1,207	1,506	4.80	-	-	3,448	10.99	-	-	1,288	1,288	2,159	1,829	1,790
2024	-	328	871	1,199	5.23	-	-	2,392	10.43	-	-	1,319	1,319	1,073	2,901	804
2025	-	335	668	1,003	5.74	-	-	1,805	10.34	-	-	-	-	1,805	4,706	1,227
2026	-	337	522	859	6.41	-	-	1,336	9.96	-	-	-	-	1,336	6,042	825
2027	-	336	436	772	7.01	-	-	1,148	10.43	-	-	-	-	1,148	7,190	644
2028	-	343	380	723	7.65	-	-	960	10.14	-	-	-	-	960	8,150	489
2029	-	339	336	675	8.22	-	-	816	9.94	-	-	-	-	816	8,966	378
2030	-	345	305	650	8.87	25	-	677	9.58	-	-	-	-	677	9,643	285
2031	-	340	277	617	9.44	26	-	591	9.44	-	-	-	-	591	10,234	226
2032	-	329	252	581	9.97	-	-	542	9.31	-	-	-	-	542	10,776	189
2033	-	329	230	559	10.70	-	-	472	9.02	-	-	-	-	472	11,248	149
2034	-	313	206	520	11.31	28	-	380	8.88	-	-	-	-	380	11,628	109
2035	-	311	189	499	12.13	-	-	349	8.49	-	-	-	-	349	11,977	91
Rem.	-	2,511	1,195	3,706	15.32	800	-	930	7.15	-	-	-	-	930	12,907	207
37.25 yr	**-**	**7,021**	**7,506**	**14,526**	**7.91**	**879**	**-**	**17,126**	**9.80**	**-**	**-**	**4,219**	**4,219**	**12,907**	**12,907**	**7,118**

Country/State	Canada/Alberta
Avg. WI Share	49.01 %
Econ. Life/To Aban.	37.25 yr / 42.25 yr
Econ. RLI	37.09 yr
Capital Cost NPV @ 10%	3,456
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	1.2

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	20,854	10,074	8,886	25,464	17,750	14,942	13,498	10,833	9,011
NGL (Mbbl)	272	158	117	7,067	5,098	4,348	3,955	3,216	2,702
Total (MBOE)	**3,748**	**1,837**	**1,598**	**32,531**	**22,848**	**19,290**	**17,453**	**14,050**	**11,713**
Total BTCF				**12,907**	**9,379**	**7,910**	**7,118**	**5,607**	**4,547**

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Arrow Exploration Corp.

Table 5D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia
Effective Date as of as May 31, 2021
Total Proved + Prob. + Poss.

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021 (7)	3.50	295	63	58.09	3,668	-	-	-	-	-	-	-	-	295	63	58.09	3,668
2022	4.50	513	187	56.84	10,635	-	-	-	-	-	-	-	-	513	187	56.84	10,635
2023	6.50	817	298	53.14	15,857	-	-	-	-	-	-	-	-	817	298	53.14	15,857
2024	7.00	848	310	54.28	16,845	-	-	-	-	-	-	-	-	848	310	54.28	16,845
2025	6.00	649	237	55.71	13,208	-	-	-	-	-	-	-	-	649	237	55.71	13,208
2026	6.00	642	234	57.00	13,367	-	-	-	-	-	-	-	-	642	234	57.00	13,367
2027	6.00	544	199	58.56	11,627	-	-	-	-	-	-	-	-	544	199	58.56	11,627
2028	6.00	543	199	60.24	11,969	-	-	-	-	-	-	-	-	543	199	60.24	11,969
2029	6.00	475	173	60.15	10,436	-	-	-	-	-	-	-	-	475	173	60.15	10,436
2030	3.00	690	252	60.97	15,364	-	-	-	-	-	-	-	-	690	252	60.97	15,364
2031	3.00	558	204	61.62	12,549	-	-	-	-	-	-	-	-	558	204	61.62	12,549
2032	3.00	544	199	63.67	12,686	-	-	-	-	-	-	-	-	544	199	63.67	12,686
2033	3.00	442	161	65.16	10,514	-	-	-	-	-	-	-	-	442	161	65.16	10,514
2034	3.00	393	143	66.84	9,580	-	-	-	-	-	-	-	-	393	143	66.84	9,580
2035	3.00	392	143	68.69	9,820	-	-	-	-	-	-	-	-	392	143	68.69	9,820
Rem.	3.00	239	436	69.23	30,178	-	-	-	-	-	-	-	-	239	436	69.23	30,178
19.58 yr			**3,440**	**60.56**	**208,301**		-	-	-		-	-	-		**3,440**	**60.56**	**208,301**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021 (7)	293	101	31	-	-	426	11.6	3,668	426	3,242
2022	851	294	180	-	-	1,325	12.5	10,635	1,325	9,311
2023	1,621	357	265	-	-	2,242	14.1	15,857	2,242	13,615
2024	1,643	397	273	-	-	2,313	13.7	16,845	2,313	14,532
2025	1,281	313	198	-	-	1,792	13.6	13,208	1,792	11,415
2026	1,239	330	218	-	-	1,787	13.4	13,367	1,787	11,580
2027	1,059	291	184	-	-	1,535	13.2	11,627	1,535	10,092
2028	1,056	308	202	-	-	1,566	13.1	11,969	1,566	10,403
2029	874	279	202	-	-	1,356	13.0	10,436	1,356	9,080
2030	1,537	353	317	-	-	2,208	14.4	15,364	2,208	13,156
2031	1,368	263	241	-	-	1,872	14.9	12,549	1,872	10,677
2032	1,292	286	248	-	-	1,827	14.4	12,686	1,827	10,859
2033	1,051	242	193	-	-	1,486	14.1	10,514	1,486	9,028
2034	925	228	170	-	-	1,323	13.8	9,580	1,323	8,257
2035	906	243	176	-	-	1,325	13.5	9,820	1,325	8,494
Rem.	2,431	829	531	-	-	3,791	12.6	30,178	3,791	26,388
19.58 yr	**19,428**	**5,113**	**3,631**	-	-	**28,172**	**13.5**	**208,301**	**28,172**	**180,129**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021 (7)	261	56	3,242	-	-	-	-	-	-	261	56	3,242
2022	449	164	9,311	-	-	-	-	-	-	449	164	9,311
2023	701	256	13,615	-	-	-	-	-	-	701	256	13,615
2024	731	267	14,532	-	-	-	-	-	-	731	267	14,532
2025	561	205	11,415	-	-	-	-	-	-	561	205	11,415
2026	556	203	11,580	-	-	-	-	-	-	556	203	11,580
2027	472	172	10,092	-	-	-	-	-	-	472	172	10,092
2028	472	173	10,403	-	-	-	-	-	-	472	173	10,403
2029	413	151	9,080	-	-	-	-	-	-	413	151	9,080
2030	591	216	13,156	-	-	-	-	-	-	591	216	13,156
2031	474	173	10,677	-	-	-	-	-	-	474	173	10,677
2032	465	170	10,859	-	-	-	-	-	-	465	170	10,859
2033	379	138	9,028	-	-	-	-	-	-	379	138	9,028
2034	338	123	8,257	-	-	-	-	-	-	338	123	8,257
2035	339	124	8,494	-	-	-	-	-	-	339	124	8,494
Rem.	209	381	26,388	-	-	-	-	-	-	209	381	26,388
19.58 yr		**2,972**	**180,129**		-	-		-	-		**2,972**	**180,129**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021 (7)	980	193	108	1,280	20.28	-	785	2,747	43.50	387	-	-	387	2,360	2,360	2,287
2022	1,707	461	258	2,426	12.97	-	325	7,210	38.54	-	5,442	-	5,442	1,768	4,128	1,413
2023	2,061	768	889	3,718	12.46	-	-	9,896	33.17	1,035	10,432	-	11,467	-1,571	2,557	-1,562
2024	2,170	912	913	3,996	12.87	234	-	10,302	33.95	-	3,317	-	3,317	6,985	9,543	5,113
2025	2,257	916	721	3,895	16.43	-	-	7,521	31.72	-	-	-	-	7,521	17,063	5,112
2026	2,347	953	639	3,939	16.80	-	-	7,641	32.58	-	353	-	353	7,288	24,351	4,475
2027	2,441	991	532	3,965	19.97	-	-	6,127	30.86	-	-	-	-	6,127	30,479	3,443
2028	2,539	1,031	487	4,057	20.42	-	-	6,346	31.94	-	380	-	380	5,966	36,444	3,029
2029	1,612	764	557	2,932	16.90	563	-	5,585	35.44	-	807	-	807	4,778	41,223	2,199
2030	1,581	766	972	3,318	13.17	-	-	9,838	39.04	-	413	-	413	9,425	50,648	3,966
2031	1,644	796	869	3,309	16.25	-	-	7,367	36.18	-	-	-	-	7,367	58,015	2,827
2032	1,710	828	751	3,289	16.51	-	-	7,570	37.99	-	445	-	445	7,125	65,140	2,472
2033	1,778	861	604	3,243	20.10	-	-	5,785	35.85	-	475	-	475	5,310	70,450	1,688
2034	1,849	896	508	3,253	22.70	-	-	5,004	34.91	-	-	-	-	5,004	75,454	1,444
2035	1,923	931	459	3,314	23.18	-	-	5,180	36.24	-	1,006	-	1,006	4,175	79,629	1,083
Rem.	5,989	3,446	2,651	12,086	27.72	1,606	-	12,696	32.81	-	1,589	-	1,589	11,107	90,736	2,497
19.58 yr	**34,588**	**15,513**	**11,919**	**62,020**	**18.03**	**2,403**	**1,110**	**116,815**	**34.66**	**1,422**	**24,657**	-	**26,079**	**90,736**	**90,736**	**41,485**

Country/State	Colombia
Avg. WI Share	52.87 %
Econ. Life/To Aban.	19.58 yr / 19.58 yr
Econ. RLI	43.57 yr
Capital Cost NPV @ 10%	19,603
Price Deck	BGEC May 31, 2021
Rate of Return	
Total Payout (years)	3.2

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	6,506	3,440	2,972	180,129	123,158	101,363	90,098	69,578	56,063
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**6,506**	**3,440**	**2,972**	**180,129**	**123,158**	**101,363**	**90,098**	**69,578**	**56,063**
Total BTCF				**90,736**	**59,692**	**47,697**	**41,485**	**30,194**	**22,838**

Arrow Exploration Corp.
Table 5E – After Tax Analysis – Total Company
Effective Date as of as May 31, 2021
Total Proved + Prob. + Poss.

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,565	2,374	1,389	31.0	-	-	430	-	-	2,469	430	2,039	2,039	1,970
2022	9,005	4,791	5,560	30.0	-	-	1,668	-	-	1,328	1,668	-340	1,699	-495
2023	15,549	9,900	6,644	30.0	-	-	1,993	-	-	589	1,993	-1,405	294	-1,407
2024	14,381	9,858	6,544	30.0	-	-	1,963	-	-	8,058	1,963	6,094	6,389	4,453
2025	10,653	7,707	4,600	30.0	-	-	1,380	-	-	9,326	1,380	7,946	14,334	5,403
2026	10,077	6,524	5,136	30.0	-	-	1,541	-	-	8,624	1,541	7,083	21,418	4,350
2027	8,169	5,459	4,261	30.0	-	-	1,278	-	-	7,275	1,278	5,997	27,414	3,371
2028	8,129	4,842	4,737	30.0	-	-	1,421	-	-	6,926	1,421	5,505	32,919	2,795
2029	7,158	2,529	4,619	30.0	-	-	1,386	-	-	5,594	1,386	4,209	37,128	1,936
2030	11,268	2,989	7,526	30.0	-	-	2,258	-	-	10,102	2,258	7,844	44,972	3,300
2031	8,669	2,459	5,499	30.0	-	-	1,650	-	-	7,958	1,650	6,309	51,280	2,422
2032	8,748	2,452	5,660	30.0	-	-	1,698	-	-	7,668	1,698	5,970	57,250	2,070
2033	6,862	2,105	4,151	30.0	-	-	1,245	-	-	5,781	1,245	4,536	61,786	1,444
2034	5,970	1,831	3,553	30.0	-	-	1,066	-	-	5,384	1,066	4,318	66,104	1,246
2035	6,063	2,045	3,485	30.0	-	-	1,045	-	-	4,524	1,045	3,479	69,583	902
Rem.	18,323	8,120	6,860	30.0	-	-	2,058	-	-	12,037	2,058	9,979	79,561	2,232
43.00 yr	**151,590**	**75,986**	**80,224**	**30.0**	**-**	**-**	**24,081**	**-**	**-**	**103,642**	**24,081**	**79,561**	**79,561**	**35,992**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	103,642	69,071	55,607	48,603	35,801	27,385
Tax Payable	24,081	16,918	14,093	12,611	9,869	8,032
After Tax Cash Flow	79,561	52,153	41,514	35,992	25,931	19,353

Arrow Exploration Corp.

Table 5F – After Tax Analysis – Total Canada
Effective Date as of as May 31, 2021
Total Proved + Prob. + Poss.

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	109	109	-	-	-	-	-	109	-	109	109	106
2022	1,172	1,172	-	-	-	-	-	-440	-	-440	-331	-403
2023	3,448	3,448	-	-	-	-	-	2,159	-	2,159	1,829	1,790
2024	2,392	2,392	-	-	-	-	-	1,073	-	1,073	2,901	804
2025	1,805	1,805	-	-	-	-	-	1,805	-	1,805	4,706	1,227
2026	1,336	1,336	-	-	-	-	-	1,336	-	1,336	6,042	825
2027	1,148	1,148	-	-	-	-	-	1,148	-	1,148	7,190	644
2028	960	960	-	-	-	-	-	960	-	960	8,150	489
2029	816	816	-	-	-	-	-	816	-	816	8,966	378
2030	677	677	-	-	-	-	-	677	-	677	9,643	285
2031	591	591	-	-	-	-	-	591	-	591	10,234	226
2032	542	542	-	-	-	-	-	542	-	542	10,776	189
2033	472	472	-	-	-	-	-	472	-	472	11,248	149
2034	380	380	-	-	-	-	-	380	-	380	11,628	109
2035	349	349	-	-	-	-	-	349	-	349	11,977	91
Rem.	930	1,361	-	-	-	-	-	930	-	930	12,907	207
43.00 yr	**17,126**	**17,557**	**-**	**-**	**-**	**-**	**-**	**12,907**	**-**	**12,907**	**12,907**	**7,118**

Cash Flow NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	12,907	9,379	7,910	7,118	5,607	4,547
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	12,907	9,379	7,910	7,118	5,607	4,547

Arrow Exploration Corp.

Table 5G – After Tax Analysis – Total Colombia

Effective Date as of as May 31, 2021

Total Proved + Prob. + Poss.

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,296	2,264	1,389	31.0	430	2,360	430	1,929	1,929	1,863
2022	7,210	3,619	5,560	30.0	1,668	1,768	1,668	100	2,030	-92
2023	9,896	6,452	6,644	30.0	1,993	-1,571	1,993	-3,564	-1,534	-3,197
2024	10,302	7,466	6,544	30.0	1,963	6,985	1,963	5,022	3,488	3,649
2025	7,521	5,902	4,600	30.0	1,380	7,521	1,380	6,141	9,628	4,177
2026	7,641	5,188	5,136	30.0	1,541	7,288	1,541	5,747	15,376	3,525
2027	6,127	4,311	4,261	30.0	1,278	6,127	1,278	4,849	20,225	2,727
2028	6,346	3,882	4,737	30.0	1,421	5,966	1,421	4,545	24,769	2,305
2029	5,585	1,712	4,619	30.0	1,386	4,778	1,386	3,392	28,162	1,558
2030	9,838	2,312	7,526	30.0	2,258	9,425	2,258	7,167	35,329	3,015
2031	7,367	1,868	5,499	30.0	1,650	7,367	1,650	5,718	41,047	2,195
2032	7,570	1,910	5,660	30.0	1,698	7,125	1,698	5,427	46,474	1,881
2033	5,785	1,633	4,151	30.0	1,245	5,310	1,245	4,065	50,538	1,294
2034	5,004	1,451	3,553	30.0	1,066	5,004	1,066	3,938	54,476	1,137
2035	5,180	1,696	3,485	30.0	1,045	4,175	1,045	3,129	57,606	810
Rem.	12,696	6,760	6,860	30.0	2,058	11,107	2,058	9,049	66,655	2,025
20.00 yr	**116,365**	**58,429**	**80,224**	**30.0**	**24,081**	**90,736**	**24,081**	**66,655**	**66,655**	**28,874**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	90,736	59,692	47,697	41,485	30,194	22,838
Tax Payable	24,081	16,918	14,093	12,611	9,869	8,032
After Tax Cash Flow	66,655	42,774	33,604	28,874	20,325	14,806

BOURY

Global Energy Consultants

COMPETENT PERSON'S REPORT

on

CERTAIN PROPERTIES

owned by

ARROW EXPLORATION CORP.

in

CANADA and COLOMBIA

as of

DECEMBER 31, 2020

AIM

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Cell: 403.615.2382

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BOURY
Global Energy Consultants

July 9, 2021

ARROW EXPLORATION CORP.
Suite 2400, 635 – 8th Avenue SW
Calgary, Alberta, Canada
T2P 8M8
Attention: Joe McFarlane, Chief Financial Officer
Telephone: 403 237-5700

ARDEN PARTNERS PLC.
125 Old Broad Street
London, England
EC2N 1AR

Dear Sir:

Pursuant to your request, we have prepared estimates, as of December 31, 2020, of the extent of the proved, probable, and possible crude oil, natural gas and NGL's reserves and the value of the proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves in Tapir Block - Rio Cravo Este and Mateguafa properties, Santa Isabel Block - Oso Pardo property, Ombu Block – Capella property, all located in Colombia, Fir and Pepper properties located in Alberta, Canada; of the extent of the Low, Best, and High Prospective resources in Tapir Block - Carizales Norte property in located in Colombia. The properties are order by importance. Arrow Exploration Corp. (Arrow) has represented that it owns interests in the properties evaluated herein.

Estimated revenue attributable to Arrow's interests in the proved, proved plus probable and proved plus probable plus possible reserves after income tax, as of December 31, 2020, of the properties appraised under the assumptions concerning future prices and costs for the Forecast Price Case are summarized as follows, expressed in millions of U.S. dollars (MM U.S.$):

TOTAL COMPANY	**COMPANY SHARE - FORECAST PRICE CASE**				
	Future Net Revenue After Income Tax as of December 31, 2020				
	Undis-	Discounted			
Reserve Category	counted	at 5%	at 10%	at 15%	at 20%
	MM U.S.$	MM U.S.$	MM U.S.$	MM U.S.$	MM U.S.$
Proved Developed					
Producing	5.0	4.7	4.5	4.2	4.0
Non-Producing	4.1	3.4	2.9	2.4	2.1
Proved Undeveloped	4.5	3.0	1.9	1.0	0.4
Total Proved	13.6	11.2	9.2	7.7	6.5
Probable	41.0	27.6	18.8	12.9	8.9
Total Proved + Probable	54.6	38.8	28.1	20.7	15.4
Possible	51.4	31.2	19.9	13.3	9.1
Total Proved + Prob + Poss	106.0	69.9	48.0	33.9	24.5

This report was prepared using reserves definitions in accordance with those of Canadian Securities Administrator's National Instrument 51-101 (NI 51-101) and the Canadian Oil and Gas Evaluation

Handbook (COGEH). This evaluation was prepared under a Forecast Price Case scenario. The Society of Petroleum Reservoir Engineers (SPEE)'s COGEH guidelines is an acceptable standard in published guidance of the United Kingdom Listing Authority. The reserves definitions are discussed in detail under the "Definitions of Reserves" heading and those for prospective resources under the "Definitions of Prospective Resources" of this report.

This Competent Person's Report (CPR) has been prepared in accordance with AIM Rules of Companies, specifically the "Note for Mining, Oil and Gas Companies – June 2009" (Note for Mining, Oil and Gas Companies) and for the purpose of assisting Arrow in its application for a main board listing on the London Stock Exchange. In the preparation of this CPR, Boury Global Energy Consultants Ltd. (BGEC) has complied with the requirements of the "Prospectus Rules" as published by the United Kingdom(UK) Financial Conduct Authority from time to time and Governed by the UK Listing Authority and the European Securities and Markets Authority(ESMA).

In this report reserves are expressed as gross, company gross, and company net reserves. Gross reserves are defined as the total estimated petroleum to be produced after December 31, 2020, from the properties evaluated herein. Company gross reserves are defined as Arrow's working interest reserves before deduction of royalties while Company net reserves are defined as Arrow's working interest reserves (operating or non-operating) before deduction of royalty obligations. Company net reserves are defined as the company gross reserves after deduction of royalty obligations.

The prospective resources in this report are expressed as gross and company gross prospective resources. Gross prospective resources are defined as the total estimated petroleum that is potentially recoverable after December 31, 2020. Company Gross prospective resources are defined as that portion of the gross prospective resources attributable to Arrow's working interests before deduction of royalty obligations.

This report also presents estimated values for proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves using the BouryGEC December 31, 2020 BGEC price forecast and costs specified by Arrow with escalations based on future conditions, hereinafter referred to as the "Forecast Price Scenario." Costs were escalated for inflation. Monetary values in this report are expressed in United States dollars (U.S.$). A sensitivity case was estimated using different forecast price scenarios. A detailed explanation of the price and cost assumptions is included in the "Economic Assumptions" section of this report.

Values of total proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves in this report are expressed in terms of estimated future revenue, future net revenue, and net present value. Future gross revenue is defined as the revenue to be realized from the sale of the company gross reserves. Future net revenue is defined as the future revenue less direct operating expenses, post government taxes, royalty payable, transportation costs and capital expenditures required to develop the company gross reserves. Direct operating expenses include operating expenses, petroleum processing costs, transportation expenses, and field overhead. Capital costs include such items as surface production facilities, pipelines, infield flowlines and manifolds, and the drilling and completion of wells. Net present value of future net revenue is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. The net present values were estimated using discount rates of 5, 8, 10, 15, and 20 percent; these values are presented as totals in the “Tables” section of this report, the values using a discount rate of 10 percent are reported in detail. In this report net present value should not be construed to represent fair market value of the properties evaluated herein.

Estimates of crude oil, natural gas and NGL’s. These values are based on available data as of the effective date and on the uncertainties associated with professional judgement and interpretations; therefore, may change as additional information become available.

In the preparation of this report we have relied, without independent verification, upon information furnished by Arrow with respect to property interests, production from such properties, costs of operation and development, current prices for production, agreements relating to future operations and sale of production, and various other information and data that were accepted as represented. A field examination of the property was not considered necessary for the purposes of this report.

INTRODUCTION

This reserves evaluation, prospective resource reports and CPR were authorized by Mr. Joe McFarlane, Chief Financial Officer on behalf of Arrow. Arrow has represented that it holds various interests in various properties in Canada and Colombia. The Tapir Block - Rio Cravo Este, Carrizales Norte, and Mateguafa properties, Ombu Block – Capella property, Santa Isabel Block - Oso Pardo property, located in Colombia, Fir and Pepper properties located in Alberta, Canada. The properties ordered by importance have been evaluated herein and are illustrated on Figure 1A and 1B. For the purposes of this report, technical and commercial uncertainties have been considered in each case exclusive of ongoing political events. All contracts, regulations, and agreements in place as of December 31, 2020, have been considered to be valid for their stated terms and accepted as represented by Arrow.

Figure 1A: Colombia Property Index Map.

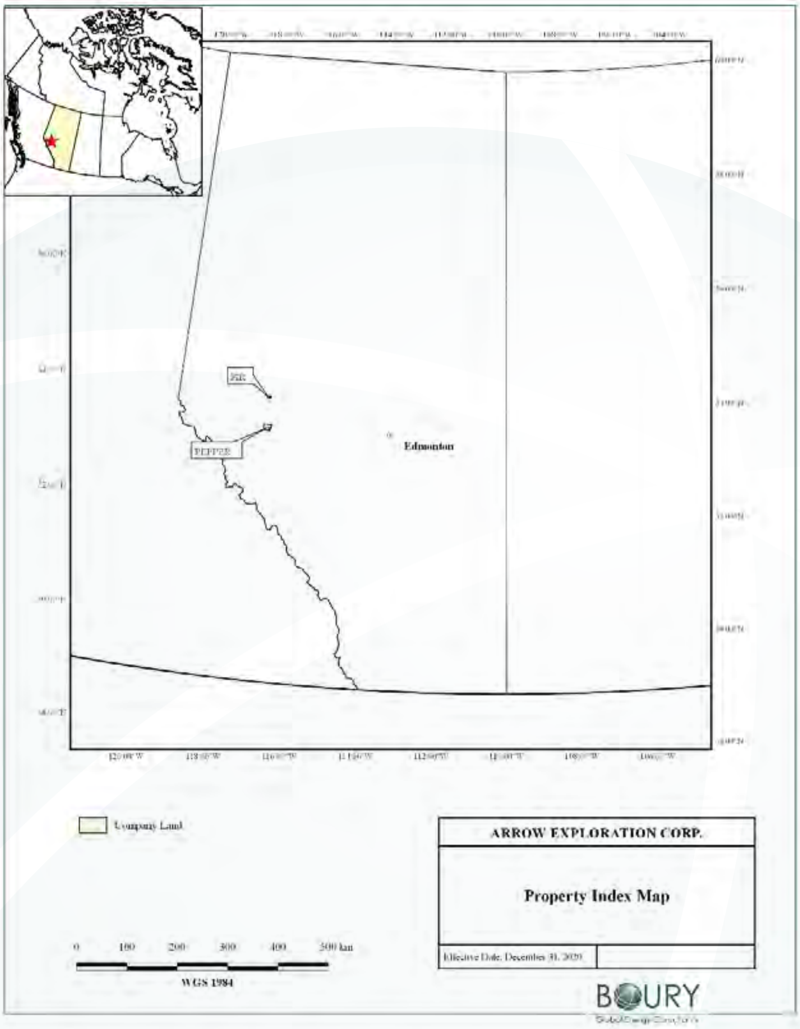

Figure 1B: Canada Property Index Map.

Arrow acquired the Colombian properties in October of 2018. Arrow is currently the operator of the Pepper and Oso Pardo properties. The contracts for the various properties will expire at various times with a possible extension; however, some of the agreements include a provision for automatic renewal of the leases upon application by the operator, provided that the wells are on production, operator has paid all rents and royalties due or has otherwise performed all obligations under the terms of the lease. Certain reserves included in this report are estimated to be produced beyond the current expiration date and have been included as reserves herein based on Arrow's representation that the operator will apply as necessary for renewal of the licenses and expects to be in material compliance with all requirements for license renewal. A summary of the license terms can be found in Table 1, ordered by importance.

Table 1
Arrow - Working-Interest Summary

Country	Block/Province	Property	Operator	Arrow WI (%)	Area (km^2)	Expiration Date
Colombia	Tapir	Rio Cravo Este	Petrolco (2)	50%	260.0	Various (1)
Colombia	Tapir	Mateguafa	Petrolco (2)	50%	260.0	Economic Limit
Colombia	Tapir	Carrizales Norte	Petrolco (2)	50%	260.0	Economic Limit
Colombia	Santa Isabel	Oso Pardo	Carrao (Arrow)	100%	2.7	March 27, 2040
Colombia	Ombu	Capella	Emerald Energy	10%	156.0	December 31, 2035
Canada	Alberta	Fir	Tourmaline	32% (avg)	30.7	Indefinite - Continued by Production
Canada	Alberta	Pepper	Arrow	99%	128.0	Various (3)

(1) Lease Expiriry date of February 1, 2028, February 1, 2033 and February 2038 for 1P, 2P and 3P Reserves

(2) Arrow operaties the Tapir properties under contract with Petrolco

(3) 43% expires in 2021 (43% of this to be validated to 2026), 22% expires 2022 (all of which to be validated to 2028), 22% expires in 2023, 14% expires in 2025

Most of the production is from wells in Rio Cravo Este and Fir properties. BouryGEC has reviewed the properties and reserves have been assigned to the six properties, proved, proved plus probable and proved plus probable plus possible cases were incorporated in the report. Listed in Table 2 are the properties evaluated that contain reserves.

Table 2
Reserves Properties Evaluated

Country	Property	Producing Status
Colombia	Rio Cravo Este	Producing
Colombia	Mateguafa	Non-Producing
Colombia	Oso Pardo	Non-Producing (1)
Colombia	Capella	Non-Producing (1)
Canada	Fir	Producing
Canada	Pepper	Non-Producing

(1) Capella and Oso Pardo properties are scheduled to be placed back on production in the first half of 2021

Estimates of the gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 3, expressed in thousands of barrels (Mbbl) for oil and NGL and in millions of cubic feet (MMcf) for gas:

Table 3
Gross Reserves

		Oil and NGL's			Marketable Gas		
Country	**Property**	**1P (Mbbl)**	**2P (Mbbl)**	**3P (Mbbl)**	**1P (MMcf)**	**2P (MMcf)**	**3P (MMcf)**
Colombia	Rio Cravo Este	562	2,543	3,879	-	-	-
Colombia	Mateguafa	-	-	2,318	-	-	-
Colombia	Oso Pardo	106	140	170	-	-	-
Colombia	Capella	16,724	40,606	52,891	-	-	-
Canada	Fir	51	147	179	4,838	13,903	16,923
Canada	Pepper	65	87	109	3,258	4,372	5,436
Total		**17,509**	**43,523**	**59,546**	**8,096**	**18,275**	**22,359**

Notes:
1. Numbers in this table may not add exactly due to rounding.

Estimates of the gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 4, expressed in thousands of barrels of oil equivalent (Mboe):

Table 4
Gross Reserves

		Oil Equivalent		
Country	**Property**	**1P (Mboe)**	**2P (Mboe)**	**3P (Mboe)**
Colombia	Rio Cravo Este	562	2,543	3,879
Colombia	Mateguafa	-	-	2,318
Colombia	Oso Pardo	106	140	170
Colombia	Capella	16,724	40,606	52,891
Canada	Fir	857	2,464	3,000
Canada	Pepper	608	816	1,015
Total		**18,858**	**46,569**	**63,273**

Notes:
1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the company gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 5, expressed in thousands of barrels (Mbbl) for oil and NGL and in millions of cubic feet (MMcf) for gas:

Table 5

Company Gross Reserves

		Oil and NGL's			Marketable Gas		
Country	**Property**	**1P (Mbbl)**	**2P (Mbbl)**	**3P (Mbbl)**	**1P (MMcf)**	**2P (MMcf)**	**3P (MMcf)**
Colombia	Rio Cravo Este	281	1,271	1,940	-	-	-
Colombia	Mateguafa	-	-	1,159	-	-	-
Colombia	Oso Pardo	106	140	170	-	-	-
Colombia	Capella	1,672	4,061	5,289	-	-	-
Canada	Fir	16	45	54	1,484	4,208	5,118
Canada	Pepper	65	87	109	3,258	4,372	5,436
Total		**2,141**	**5,604**	**8,721**	**4,741**	**8,580**	**10,554**

Notes:

1. Numbers in this table may not add exactly due to rounding.

Estimates of the company gross total proved, proved plus probable, and proved plus probable plus possible oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 6, expressed in thousands of barrels of oil equivalent (Mboe):

Table 6

Company Gross Reserves

		Oil Equivalent		
Country	**Property**	**1P (Mboe)**	**2P (Mboe)**	**3P (Mboe)**
Colombia	Rio Cravo Este	281	1,271	1,940
Colombia	Mateguafa	-	-	1,159
Colombia	Oso Pardo	106	140	170
Colombia	Capella	1,672	4,061	5,289
Canada	Fir	263	746	907
Canada	Pepper	608	816	1,015
Total		**2,931**	**7,034**	**10,480**

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

A probabilistic model was generated on the basis of an estimated success of exploration of the Carrizales Norte prospect. The estimated gross prospective oil resources for the prospect evaluated in this report are summarized in Table 7, expressed in Mbbl:

Table 7
Gross Prospective Oil Resources Summary

Prospect	Country	Low Estimate (Mbbl)	Best Estimate (Mbbl)	High Estimate (Mbbl)	Mean Estimate (Mbbl)	Probability of Geologic Success, P_g (Mbbl)	P_g-Adjusted Mean Estimate (Mbbl)
Carrizales Norte	Colombia	1,985	2,523	3,165	2,555	0.500	1,277
Statistical Aggregate		**1,985**	**2,523**	**3,165**	**2,555**	**0.500**	**1,277**
Arithmetic Summation		1,985	2,523	3,165	2,555	0.500	1,277

Notes:
1. Pg is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
2. Recovery efficiency is applied to prospective resources in this table.
3. Arithmetic summation of probabilistic estimates produces invalid results except for the Mean estimate.
   Arithmetic summation of probabilistic estimates presented in this table is in compliance with COGEH guidelines.
4. There is no certainty that any portion of the prospective resources estimated herein will be discovered.
5. Even if Prospective resources is discovered; there is no certainty that it will be commercially viable

The estimated company gross prospective oil resources for the prospect evaluated in this report are summarized in Table 8, expressed in Mbbl:

Table 8
Company Gross Prospective Oil Resources Summary

Prospect	Country	Low Estimate (Mbbl)	Best Estimate (Mbbl)	High Estimate (Mbbl)	Mean Estimate (Mbbl)	Probability of Geologic Success, P_g (decimal)	P_g-Adjusted Mean Estimate (Mbbl)
Carrizales Norte	Colombia	993	1,262	1,583	1,278	0.500	639
Statistical Aggregate		**993**	**1,262**	**1,583**	**1,278**	**0.500**	**639**
Arithmetic Summation		993	1,262	1,583	1,278	0.500	639

Notes:
1. Pg is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
2. Recovery efficiency is applied to prospective resources in this table.
3. Arithmetic summation of probabilistic estimates produces invalid results except for the Mean estimate.
   Arithmetic summation of probabilistic estimates presented in this table is in compliance with COGEH guidelines.
4. Even if Prospective resources is discovered; there is no certainty that it will be commercially viable

RESERVES DEFINITIONS

Petroleum reserves are defined as proved, probable, or possible. For purposes of this report reserves are those quantities of oil or gas anticipated to be economically recoverable from known accumulations. The definitions of reserves shown below serve as the basis for the estimates contained herein. The definitions are in accordance with those prepared for the Canadian National Instrument 51-101 as presented in the 2018 and 2020 Canadian Oil and Gas Evaluation Handbook (COGEH). The petroleum reserves are classified in accordance with Sections 1.3.8.1.1, 1.3.8.1.2, and 1.3.8.1.3 of COGEH shown below. The COGEH contains the complete and official explanation of reserves definitions utilized herein.

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards. The guidelines outline:

- general criteria for classifying Reserves, procedures and methods for estimating Reserves,
- confidence levels of individual entity and aggregate Reserves estimates,
- verification and testing of Reserves estimate.

The following definitions apply to both estimates of individual Reserves entities and the aggregate of Reserves for multiple entities.

Reserves Categories

Reserves are categorized according to the probability that at least a specific volume will be produced.

In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

Reserves Category	**Confidence Characterization**
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved + Probable + Possible (3P)	High Estimate, Optimistic

PROVED RESERVES

Proved Reserves are those Reserves that can be estimated with a high degree of certainty to be recoverable. It is likely the actual remaining quantities recovered will exceed the estimated Proved Reserves.

PROBABLE RESERVES

Probable Reserves are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves. P50 is a statistical median and may differ from a mean. In early stage discoveries, unconventional Resources, or frontier areas, there may be a significant difference between P50 and mean estimates.

POSSIBLE RESERVES

Possible Reserves are those additional Reserves that are less certain to be recovered than Probable Reserves. It is unlikely the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

Stand-alone Possible Reserves may be assigned to a property for which no Proved or Probable Reserves volumes have been assigned but would be rare. Circumstances for doing so could include any one or more of the following:

- Project economics are such that no Proved or Probable Reserves can be assigned, but on a Proved + Probable + Possible Reserves basis, the project is economically viable, and a development decision has been made (e.g., adding compression, expanding facilities, offshore development of a structure delineated mainly with seismic with only limited well control).
- Only minor expenditure is required to develop the Possible Reserves and development is likely to proceed in the near future (e.g., behind-pipe zones in a well, which have Proved or Probable Reserves in another interval).
- Possible Reserves may be assigned to an accumulation that is being evaluated if Proved or Probable Reserves have been assigned to an adjacent part of the same accumulation that is not part of the evaluation for which a report is being prepared.

In all these situations, there should be an intention to develop the stand-alone Possible Reserves within a reasonable time. A report should contain an explanation of the reason for the assignment of stand-alone Possible Reserves.

DEVELOPMENT AND PRODUCTION STATUS

DEVELOPED RESERVES

Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling and completing a well) to put the Reserves on production. The developed category may be sub-divided into Producing and Non-Producing.

- **Developed Producing Reserves** are those Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These Reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- **Developed Non-Producing Reserves** are those Reserves that either have not been on production or have previously been on production but are shut-in and the date of resumption of production is unknown.

UNDEVELOPED RESERVES

Undeveloped Reserves are those Reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling and completing a well) is required to render them capable of production. They must fully meet the requirements of the Reserves category (Proved, Probable, Possible) to which they are assigned and expected to be developed within a limited time as per Section 1.4.7.2.1.8 - Timing of Production and Development.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped Sub-classes or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the Reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

DEFINITION OF PROSPECTIVE RESOURCES

Petroleum resources included in this report are classified as prospective resources and have been prepared in accordance with NI 51-101. Because of the lack of commerciality or sufficient development drilling, the prospective resources estimated herein cannot be classified as contingent resources or reserves. The petroleum resources are classified as follows:

"*Prospective Resources – Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity*."

The estimation of prospective resources quantities for a prospect is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable quantities. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available.

> *"Low, Best, High, and Mean Estimates":*
> Estimates of petroleum resources in this report are expressed using the terms Low estimate, Best estimate, High estimate, and Mean estimate to reflect the range of uncertainty.

For probabilistic estimates of petroleum resources, the Low estimate reported herein is the P_{90} quantity derived from probabilistic analysis. This means that there is at least a 90-percent probability that, assuming the prospect is discovered and developed, the quantities recovered will equal or exceed the Low estimate. The Best (median) estimate is the P_{50} quantity derived from probabilistic analysis. This means that there is at least a 50 percent probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the Best (median) estimate. The High estimate is the P_{10} quantity derived from probabilistic analysis. This means that there is at least a 10-percent probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the High estimate. The expected value (EV), an outcome of the probabilistic analysis, is used for the Mean estimate.

Uncertainties Related to Prospective Resources:

The quantity of petroleum discovered by exploration drilling depends on the number of prospects that are successful as well as the quantity that each success contains. Reliable forecasts of these quantities are, therefore, dependent on accurate predictions of the number of discoveries that are likely to be made if the entire portfolio of prospects is drilled. The accuracy of this forecast depends on the portfolio size, and an accurate assessment of the probability of geologic success (P_g).

Probability of Geologic Success:

P_g is defined as the probability of discovering reservoirs that flow petroleum at a measurable rate. P_g is estimated by quantifying the probability of each of the following individual geologic factors: trap, source, reservoir, and migration. The product of these four probabilities or chance factors is computed as P_g.

In this report estimates of prospective resources are presented both before and after adjustment for P_g. Total prospective resources estimates are based on the probabilistic summation of the quantities for the total inventory of prospects.

Application of P_g to estimate the P_g-adjusted prospective resources quantities does not equate prospective resources with reserves or contingent resources. P_g-adjusted prospective resources quantities cannot be compared directly to or aggregated with either reserves or contingent resources. Estimates of P_g are interpretive and are dependent on the quality and quantity of data currently made available. Future data acquisition, such as additional drilling or seismic acquisition, can have a significant effect on P_g estimation. These additional data are not confined to the study area, but also include data from similar geologic settings or technological advancements that could affect the estimation of P_g.

Predictability versus Portfolio Size:

The accuracy of forecasts of the number of discoveries that are likely to be made is constrained by the number of prospects in the exploration portfolio. The size of the portfolio and P_g together are helpful in gauging the limits on the reliability of these forecasts. A high P_g, which indicates a high chance of discovering measurable petroleum, may not require a large portfolio to ensure that at least one discovery will be made (assuming the P_g does not change during drilling of some of the prospects). By contrast, a low P_g, which indicates a low chance of discovering measurable petroleum, could require many prospects to ensure a high confidence level of making even a single discovery. The relationship between portfolio size, P_g, and the probability of a fully unsuccessful drilling program that results in a series of wells not encountering measurable hydrocarbons is referred to herein as the predictability versus portfolio size relationship (PPS). It is critical to be aware of PPS, because an unsuccessful drilling program, which results in a series of wells that do no encounter measurable hydrocarbons, can adversely affect any exploration effort, resulting in a negative net present value.

For a large prospect portfolio, the P_g-adjusted mean estimate of the prospective resource's quantity should be a reasonable estimate of the recoverable petroleum quantities found if all prospects are drilled. When the number of prospects in the portfolio is small and the P_g is low, the recoverable petroleum actually found may be considerably smaller than the P_g-adjusted mean estimate would indicate. It follows that the probability that all the prospects will be unsuccessful is smaller when a large inventory of prospects exists.

Prospect Technical Evaluation Stage:

A prospect can often be subcategorized based on its current stage of technical evaluation. The different stages of technical evaluation relate to the amount of geologic, geophysical, engineering, and petrophysical data as well as the quality of available data.

Prospect:

A prospect is a potential accumulation that is sufficiently well defined to be a viable drilling target. For a prospect, sufficient data and analyses exist to identify and quantify the technical uncertainties, to determine reasonable ranges of geologic chance factors and engineering and petrophysical parameters, and to estimate prospective resources.

Lead:

A lead is less well defined and requires additional data and/or evaluation to be classified as a prospect. An example would be a poorly defined closure mapped using sparse regional seismic data in a basin containing favorable source and reservoir(s). A lead may or may not be elevated to prospect status depending on the results of additional technical work. A lead must have a P_g equal to or less than 0.05 to reflect the inherent technical uncertainty.

Play:

A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation to define specific leads or prospects.

Threshold Economic Field Size

The threshold economic field size (TEFS) is the minimum amount of producible petroleum required to recover the total capital and operating expenditures used to establish the potential accumulation as having a potential net present value at 10 percent equal to zero using the mid-price.

Probability of Economic Success

The probability of economic success (P_e) is defined as the probability that a given discovery will be economically viable. It considers P_g, TEFS, P_{TEFS}, capital costs, operating expenses, the proposed development plan, the economic model (discounted cash flow analysis), and other business and economic factors. P_e is calculated as follows:

$$P_e = P_g \text{ x } P_{TEFS}$$

Probability of Threshold Economic Field Size

The probability of threshold economic field size (P_{TEFS}) is defined as the probability of discovering an accumulation that is large enough to be economically viable. P_{TEFS} is estimated by using the prospective resources potential recoverable quantities distribution in conjunction with the TEFS. The probability associated with the

TEFS can be determined graphically from the potential gross recoverable quantities' distribution.

Potential Net Present Value at 10 Percent

Potential net present value (PNPV10) is defined as potential future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. PNPV10 is statistically aggregated at the prospect level. The estimation is probabilistically modelled using distributions (except WI, Pf, and Pe, which are constants) in the following equation:

PNPV10 = [(Pe x Tvol x WI x NPV10/BOE)] - (Pf x DHC x WI)

where PNPV10 is the potential net present value at 10 percent estimated probabilistically using Monte Carlo simulation, Pe is the probability of economic success, TVol is the potentially gross recoverable volume, truncated,TEFS adjusted, WI is the working interest, NPV10/BOE is the net present value estimated using most likely field development plan to generate production profiles, fiscal regime, and economic assumptions, Pe is the probability of economic failure and DHC is the dry hole cost estimate.

GEOLOGY DISCUSSION

Colombia

Regional Geology

The Tapir block is located in the western extent of the Llanos Basin, the Ombu block is located in the northern extent of the Caguán-Putumayo Basin and the Santa Isabel block is located in the Middle Magdalena Valley Basin.

The Llanos Basin is a foreland sub-Andean basin located in Colombia and covers an area of approximately 286,000 square kilometers. The Tapir block in the Llanos Basin is approximately 250 kilometers north east of Bogotá, the capital city of Colombia. The Llanos Basin is limited to the west by the Eastern Cordillera, to the east by the Guyana shield, to the north by the Arauca Arc and Barinas Basin, and to the south by the Amazon Basin. The traps in this basin are often associated with normal and antithetic faults with related stratigraphic traps (including pinchouts, paleohighs, channels, etc.). The C8 unit of the Carbonera Formation has been generally defined as the regional seal of the basin. In some localized areas the Cretaceous Gacheta Formation may also act as a seal.

The Caguán-Putumayo Basin covers an area of approximately 110,300 square kilometers. The Ombu block located in the Caguán-Putumayo Basin is approximately 275 kilometers southwest of Bogotá. The basin is limited to the west by the Eastern Cordillera, to the east by the Guyana Shield, to the north by the La Macarena Range, and to the south by Ecuador's international boundary. This basin shares its geological history with the Oriente Basin in Ecuador, as part of the foreland basin. The traps in this basin are often associated with thrust systems, high angle strike-slip faults with related folds in the foothills, and normal faults overlapping in the foreland basin. The seal rocks of the Caguán-Putumayo Basin have been identified in shaly intervals of the Caballos, Villeta/Macarena, Rumiyaco, Orteguaza, Arrayán, and Serranía Formations.

The Middle Magdalena Valley Basin stretches along the Magdalena River and is bounded to the north by the Espiritu Santo fault system and to the south by the Giradot foldbelt. Bounding the northeastern limit is the Bucaramanga-Santa Marta fault system while the Bituima and La Salina fault system bounds the southeast limit. To the west is the onlap of the Neogene Basin fill over the Serrania de San Lucas and Central Cordillera basement. The Santa Isabel block in the Middle Magdalena Valley Basin is approximately 370 kilometers northwest of Bogotá. A schematic diagram of the major tectonic provinces of Colombia is illustrated in Figure 2.

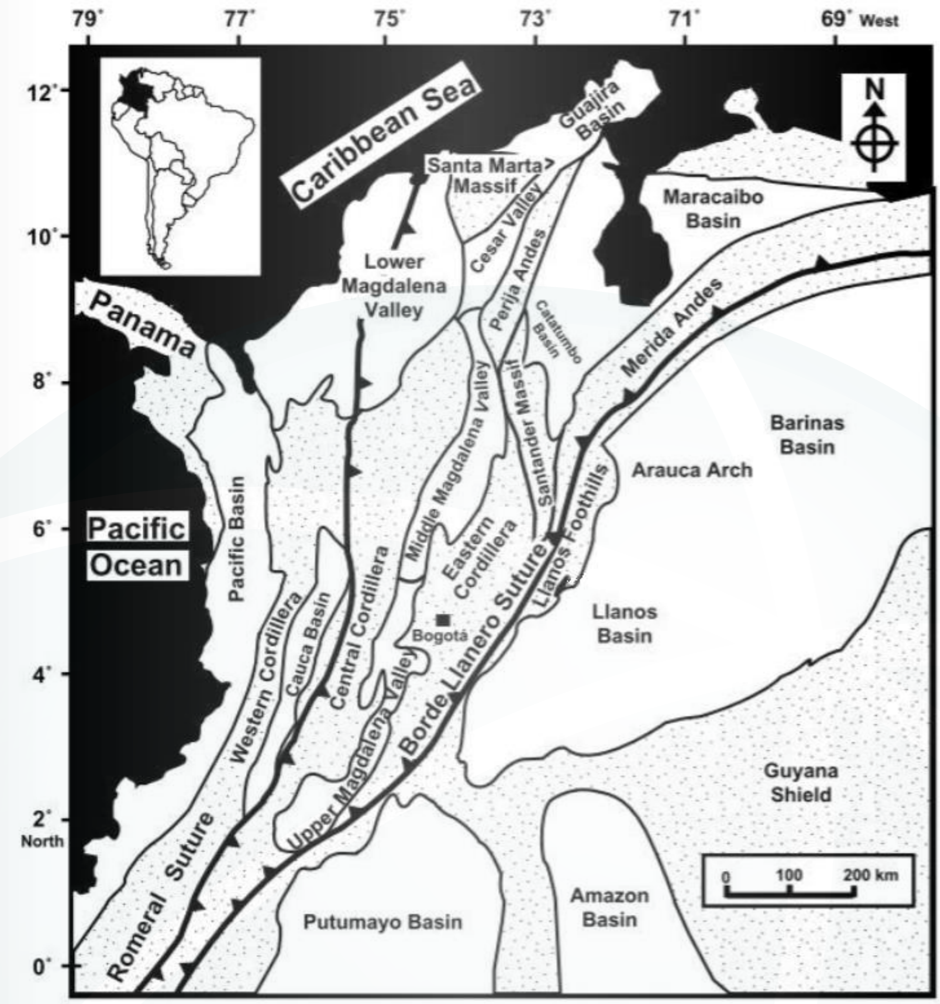

Figure 2: Major Tectonic Provinces of Colombia (after Cooper, 1999).

Reservoir Geology

The Llanos Basin and Caguán-Putumayo Basin are major sedimentary basins in Colombia. The depositional cycle of the Ubaque Formation was initiated in the Early to Late Cretaceous time during a regional transgression that flooded the exposed Paleozoic rocks of the Llanos region and resulted in the deposition of a series of basal, shallow marine and shoreline sandstones which progressively onlapped farther eastward onto the Guyana shield. As the global sea level rose, anoxic upwelling conditions resulted in deposition of marine mudstones, chert and phosphates which formed the marine source rock (Gacheta Formation) in the Llanos area.

The depositional environment of the Guadalupe Formation is associated with a series of shoreline progradational, aggradational and retrogradational sequences. The sediments were deposited in a high energy shoreface environment, consisting of quartz rich sandstones, which were sourced from the Guyana shield to the west. These sediments were widely distributed across the Llanos Basin and foothills. The Barco Formation was deposited in a transgressive, fluvial environment during the Paleocene on a major unconformity surface.

The Barco Formation mainly comprises sandstone-rich estuarine deposits. In the late Paleocene, transgression was weakened and a relative highstand in sea level was established. During the subsequent regression, the regional shoreline gradually shifted westward and the sediments laid down throughout this period were muddy coastal plain deposits (Los Cuervos Formation).

Depositional sequences of the Mirador Formation began in response to a transgression event that occurred in the Late Eocene. Mirador Formation deposition included marine-influenced, sand-rich, valley fill deposits that passed upward into muddier coastal plain sediments. Continued transgression eventually submerged this middle Mirador alluvial plain and established a shallow marine shelf across the region. Offshore mud and sandy bioturbated shoreface progradational cycles punctuated by sand-rich fluvial and estuarine valley fill deposits comprised the upper part of the Mirador Formation.

The Carbonera Formation is generally associated with major cycles of marine influenced lower coastal plain deposition in the Llanos foothills. These cycles are bounded by widespread flooding surfaces and each cycle consists of mud-dominated systems followed by a retrogradational system and ending with a sand-prone transgressive system that culminates with the maximum flooding surface.

A generalized stratigraphic column of the Llano Basin and Caguán- Putumayo Basin is illustrated in Figure 3.

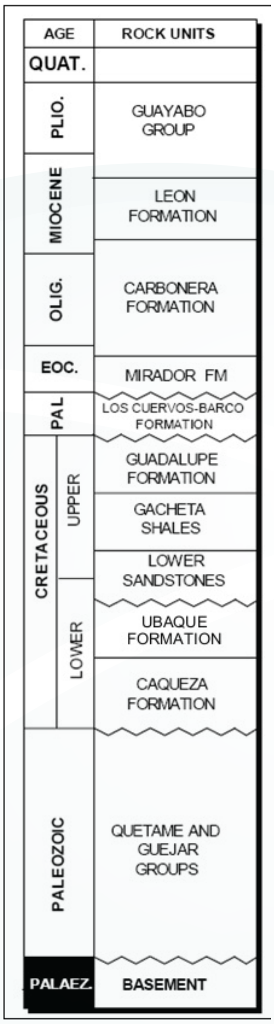

Figure 3: A Generalized Stratigraphic Column of the Llanos Basin and Caguán- Putumayo Basin.

<u>Canada</u>

Regional Geology

The Fir and Pepper properties are located in the Alberta Basin within the Western Canadian Sedimentary Basin (WCSB), approximately 250 kilometers west of Edmonton, the capital city of Alberta, Canada. The WCSB is a massive sedimentary basin that covers over 1.4 million square kilometers, including south-western Manitoba, southern Saskatchewan, Alberta to north-eastern British Columbia. The WCSB can be divided into two distinct parts, that reflect sedimentation in different tectonic settings. The Paleozoic to Jurassic platformal succession, dominated by carbonate rocks, was deposited on the stable craton adjacent to the ancient margin of North America. The overlying mid-Jurassic to Paleocene foreland basin successions, dominated by clastic rocks, formed during active orogenic evolution of the Canadian Cordillera. The western boundary of the WCSB is limited by the Foreland Fold and Thrust belt and Omineca Belt, a thick wedge of sedimentary strata deposited on the ancient continental terrace. During mid-Jurassic time, the western margin of was subjected to two major events of compressional tectonism. The deposited sedimentary rocks were compressed and displaced eastward over the continental margin. Platformal rocks were thrusted and folded to form the Canadian Rocky Mountains and the Foothills region.

Reservoir Geology

The Peace River Embayment is one of the sub-basins in the Alberta Basin. The Triassic strata section in the sub-basin can reach up to 1200 meters thick and thins eastward to an eroded zero edge. Alberta Basin Triassic sediments were deposited in various major transgressive-regressive events. The Montney Formation of Triassic age can reach up to 350 meters thickness. It thins toward the east and north due to erosion and/or nondeposition. The Montney Formation is comprised of a shallow series of shoreface sandstones and lagoonal siltstone and shales. The shallow-water eastern facies thicken and transition into the west with deeper water succession siltstones and shales, often associated with middle-outer shelf and shelf slope environment. A generalized Triassic stratigraphic correlation chart of the Alberta Basin is illustrated in Figure 4:

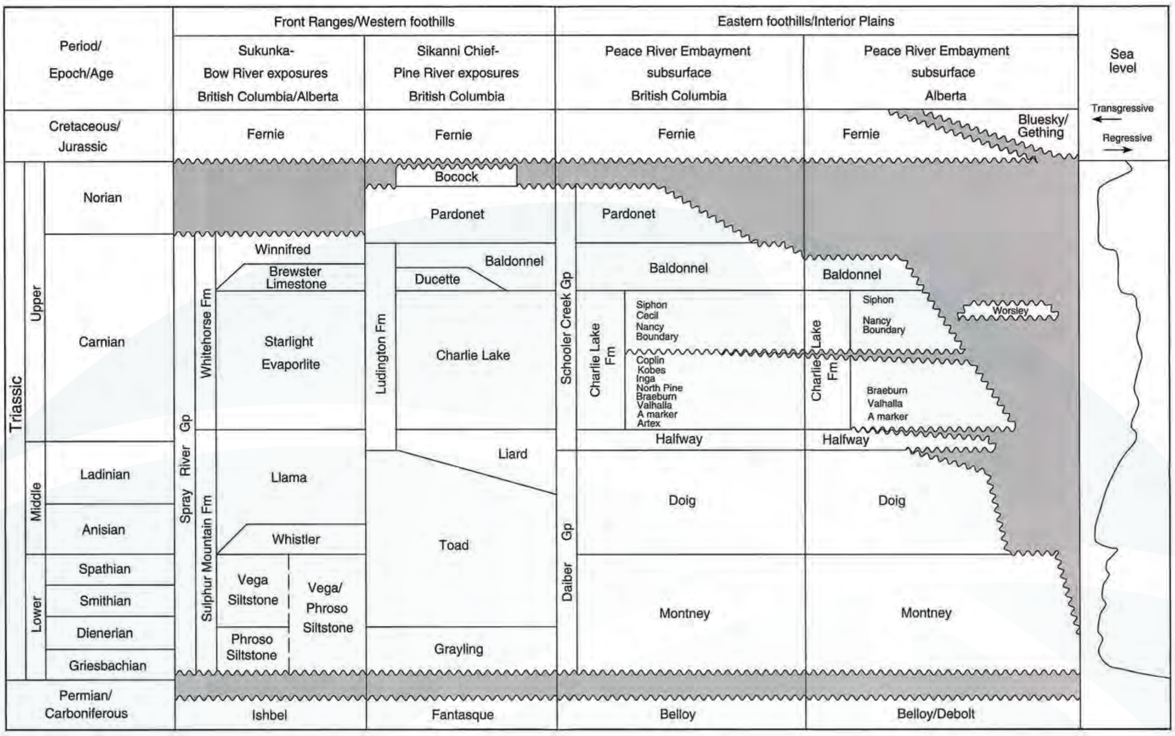

Figure 4: A Generalized Triassic Stratigraphic Correlation Column of the Alberta Basin. (after Geological Atlas of the Western Canada Sedimentary Basin, 1994)

The Mannville Group and its age equivalent strata comprised the oldest Cretaceous rock in the WCSB. This strata represents events of sedimentation subsidence, followed by uplift, exposure and erosion of older strata. Mannville Group sediments covered the entire basin, ranging from less than 40 meters thick in some areas of the plain to greater than 700 meters thick in the Rocky Mountain Foothills. The Mannville Group is truncated to the east and northeast by erosion. The complex stratigraphy and paleogeography of the Mannville Group are subdivided into five major intervals: Cadomin-Gething, Calcareous Ostracod, Glauconitic-Bluesky, Middle-Upper Mannville and Upper Mannville interval. A generalized correlation chart of the Mannville Group of the Alberta Basin is illustrated in Figure 5.

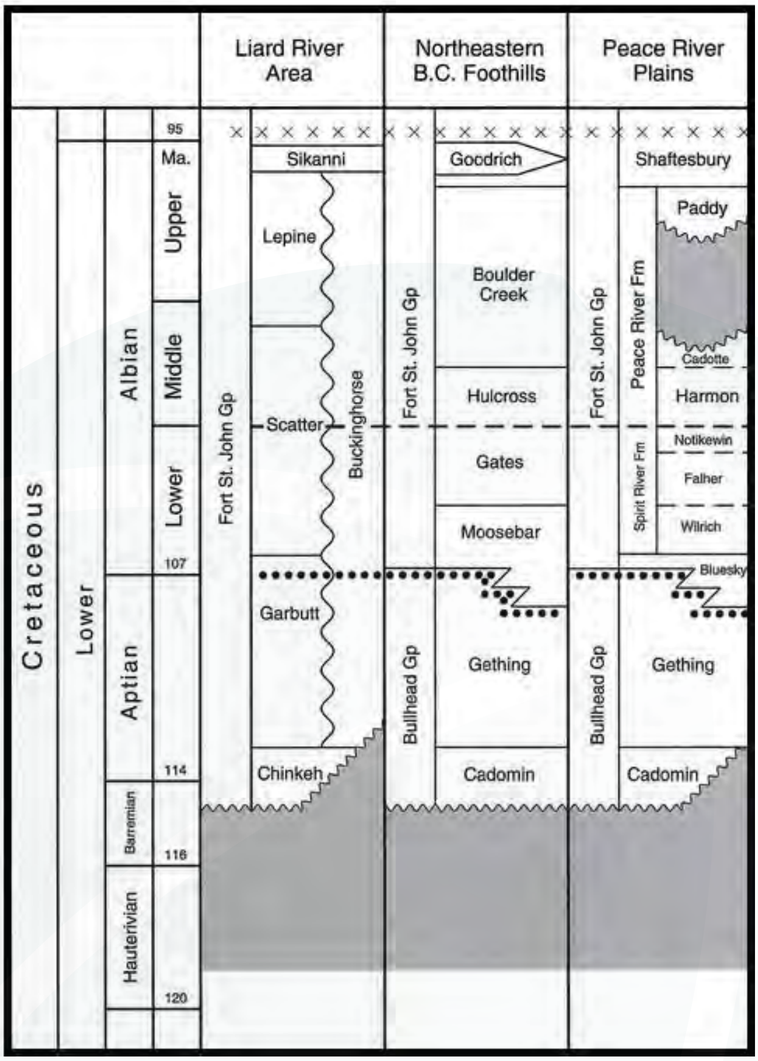

Figure 5: A Generalized Stratigraphic Column of Mannville Group of the Alberta Basin. (after Geological Atlas of the Western Canada Sedimentary Basin, 1994)

ARROW FIVE YEAR DEVELOPMENT PLAN

In this evaluation a five-year development plan was incorporated based on the projected drilling, tie-in and well recompletions of oil and gas wells provided by Arrow are summarized in Table 9.

Table 9
Five Year Development Plan - Reserves

OIL

Property	2021	2022	2023	2024	2025
Rio Cravo Este		2 New Drills		1 New Drill	
Mateguafa			2 New Drills		
Oso Pardo	1 Workover, 2 Re-activations				
Capella		20 New Drills	40 New Drills	40 New Drills	38 New Drills
Fir					
Pepper					

GAS

Property	2021	2022	2023	2024	2025
Rio Cravo Este					
Mateguafa					
Oso Pardo					
Capella					
Fir			2 New Drills	2 New Drills	
Pepper		2 Tie-ins			

FACILITIES INFRASTRUCTURE

Colombia

Rio Cravo Este

The Rio Cravo Este property is equipped with the following facilities:

- ANSI 150 three-phase separator: horizontal recipient to optimize the separation of well fluids into: oil, water and gas
- Gun Barrel Treater
- Skimming Tank
- Flare stack with gas scrubber
- Centrifugal pumps
- Filtration Unit
- Decanter

- 3 X Catch Tanks
- Sprinkle Field
- Loading facility

The fluid exits the wellhead towards the separator where the first separation stage is performed, there it is injected directly with breaker and reverse breaker to optimize the aforementioned separation. fluids are then directed to the gun barrel (oil), skimming tank (water) and scrubber-flare stack (gas). A facility flow chart is illustrated in Figure 6.

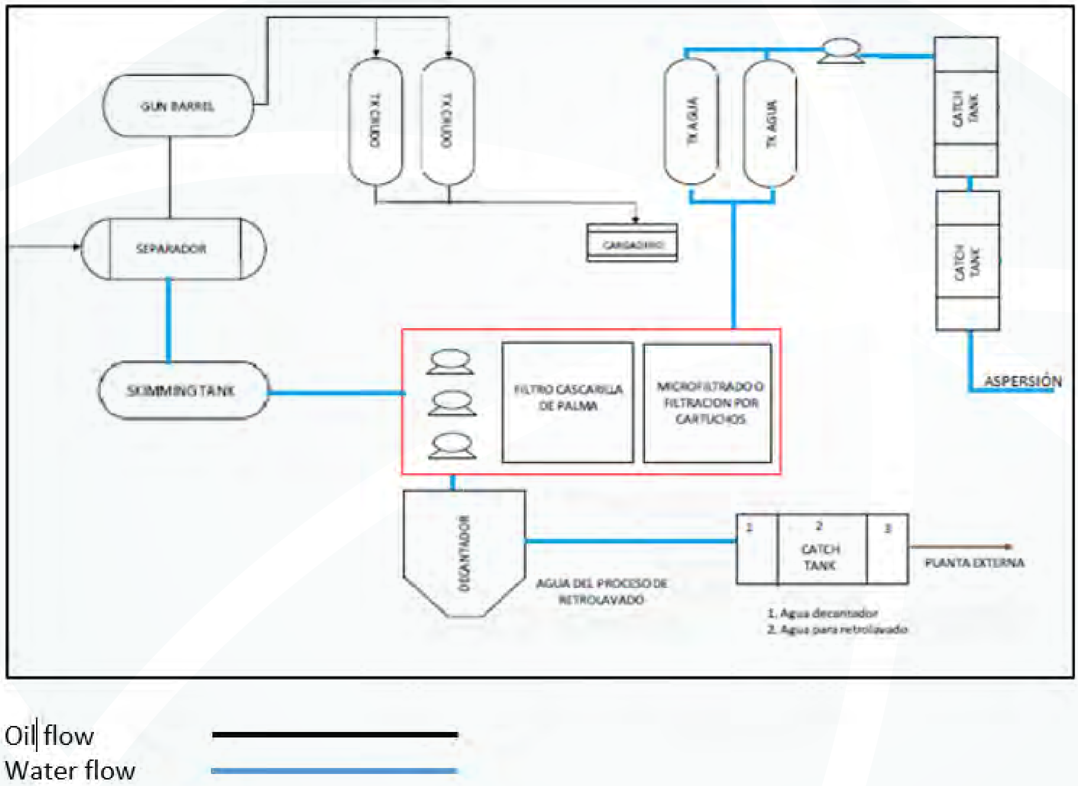

Figure 6 – Rio Cravo Este Facility Flow Chart

Property Infrastructure Development

Existing Infrastructure will be upgraded in phases when new wells are drilled. The following facility upgrades will/may be required:

- Manifold extensions with production and test lines
- Additional storage tanks
- Test and/or group separators
- Disposal well and injection facilities

Oso Pardo

The Oso Pardo property is equipped with the following facilities designed to receive and treat the production of Oil, Gas and Water, in addition to treating and taking advantage of some of the gas in the electricity generation. The installed facilities include the equipment described below:

- Operator shed
- Laboratory shed
- Containment plates
- Contingency equipment and materials
- 3200 gallons diesel storage tank
- 4 X 500 barrels (bbls) crude oil storage tanks
- 2 electric air compressors
- 3 vertical scrubbers
- 3 gas loggers
- low psi and high psi shock pipe
- fixed lighting and mobile system
- 1 vertical gun barrel treater, 500 bbls capacity
- 4 centrifugal pumps
- 1 X 480-220 volts transfer board
- 2 ANSI 150 separators
- 1 crude oil loading facility
- 2 measuring turbines
- 33 Ft of 3.5" EUE pipe
- fire system extinguishers
- 1 X 250 Kw gas generator
- 1 X 200 Kw diesel generator
- 1 X 2900 psi pump (UBH)
- 1 vertical gas flare stack with 5 MMscf/d capacity

Production facilities are designed to treat up to 6000 barrels of fluid per day and 5 MMscf/d with a crude oil storage capacity of 2000 bbls.

The fluid exits the wellheads towards the separator (in case there is gas present) where the first separation stage is performed, there it is injected directly into the breaker and reverse breaker to optimize the separation. Fluid currents are then directed to the gun barrel (oil), skimming tank (water) and scrubber-flarestack (gas).

In the Oso Pardo property Arrow utilizes produced gas (210 thousand standard cubic feet per day (Mscf/d)), for generation of all electricity requirements on the property. A facility flow chart is illustrated in Figure 7.

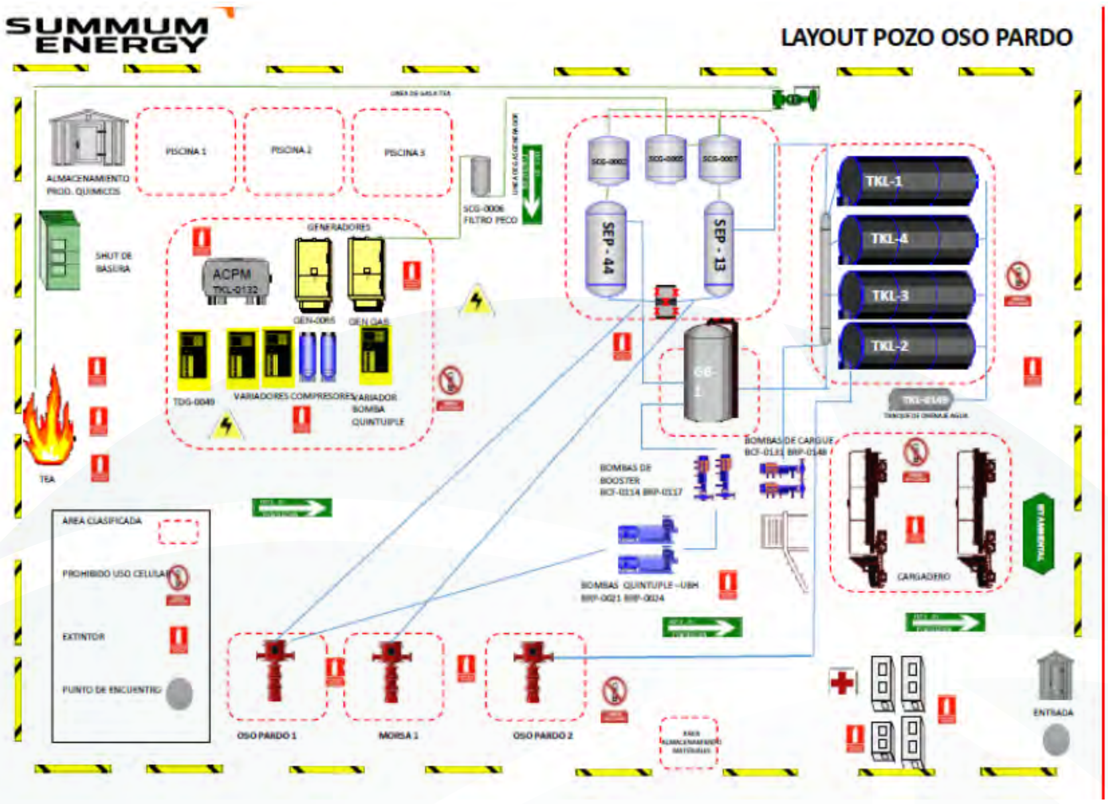

Figure 7 – Oso Pardo Facility Flow Chart

Capella

The property has 45 wells, 43 of which are capable of production. Thirty (30) of these wells are horizontal and 13 are vertical or deviated. Thirty-four (34) of the wells produce from the Mirador (7 vertical/deviated and 27 horizontal) and 9 produce from the Conglomerate (6 vertical/deviated and 3 horizontal). The property has 12 surface sites (Pads) upon which the wells have been drilled, with one to seven wells on each Pad. The Pads are identified by letter; A, B, C, E, F, K, L, O, P, R, S, and Z and are illustrated in Figure 8. Note that the F and P Pads are adjacent to one another, and the K Pad has only one well, K15, which is slated for abandonment. The well list below indicates the zone in which each well is completed, the Pad upon which it is located (denoted by the letter at the beginning of the well number) and the configuration, horizontal or vertical/deviated.

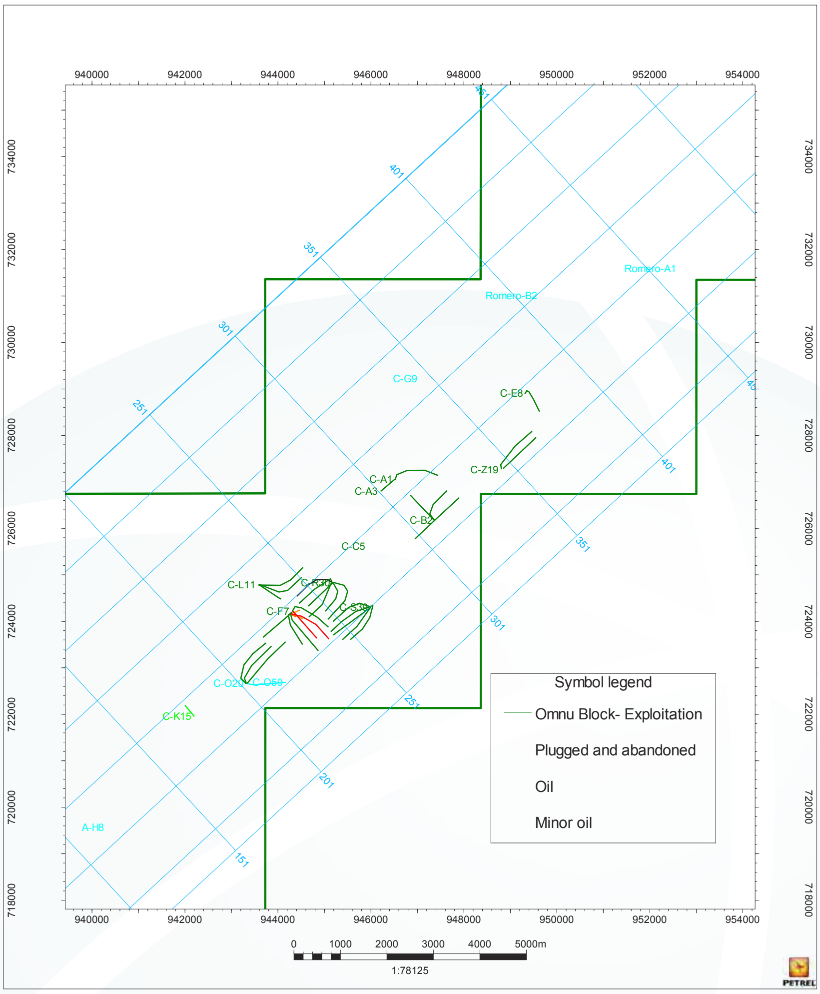

Figure 8 - Capella Property - Pad/Well Locations

The wells all produce utilizing artificial lift. The majority of wells are equipped with progressive cavity pumps, four wells are equipped with jet pumps and one with a beam pump. Fluids from the wells (oil and water) are produced into tanks and stored on the Pad sites where diluent is added to reduce viscosity which aids in separation, handling, transport and tank treatment for separation of sand and water from the oil begins. Fluids are then trucked to the central processing facility (CPF) which is co-located with Pad A.

When fluid arrives at the CPF, free water is separated, then the remaining emulsion is heated and treated to separate remaining water and sediments from the oil. After primary and secondary separation, the oil is sent to one of two 10,000 barrel settling tanks for final water separation, then to a third 10,000 barrel tank for storage prior to shipment. Both water and clean oil are shipped from the CPF by truck; water for disposal at a third-party site and oil to a pipeline terminal located at Aipe, Huila, approximately 400 km from Capella, for onward shipment and sale. Note that custody transfer for Arrow owned crude oil is at the CPF. Figure 9 illustrates the CPF, including Pad A on the right side of the picture.

Figure 9 - Capella Central Processing Facility and Pad A

Property Infrastructure Development

Existing Infrastructure will be upgraded in phases when new wells are drilled. The following facility upgrades will/may be required:

At Pad Sites:

- Manifold extensions with production and test lines
- Additional storage tanks
- Test and/or group separators

At the CPF:

- Disposal well and injection facilities
- Additional receiving, settling and sales tanks.
- Expanded truck loading facilities.
- Additional heat generating capacity.
- Electrical and fire protection upgrades commensurate with increased fluid volume handling.

Canada

Fir

The wells are tied into a broader gathering and processing system that takes raw gas from the Fir property to be processed for sale at the Cecelia gas plant. Arrow pays third party fees for transportation, compression, and processing through these third party owned facilities. Cecilia Gas Plant is illustrated in Figure 10.

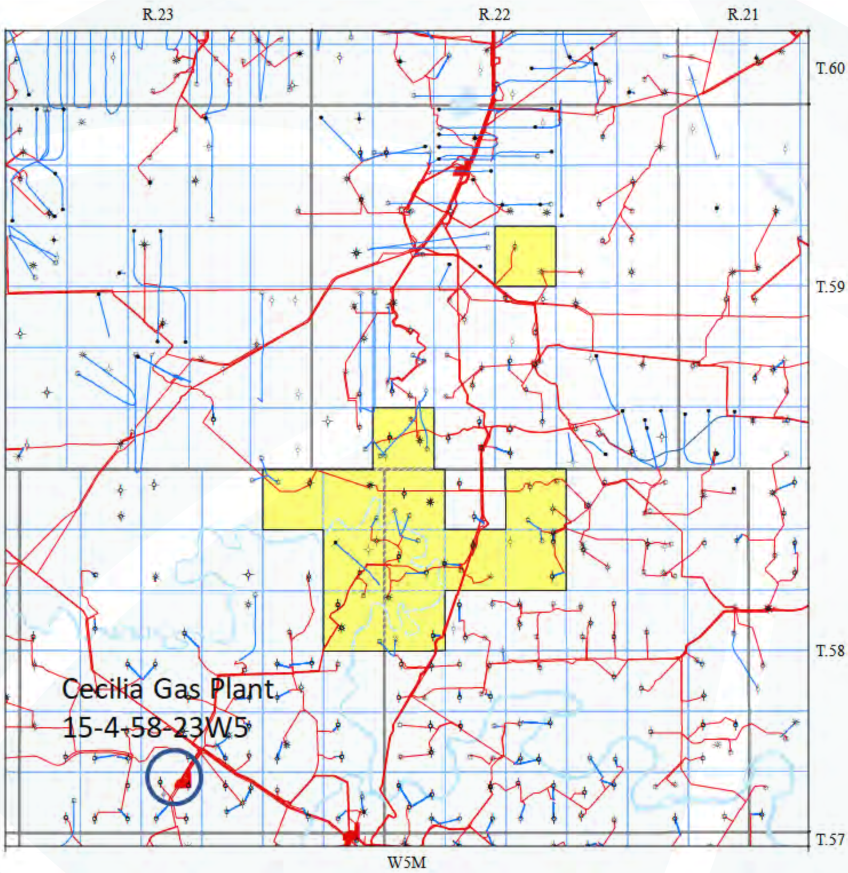

Figure 10: Fir Property – Cecilia Gas Plant

Property Infrastructure

At Well Sites:

- Wellhead, piping, chemical injection
- Wellsite separator and gas metering
- Flowline header

Gathering system:

- Approx. 19 kilometers (km) of gathering pipelines.
- Sweet gas rated.
- Field compressor located at 5-29-58-22W5.

At the Cecelia gas plant:

- Approx. 100 million standard cubic feet per day (MMcf/d) processing capacity.
- Sweet gas facility.
- LPG shallow cut extraction.
- Arrow has no ownership interest in the gas plant.

Pepper

The Pepper property has two (2) horizontal wells drilled and completed as Montney gas. There are multiple tie-in options for the wells as the area is well covered with gathering system infrastructure, delivering to different gas plants in the area. The gathering systems are, however, all sweet gas systems, and because the Pepper wells have traces of H2S (sour gas), wellsite sweetening facilities will be required.

The facilities on each wellsite will be similar. Gas will be produced into a 3-phase separator, from which the gas will be routed to a dehydrator and then a sweetening package to remove trace H2S, then onward through metering equipment and into the gathering system. The gathering system will deliver the gas to an area gas plant (specific plant to be determined) where remaining gas liquids will be stripped out and the gas will be delivered to the Alberta gas transmission system. Water and any natural gas liquids that are recovered from the separator will be stored on the location in tanks, to be trucked to disposal and sales respectively.

Site facilities will also include a flare stack system, complete with fluid knock-out vessel, emergency shut-downs and fire protection systems. A line heater may be required at the inlet to the facilities depending upon downhole completion configuration.

Production facilities will be designed to treat up to 6 MMscf/d and 3 MMscf/d on the West and East Pepper wells respectively, with water and NGL on-site storage capacity of 400 barrels each.

RESERVES EVALUATION

Revenue values in this report have been prepared using initial prices and costs and future price and cost assumptions specified by Arrow. A Forecast Price Scenario was evaluated using future prices that vary from current prices as well as escalations in operating expenses and capital and abandonment costs. Reserves estimates herein are based on the Forecast Price Scenario assumptions.

In this report, values for proved, probable, and possible reserves are based on projections of estimated future production and revenue prepared for these properties. Probable reserves involve substantially higher risks than proved reserves; possible reserves involve substantially higher risks than probable reserves.

Economic Assumptions

The oil, NGL and gas price forecast was based on the Boury Global Energy Consultants price forecast as of December 31, 2020. The prices were adjusted for quality and transportations.

The operating costs were based on lease operating statement and information provided by Arrow or experience with similar operations. The Canadian lease operating statements were used for a 9-month period from January to the end of September 2020 to estimate the field fixed, well fixed and variable operating costs. The Colombian properties proposed budget statements were used to estimate the field fixed, well fixed and variable operating costs.

The capital costs were provided by Arrow and were deemed reasonable for the area. The properties within the appendix section had various capital cost, such as drilling, completion, re-completion, tie-in, plant capital cost.

All costs were subject to cost escalation. The Canadian costs were escalated by 2.0 percent starting in 2022. The Colombian costs were escalated by 3.0 percent starting in 2022 and 3.5 percent thereafter.

The Rio Cravo Este property is subject to a sliding scale royalty of 8 percent for up to 5,000 barrels of oil per day and increases to 20 percent at 125,000 or more barrels of oil per day. An extra royalty of 3 percent for Ecopetrol was included in this evaluation based on gross revenue after applying the sliding scale royalty. A 3 percent royalty payable to Samaria Exploration & Production S.A. is also included in this evaluation based on gross revenue after all applicable royalties and operating costs.

The Carbonera C7-A formation in Mateguafa property is subject to a flat 20 percent royalty. The remaining formations within the property are subject to a sliding scale royalty of 8 percent for up to

5,000 barrels of oil per day and increases to 20 percent at 125,000 or more barrels of oil per day. An extra royalty of 3 percent for Ecopetrol was included in this evaluation based on gross revenue after applying the sliding scale royalty, for all formations excluding the Carbonera C7-A formation. A 3 percent royalty payable to Samaria Exploration & Production S.A. is included in this evaluation based on gross revenue after applying all applicable royalties and operating costs for all formations.

The Oso Pardo property is subject to a sliding scale royalty of 8 percent for up to 5,000 barrels of oil per day and increases to 20 percent at 125,000 or more barrels of oil per day. A 3 percent X-factor royalty was also included in this evaluation based on gross revenue after applying the sliding scale royalty.

The Capella property is subject to a sliding scale royalty of 8 percent for up to 5,000 barrels of oil per day and increases to 20 percent at 125,000 or more barrels of oil per day. The royalty payable will be 75 percent of the royalty estimated due to the oil being less than 15 degrees API.
The Canadian properties are subject to Alberta Royalty Framework (ARF) until January 2027 since all wells were drilled before January 1, 2017. Then, all the wells switch over to Modernized Royalty Framework (MRF). The Alberta Crown royalty is estimated based on two components; a price component, which is based on the Alberta Par and reference prices and a production rate component based on all products in gas equivalent volumes. In addition, select wells are subject to various Gross Overriding Royalty Payable.

An abandonment and reclamation liability of US$100,000, US$215,000 and US$300,000 per oil well has been included in this evaluation based on well location, depth, and age for the Capella property, Oso Pardo property and the remaining properties respectively. The abandonment and reclamation liability do not include credit for any salvage value. All abandonment and reclamation costs are forecast to occur in the year of the last economic production for the well. Wells that are currently uneconomic, inactive, or suspended are forecast to be abandoned two years from the effective date of this report. Facility and pipeline abandonment costs outside the well leases were not included in this report.

An abandonment and reclamation liability of CDN$119,000 and CDN$125,000 per gas well has been included in this evaluation for Fir and Pepper properties respectively. The abandonment and reclamation liability do not include credit for any equipment salvage values. All abandonment and reclamation costs are forecast to occur 60 months from the last economic production month of the well. Facility and pipeline abandonment costs outside the well leases were not included in this report.

The Colombian properties are subject to a Federal Tax of 31 percent for year 2021 and 30 percent for year 2022 and flat thereafter on Taxable income after deductions. Taxable income before deductions is defined as the revenue from the realized oil reserves less applicable royalties, operating costs and abandonment cost. The deductions are defined as tangible and intangible capital cost using unit of production depreciation method. The capital cost pools are estimated at US$25,800,000 and US$7,300,000 for Carrao and Samaria properties' respectively.

The Canadian properties are subject to a Federal Tax of 15 percent, Provincial Tax of 8 percent on taxable income after deductions. Taxable income before deductions is defined as the revenue from the realized gas and NGL's reserves less applicable royalties, and deductions that are defined as cost relating to operating costs, abandonment cost, capital cost using various depreciation subject to the Canadian capital cost class. The initial Canadian tax pools are summarized in Table 10.

Table 10

Initial Canadian Tax Pools as of December 31, 2020

Country	Type of Tax Pool	Amount (MM CDN$)
Canada	Canadian Exploration Expenses (CEE)	9.2
Canada	Canadian Development Expenses (CDE)	11.7
Canada	Canadian Oil and Gas Property Expenses (COGE)	0.8
Canada	Capital Cost Allowance	2.0
Canada	Foreign Resources Expenses (FRE)	9.4
Canada	Tax Loss Carry Forward	14.0

The estimated future revenue to be derived from the production and sale of the proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves of the petroleum interests attributable to Arrow under the conditions of various sensitivities are summarized in Table 11, are expressed in thousands of United States dollars (MM U.S.$):

Table 11

Company Gross After Tax Net Present Values Discounted at 10% - Sensitivity Cases

Country	Type of Sensitivity	1P (MM U.S.$)	2P (MM U.S.$)	3P (MM U.S.$)
Canada & Colombia	BGEC Forecast Price Case	9.2	28.1	48.0
Canada & Colombia	SEC Price Case	3.9	8.2	11.6
Canada & Colombia	WTI Premium of U.S. $10 of Base Case	21.2	48.1	77.4
Canada & Colombia	WTI Discount of U.S. $10 of Base Case	6.2	12.2	17.3
Canada & Colombia	AECO Premium of CDN $0.3 of Base Case	9.9	29.1	49.2
Canada & Colombia	AECO Discount of CDN $0.3 of Base Case	8.6	27.0	46.8
Canada & Colombia	OPEX +10% of Base Case	7.0	24.7	43.7
Canada & Colombia	OPEX -10% of Base Case	11.6	31.1	51.6
Canada & Colombia	CAPEX +10% of Base Case	7.4	24.3	43.8
Canada & Colombia	CAPEX -10% of Base Case	11.0	28.6	51.7

RESERVES

Colombia

Rio Cravo Este

Geological Structure

The Rio Cravo Este structure is located in the central portion of the Tapir Block, approximately 23 kilometers (km) southeast from the Labrador property. The Rio Cravo Este structure is a three-way dip closure and the trapping mechanism is mainly structural with major northeast-southwest trending faults to the east. The Rio Cravo Este-1 well was spud on March 25, 2019 and has encountered hydrocarbon potentials in the Oligocene Carbonera C7 (C7A and C7C) Formation, the late Cretaceous Gacheta Formation and the Ubaque Formations of early Cretaceous age.

The Carbonera Formation can be subdivided into eight major zones: C1, C2, C3, C4, C5, C6, C7, and C8. Hydrocarbon reservoirs have been identified in the Carbonera C7, C7A and C7C horizons. The depositional environment for the Gacheta Formation is mainly associated with tidal flats and fluvial channels. The trapping mechanism is controlled by stratigraphy and is influenced by lateral facies distribution. The Gacheta Formation is further divided into four sub units: the Gacheta A, B, C and D. The Ubaque Formation is generally comprised of thick, massive sand and can be subdivided into two major units: Upper Ubaque and Main Ubaque. Depth Structure Map of the Carbonera C7 is illustrated in Figure 11.

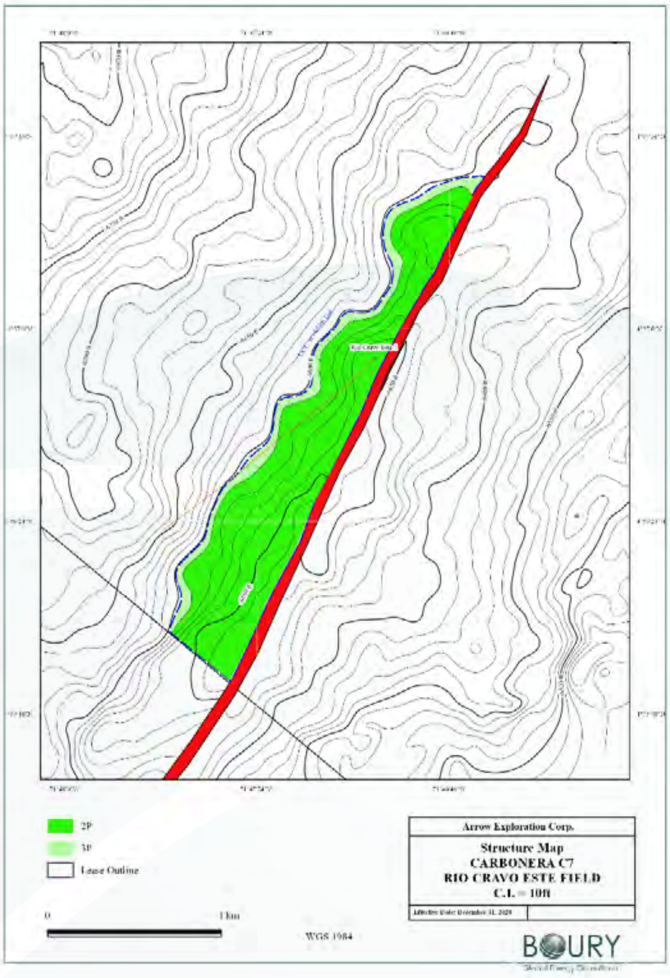

Figure 11: Rio Cravo Este Property - Depth Structure Map of Carbonera C7 Formation.

Reservoir Analysis

RCE-01 was completed in the Carbonera C7A formations. The well tested over 1,000 bopd with a water cut of 52 percent over multiple test days. The well is currently producing at an approximate 347 bopd with a water cut of 80 percent. 1P, 2P and 3P producing reserves were assigned.

There are various behind pipe potential formations identified within RCE-01, such as the Carbonera C7C, Gacheta B, Gacheta C & Gacheta D. Due to time limitation only two formations are scheduled to be re-completed. Once the Carbonera C7A is depleted, the well is forecasted to be re-completed sequentially in Carbonera C7C and Gacheta B. 2P and 3P non-producing reserves were assigned to all two formations.

With the successful drilling of RCE-01, Samaria plans to drill RCE-02, RCE-03 and RCE-04 wells within the Rio Cravo Este property.

Well RCE-03 is forecasted to be drilled, completed and placed on production in January 2022 from formation Gacheta B. 2P and 3P undeveloped reserves were assigned. Once the Gacheta B is depleted, the well is forecasted to be re-completed sequentially in Carbonera C7A and Gacheta D. 2P and 3P undeveloped reserves were assigned to all two formations.

Well RCE-02 is forecasted to be drilled, completed and placed on production in May 2022 from formation Carbonera C7A. 1P, 2P and 3P undeveloped reserves were assigned. Once the Carbonera C7A is depleted, the well is forecasted to be re-completed sequentially in Carbonera C7C and Gacheta D. 2P and 3P undeveloped reserves were assigned to Carbonea C7C formation. 3P undeveloped reserves were assigned to Gacheta D formation.

Well RCE-04 is forecasted to be drilled, completed and placed on production in February 2024 from formation Gacheta B. 2P and 3P undeveloped reserves were assigned. Once the Gacheta B is depleted, the well is forecasted to be re-completed sequentially in Carbonera C7C and Gacheta D. 2P and 3P undeveloped reserves were assigned to Carbonea C7C formation. 3P undeveloped reserves were assigned to Gacheta D formation.

To optimize value of Rio Cravo Este the first formation in all wells is forecasted to be terminated once the oil rate drops below 60 and 70 bopd for 2P and 3P respectively. The second formation is forecasted to be terminated once the oil rate drops below 70 and 80 bopd for 2P and 3P respectively. The final formation will terminate based on economic limit of the well.

1P, 2P and 3P reserve were assigned within Rio Cravo Este property based on volumetric estimation.

Mategufa

Geological Structure

The Mateguafa structure is located in the north western portion of the Tapir Block, approximately 10kilometers (km) east from the Labrador property. The Mateguafa structure is a three-way dip closure and the trapping mechanism is mainly structural with major northeast-southwest trending faults to the east. To date, there have been four wells drilled in the Mateguafa structure: Mateguafa-1, Mateguafa-2A, Mateguafa-3 and Mateguafa-4wells. Major reservoirs are identified from the Oligocene Carbonera C7 Formation, the Late Cretaceous Guadalupe Formation and the Ubaque Formation of Early Cretaceous age. The Carbonera Formation can be subdivided into eight major zones: C1, C2, C3, C4, C5, C6, C7, and C8. Hydrocarbon reservoir has been identified in the Carbonera C7unit. Depth Structure map for the Carbonera C7 is illustrated on Figure 12.

The Guadalupe Formation comprised of thick massive and well-developed sand unit. The Guadalupe Formation can be subdivided into two major units: Guadalupe A and B. The

Ubaque Formation is generally comprised of thick, massive sand and can be subdivided into two major units: Upper Ubaque and Main Ubaque.

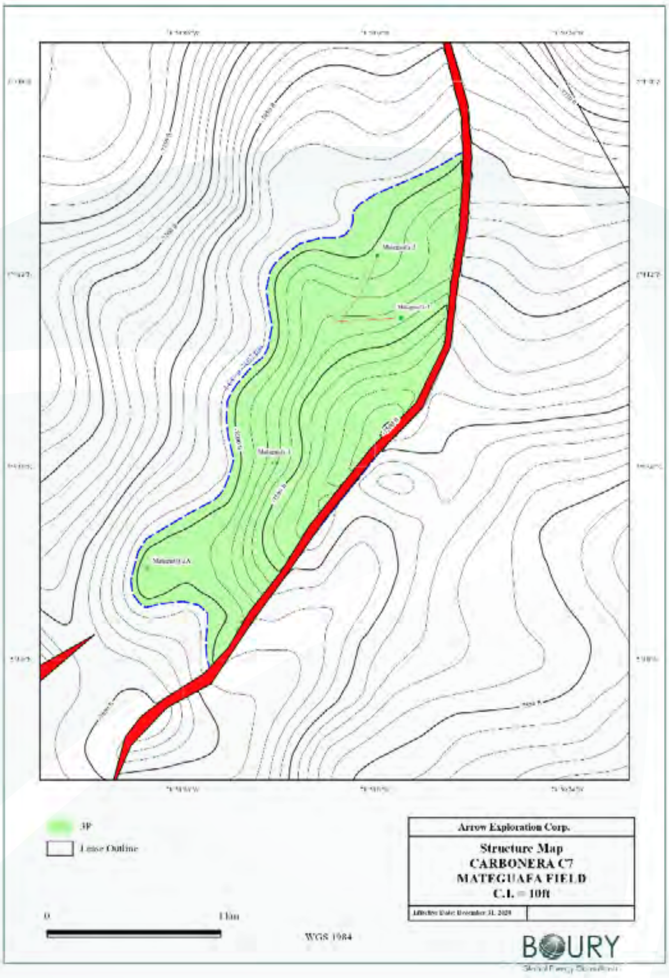

Figure 12: Mateguafa Property - Depth Structure Map of Carbonera C7 Formation.

Reservoir Analysis

The Mateguafa property has produced approximately 641 Mbbls of oil and 3,052 Mbbls of water to date. Four wells were drilled in this property, MTG-2 and MTG-4 tested water in the Carbonera C7, Guadalupe A & B formation and were abandoned while MTG 1 and MTG-3 tested oil at 570 and 270 bopd, respectively in the Carbonera C7 formation, currently these wells are shut-in due to low oil production and high water-cut. No reserves were assigned to any of these wells.

Samaria has proposed to drill a total of two infill wells in the Attic oil, up-dip to the original wells. MTG-05 well is forecasted to be drilled, completed and placed on production in February 2023 in the

Carbonera C7-A. Once the Carbonera C7-A is depleted, the well is forecasted to be re-completed sequentially in commingled Guadalupe A & B and Ubaque formations. 3P undeveloped reserves were assigned to these three formations.

MTG-06 well is forecasted to be drilled, completed and placed on production in April 2023 in the commingled Guadalupe A & B. Once the Guadalupe A & B is depleted, the well is forecasted to be re-completed sequentially in Carbonera C7-A and Ubaque. 3P undeveloped reserves were assigned to these three formations.

To maximize value of wells, the first formation is forecasted to be terminated once the oil rate drops below 60 bopd, the second formation is forecasted to be terminated once the oil rate drops below 70 bopd, the final formation is forecasted to be terminated based on economic limit.

All reserves within Mateguafa property were assigned based on volumetric estimation.

Oso Pardo

Geological Structure

The Oso Pardo property is located on the eastern edge of the Santa Isabel Block. To date, there have been three wells drilled in the field. The major reservoir is the Umir Formation. The trapping mechanism in the field is a combination of structure and stratigraphy. The field is bounded to the west by a northeast-southwest trending fault.

The Umir Formation is late Cretaceous in age. It is overlain by the Lisama Formation and overlies the La Luna Formation. The Umir Formation consists of marine shales with occasional thin sandstone beds in the upper portion of the formation. Depth Structure map of the Umir Formation is illustrated on Figure 13.

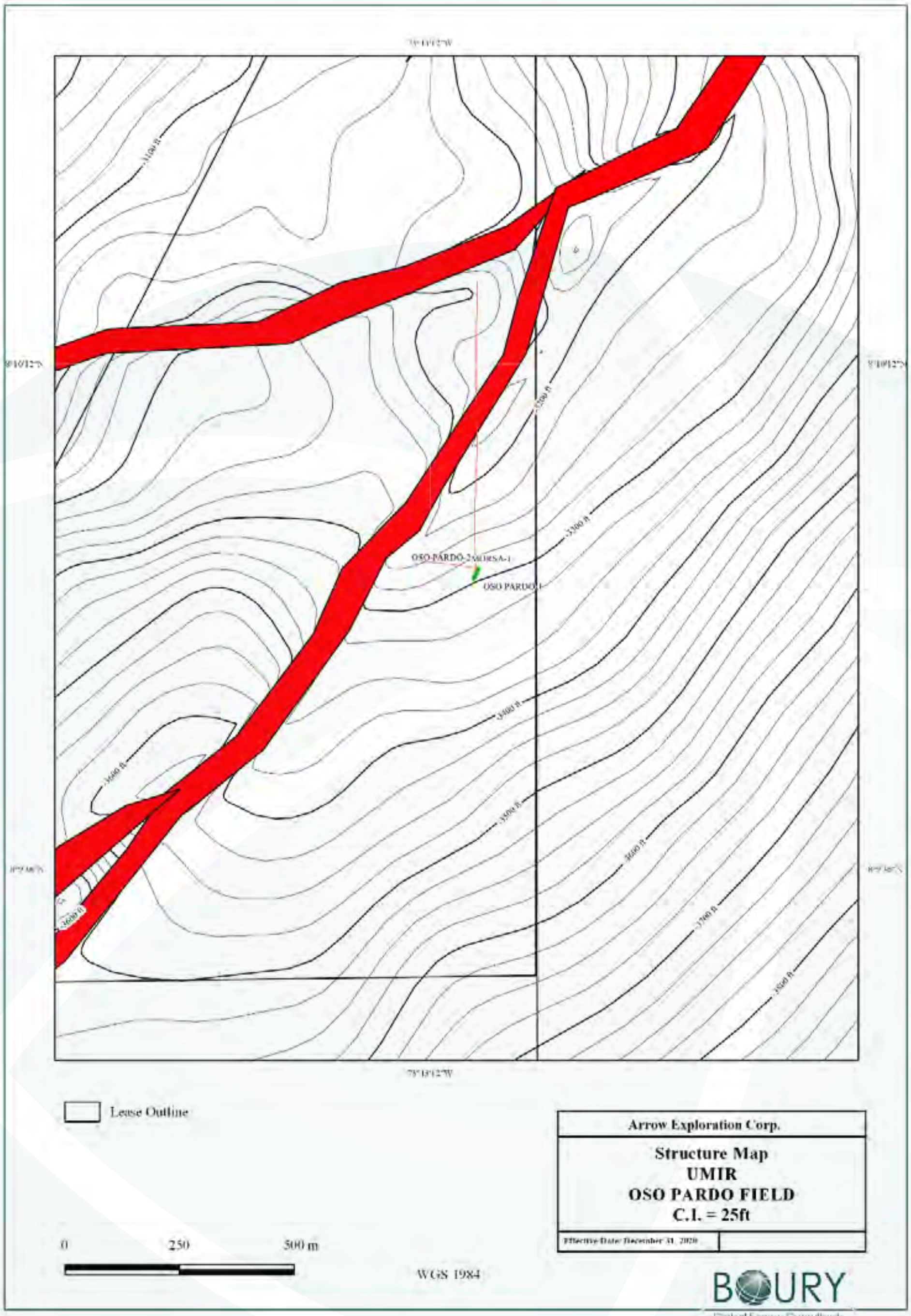

Figure 13: Oso Pardo Property - Depth Structure Map of Umir Formation.

Reservoir Analysis

The Oso Pardo property in the Santa Isabel Block has had a total of three oil wells drilled in the field. All three wells were producing as of March 2020, but with the sudden oil price drop they were shut in. Carrao plans to reactivate all three wells in the second quarter of 2020.The well Morsa-1 requires a pump replacement, and the rental facility needs to be remobilized. When Morsa-1 is placed back on production it is forecast flush production is estimated for 1P, 2P and 3P reserves for various periods of time and will transition to follow historically trends. 1P, 2P and 3P reserves were assigned to these wells based on decline analysis.

Carrao has completed a simulation study, which has indicated the presence of oil down dip of the current producing wells. Well Oso Pardo-3 is forecasted to be drilled and completed down dip of the current wells in the Umir Sand in June 2025. No reserves were assigned to this location as it is currently uneconomic.

Capella

Geological Structure

The Capella structure is located in the central portion of the Ombu block. Two major reservoirs have been identified: the Mirador Formation (M1 and M2 Sands) and the underlying Conglomerate Unit. The trapping mechanism in the Capella property is a combination of structure and stratigraphy and is controlled by a major northeast-southwest trending fault to the east. Mapping is supported by three-dimensional (3-D) seismic interpretation. In the vicinity of the Capella property, the Mirador Sands were deposited as shoreline marine sands as part of a marine transgression onto the Guyana Shield. The Upper Mirador Sand includes sequences of coarse pebbly marine sandstones. The Lower Sand is comprised of poorly sorted, polymictic conglomerate. The gross thickness of the Mirador Formation can reach up to 400 feet. The Mirador Sands are one of the primary hydrocarbon reservoirs in Caguán-Putumayo Basin. An undifferentiated Conglomerate Unit of Lower Cretaceous to Jurassic age is unconformably overlain by the Eocene Mirador Formation. The Conglomerate Unit is also oil-bearing and is comprised mainly of poorly sorted quartz and igneous fragments. Seismic interpretation identified the Mirador Sands as thickening away from the fault crests and a braided channel system located in the south-central area of the block trends southeast to northwest inside an incised valley. The Upper Mirador sandstones are generally associated with a near-shore, reworked deltaic environment. An oil-water contact was also identified at 2,180 feet subsea in the Capella-L11 well.

The thick, undifferentiated basal Conglomerate Unit is unconformably overlain by the Eocene Mirador Sandstone and is possibly associated with marine or non-marine environments. The source of the Conglomerate Unit was the regional paleo highs. The resulting wedges were deposited to the southwest in basement lows. The Conglomerate Unit has shown lower matrix porosity and permeability that is not easy to correlate between wells. The undifferentiated Conglomerate Unit can be subdivided into three major lithofacies: conglomerate facies, a breccia facies, and a sandstone facies. The hydrocarbon reservoir was influenced by the lithofacies and further study is required to understand the nature of the Conglomerate Unit. The Conglomerate Unit is mapped as an aggregate net pay. The maximum thickness of the Conglomerate Unit is unknown as most of the wells do not fully penetrate the section. Net oil pay maps for the Mirador Incised Valley is illustrated on Figure 14.

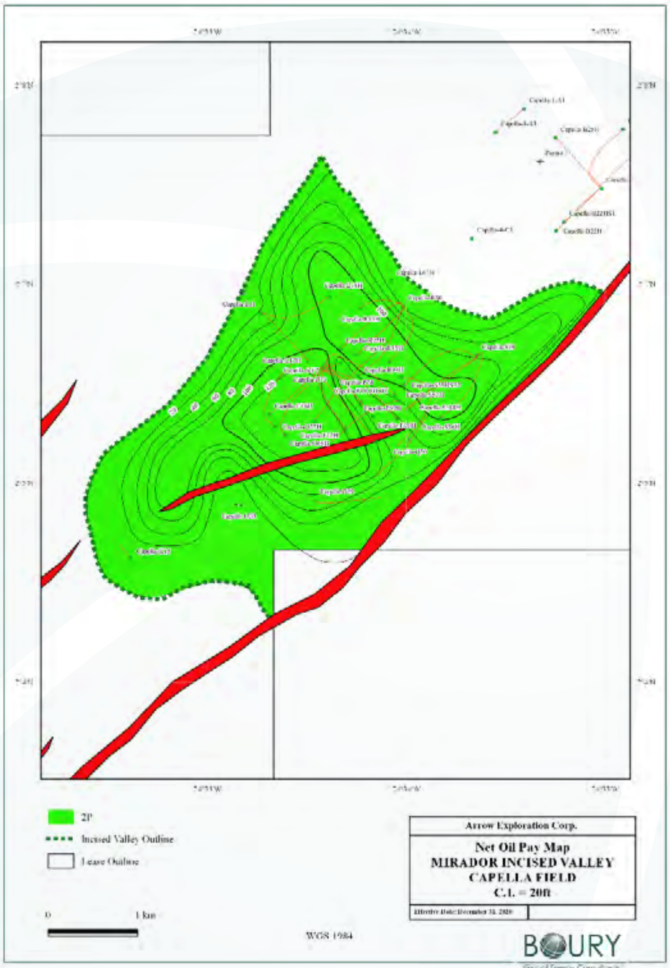

Figure 14: Capella Property - Net Oil Pay Map of Mirador Incised Valley.

Reservoir Analysis

The field was initially suspended on March 30, 2015 but was reactivated from time to time between 2016 and 2020. The field has been suspended since February 2020. The field is forecasted to be reactivated and placed back on production in March 2021. Based on the current price and cost environment the 1P non-producing and reserves were estimated to be uneconomic. 1P non-producing reserves became economic and were assigned with 1P undeveloped reserves. 2P and 3P non-producing reserves were assigned to all existing wells based on decline curve analysis verified by volumetric estimation.

As of December 31, 2020, the cumulative production from the block was 4,378 thousand of barrels (Mbbl). This was comprised of a cumulative production from the Mirador Sand of 3,699 Mbbl and 679 Mbbl from the Conglomerate Unit.

The operator implemented two Cyclic Steam Stimulation (CSS) pilots in two existing Capella wells (CP-F10H-MIR and CP-P89H-MIR) located in Incised Valley. There were positive results for these two wells, therefore an incremental recovery factor of 0.6 and 1.0 percent were assigned to 2P and 3P non-producing reserves respectively for all incised valley shut-in wells and future locations based on the assumption of the continued CSS operation. It is forecast that the operator is planning to implement CSS on 3 wells during 2021 and another 4 wells during 2022 in the Incised Valley. No incremental CSS reserves recoveries were assigned to the Conglomerate unit or M1 and M2 sand outside incised valley.

It is forecast that the operator will complete 7 well interventions during 2021.

Conglomerate Unit

An additional 67 potential horizontal locations were assigned to the Conglomerate Unit, of which 25 and 42 locations were assigned 1P and 2P undeveloped reserves, respectively. The initial oil production rates were estimated to be 325, 375, and 425 barrels of oil per day (bopd) for 1P, 2P and 3P undeveloped reserves, respectively. The initial rates are forecast to decline hyperbolically to their technical limits.

An additional 26 potential horizontal locations could be drilled in the Conglomerate pool. No reserves were assigned at this time to these locations.

Mirador Sand

An additional 71 potential horizontal locations were assigned to Incised Valley (M1 and M2 Sands), of which 41 and 30 locations were assigned 1P and 2P undeveloped reserves, respectively. The initial oil production rates for the Mirador Sand Incised Valley were estimated to be 350, 400, and 450 bopd for 1P, 2P, and 3P undeveloped reserves, respectively. The initial rates are forecast to decline hyperbolically to their technical limits.

An additional 143 potential horizontal locations could be drilled in Mirador Sands. No reserves were assigned at this time to these locations.

Canada

Fir

Geological Structure

The Fir property is located in Townships 58-59, Ranges 22-23, W5M in west central Alberta in Canada. The targeted intervals are the Mannville Group and the Bluesky-Gething Formation. The location map for Fir property is illustrated on Figure 8. The Mannville Group of Lower Cretaceous age underlies the Colorado Group (Joli Fou Formation), with a widespread disconformity separating the two units. The Mannville Group lies above the post-Paleozoic unconformity. It generally consists of interbedded nonmarine sands and shales overlain by thin, nonmarine calcareous member and overlain by marine shales, glauconitic sands. An Upper Cretaceous unconformable surface bounds the top of the Mannville Group.

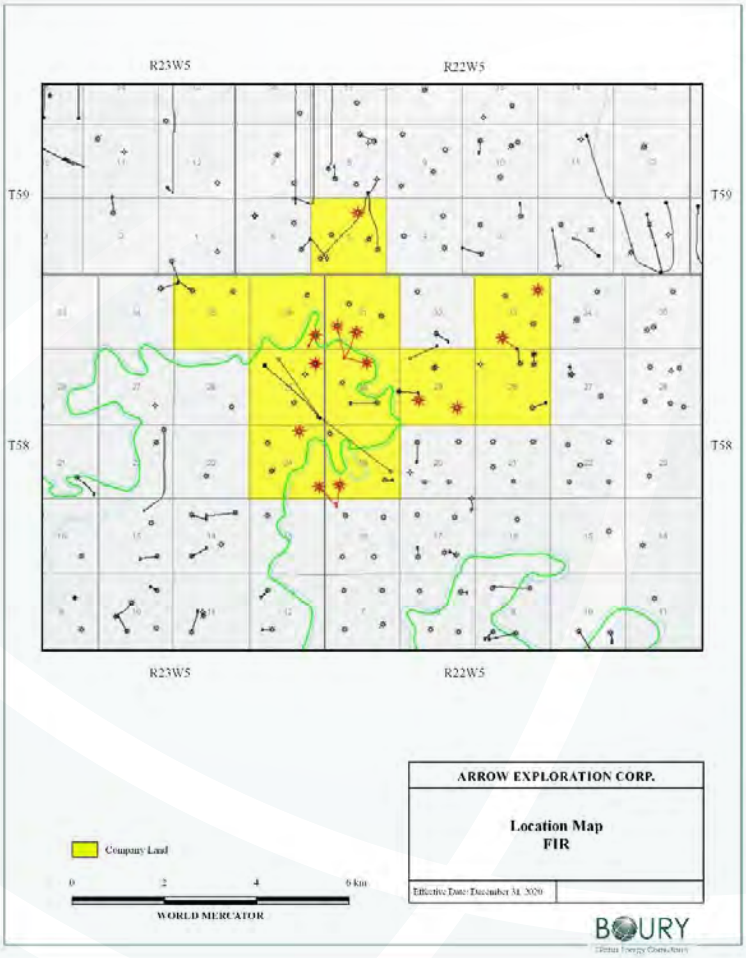

Figure 15: Location map for Fir Property.

The Lower Cretaceous Bluesky formation conformably overlies the Gething Formation in the Fir area. The Bluesky Formation generally is about 15 to 20 metres thick and dips to the south to southwest. It consists of fine-to-medium grained sandstones, siltstones and shales. These sands were deposited as a transgressive marine barrier bar lower to middle shoreface sands. The regional facies have been cut by narrow, cleaner channel sands that can form stratigraphic traps.

The Lower Cretaceous Gething Formation overlies Paleozoic unconformity and has a variable thickness in this area. It was deposited as fluvial, stacked channel sands consisting of lithic sandstones interbedded with silts, shales and coals deposited in continental-to-marginal marine facies. The interval consists mainly of silty shales and thin coarsening-upward silty sands. There are occasional thick, cleaner sand channels near the base of the Gething interval.

Reservoir Analysis

The Fir property was established with various wells drilled during 2007 and 2008 with the final well being drilled in 2016. The wells produce from various Lower Cretaceous Formations such as Mannville, Bluesky and Gething. 1P, 2P and 3P producing reserves were assigned, based on decline analysis.

Arrow has identified four potential locations (1XX/16-19-058-22W5/X DCCETI, 1XX/13-29-058-22W5/X DCCETI, 1XX/06-36-058-23W5/X DCCETI and 1XX/14-36-058-23W5/X DCCETI) in the area. Two of these locations are forecasted to be drilled, completed and placed on production in July 2023 and the other two in July 2024. 2P and 3P undeveloped reserves were assigned to all four locations, based on analogy to the other producing wells in the area.

Pepper

Geological Structure

The Pepper property is located in Townships 52-53, Ranges 22-23, W5M in west central Alberta in Canada. The targeted interval is the Montney Formation of Lower Triassic age. The location map for Pepper property is illustrated on Figure 16. The Lower Triassic Montney Formation in the Pepper area overlies the Belloy Formation and is unconformably overlain by the Nordegg Formation. The targeted shale interval ranges from 60 to 70 meters in thickness. The Montney Formation is generally a stacked transgressive sand-silt-shale sequence in which the sands occasionally develop excellent porosity. The Montney shales were deposited in relatively deep water in a mid- to distal-shelf and slope setting possibly as part of a turbidite sequence. Montney Formation lithology consists of stacked, silty, very fine-grained sandstones that pinch out laterally into non-reservoir siltstones.

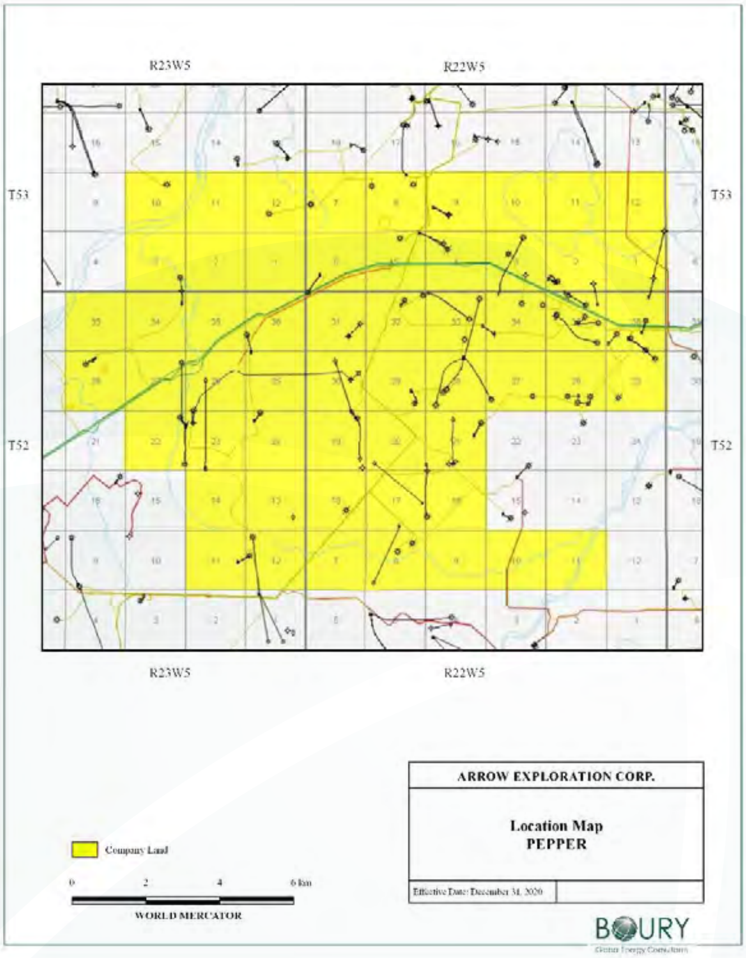

Figure 16: Location map for Pepper Property.

Reservoir Analysis

Well 100/14-21-052-22W5/3 was drilled and completed in the Montney formation in 2014. The well was tested 7.1 MMscf/d of wet gas at a flowing tubing head pressure of 2,192 pounds per square inch (psi) over a multiple day test period.

Well 100/06-26-052-23W5/0 was drilled and completed in the Montney formation in 2016. The well was tested 8.2 MMscf/d of wet gas at a flowing tubing head pressure of 3,206 psi over a multiple day test period.

These wells are forecasted to be tied-in in November 2022. 1P, 2P and 3P non-producing reserves have been assigned, based on the test data and analogy to other horizontal drilled Montney wells.

RESERVES ESTIMATION

Summary

Estimates of the gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 12, expressed in thousands of barrels (Mbbl) for oil and NGL and in millions of cubic feet (MMcf) for gas:

Table 12
Gross Reserves

		Oil and Condensate			Marketable Gas		
Country	Property	1P (Mbbl)	2P (Mbbl)	3P (Mbbl)	1P (MMcf)	2P (MMcf)	3P (MMcf)
Colombia	Rio Cravo Este	562	2,543	3,879	-	-	-
Colombia	Mateguafa	-	-	2,318	-	-	-
Colombia	Oso Pardo	106	140	170	-	-	-
Colombia	Capella	16,724	40,606	52,891	-	-	-
Canada	Fir	51	147	179	4,838	13,903	16,923
Canada	Pepper	65	87	109	3,258	4,372	5,436
Total		**17,509**	**43,523**	**59,546**	**8,096**	**18,275**	**22,359**

Notes:
1. Numbers in this table may not add exactly due to rounding.

Estimates of the gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 13, expressed in thousands of barrels of oil equivalent (Mboe):

Table 13
Gross Reserves

		Oil Equivalent		
Country	Property	1P (Mboe)	2P (Mboe)	3P (Mboe)
Colombia	Rio Cravo Este	562	2,543	3,879
Colombia	Mateguafa	-	-	2,318
Colombia	Oso Pardo	106	140	170
Colombia	Capella	16,724	40,606	52,891
Canada	Fir	857	2,464	3,000
Canada	Pepper	608	816	1,015
Total		**18,858**	**46,569**	**63,273**

Notes:
1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Estimates of the company gross total proved, proved plus probable, and proved plus probable plus possible crude oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 14, expressed in thousands of barrels (Mbbl) for oil and NGL and in millions of cubic feet (MMcf) for gas:

Table 14
Company Gross Reserves

Country	Property	Oil and Condensate 1P (Mbbl)	Oil and Condensate 2P (Mbbl)	Oil and Condensate 3P (Mbbl)	Marketable Gas 1P (MMcf)	Marketable Gas 2P (MMcf)	Marketable Gas 3P (MMcf)
Colombia	Rio Cravo Este	281	1,271	1,940	-	-	-
Colombia	Mateguafa	-	-	1,159	-	-	-
Colombia	Oso Pardo	106	140	170	-	-	-
Colombia	Capella	1,672	4,061	5,289	-	-	-
Canada	Fir	16	45	54	1,484	4,208	5,118
Canada	Pepper	65	87	109	3,258	4,372	5,436
Total		**2,141**	**5,604**	**8,721**	**4,742**	**8,580**	**10,554**

Notes:

1. Numbers in this table may not add exactly due to rounding.

Estimates of the company gross total proved, proved plus probable, and proved plus probable plus possible oil, natural gas and NGL reserves for the properties evaluated in this report are summarized in Table 15, expressed in thousands of barrels of oil equivalent (Mboe):

Table 15
Company Gross Reserves

Country	Property	Oil Equivalent 1P (Mboe)	Oil Equivalent 2P (Mboe)	Oil Equivalent 3P (Mboe)
Colombia	Rio Cravo Este	281	1,271	1,940
Colombia	Mateguafa	-	-	1,159
Colombia	Oso Pardo	106	140	170
Colombia	Capella	1,672	4,061	5,289
Canada	Fir	263	746	907
Canada	Pepper	608	816	1,015
Total		**2,931**	**7,034**	**10,480**

Notes:

1. Marketable gas has been converted to barrels of oil equivalent on a field-by-field basis.
2. Numbers in this table may not add exactly due to rounding.

Production Performance

The historical oil production since inception, as well as the total proved plus probable production forecast for the Arrow properties is illustrated on Figure 17.

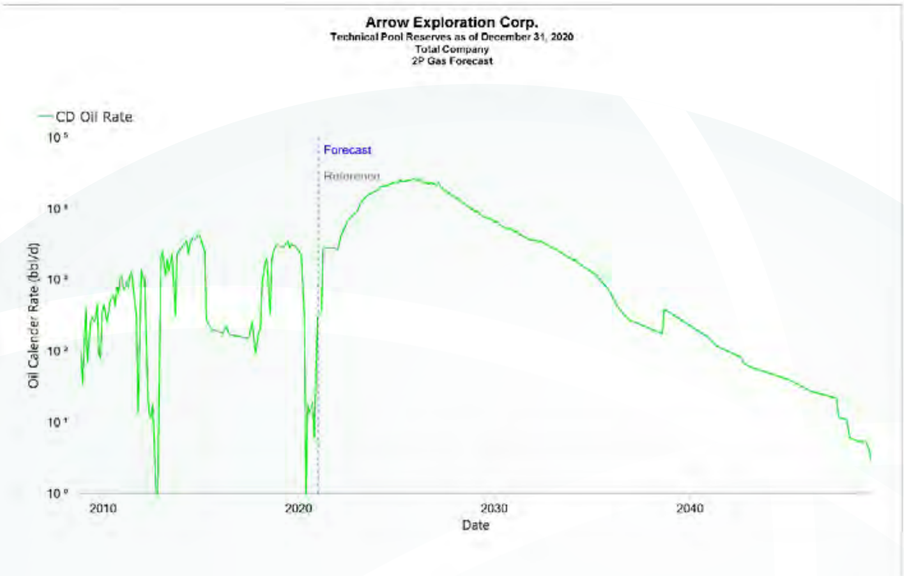

Figure 17 – Arrow Total Company Oil Production Forecast

The historical gas production since inception, as well as the total proved plus probable production forecast for the Arrow properties is illustrated on Figure 18.

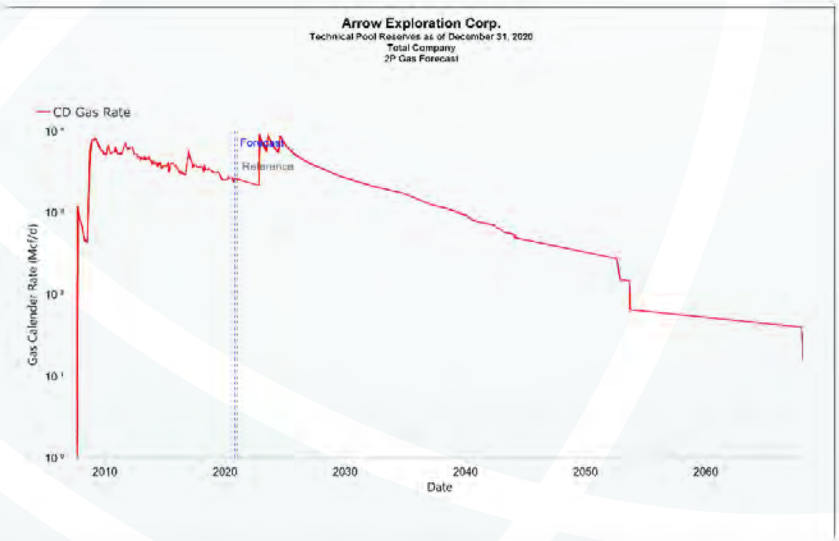

Figure 18 – Arrow Total Company Gas Production Forecast

Procedure and Methodology

Estimates of reserves were prepared using standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Where appropriate, the volumetric method was used to estimate the Petroleum Initially in Place (PIIP). Petroleum is defined as a naturally occurring mixture consisting predominantly of hydrocarbons in the gaseous, liquid, or solid phase. Structural maps were prepared to delineate each reservoir and to estimate its volumes. Wireline logs, core analyses, and other available data were used to estimate representative values for porosity and water saturation. All pertinent reservoir data, including drill-stem tests, production tests, reservoir fluid analyses, and bottom hole pressure and temperature data, were used to determine the volume of productive reservoir rock, reservoir fluid characteristics, and the volumes of PIIP.

Where appropriate, estimates of ultimate recovery were obtained after applying recovery factors to PIIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material-balance and other engineering methods were used to estimate recovery factors. In such cases, an analysis of reservoir performance, including production rate, reservoir pressure, and gas-oil ratio behavior, was used in the estimation of reserves.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production decline curves, reserves were estimated only to the limits of economic production based on current economic conditions.

In certain cases, when the previously named methods could not be used, reserves were estimated by analogy with similar wells or reservoirs for which more complete data were available.

Where applicable the reserve estimates presented herein are generally based on consideration of monthly and cumulative production data through December 31, 2020. In some cases, this required that the production rates be estimated up to 2 months. The production data for the Canadian properties were available to the end of October 2020 and the Colombian properties to the end of December 2020. Estimated cumulative production, as of December 31, 2020, was deducted from the gross ultimate recoverable to determine the estimated gross reserves.

Proved developed reserves estimates are based on performance analysis of current wells. Total proved reserves include proved non-producing reserves plus proved undeveloped reserves associated with certain planned wells that are forecast to be drilled in proved reserves areas. The estimated probable reserves are associated with production performance improvements and the drilling of wells for opportunities of less certainty than those estimated to be proved. Estimates of possible reserves include further production performance improvements beyond those associated with probable reserves classification and a portion is associated with drilling of wells for opportunities of less certainty than those estimated to be probable.

PROSPECTIVE RESOURCES

Colombia

Carrizales Norte

Carrizales Norte Structure

The Carrizales Norte structure is located in the central portion of the Tapir Block, approximately 1.5 kilometers (km) north from the Carrizales property and 5 kilometers west of Rio Cravo Este property. The Carrizales Norte structure is a three-way dip closure and the trapping mechanism is mainly structural with major northeast-southwest trending faults to the east. Currently, there is no well drilled into the structure. The closest wells are Carrizales-1 and Carrizales-3, located in Carrizales property. The Carrizales-1 well was spud on June 15, 2007 and Carrizales-3 well was spud on May 30, 2008, respectively. Both wells have encountered hydrocarbon potentials in the Oligocene Carbonera C7 Formation, the late Cretaceous Gacheta Formation and the Ubaque Formations of early Cretaceous age. Petrophysical parameters from nearby wells Carrizales-1, Carrizales-3 and Rio Cravo Este-1 are used as analogies in the volumetric estimation.

The Carbonera Formation can be subdivided into eight major zones: C1, C2, C3, C4, C5, C6, C7, and C8. Hydrocarbon reservoirs have been identified in the Carbonera C7, C7A and C7C horizons. Depth Structure maps for the Carbonera C7 is illustrated on Figure 19.

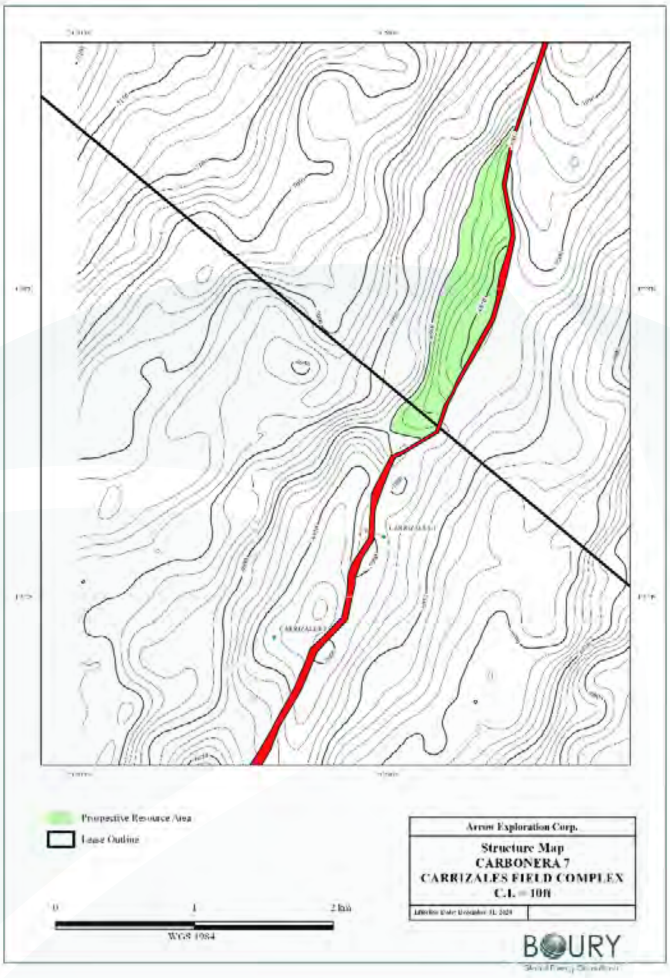

Figure 19: Carrizales Property Complex - Depth Structure Map of Top of Carbonera C7 Formation.

The depositional environment for the Gacheta Formation is mainly associated with tidal flats and fluvial channels. The trapping mechanism is controlled by stratigraphy and is influenced by lateral facies distribution. The Gacheta Formation is further divided into four subunits: the Gacheta A, B, C and D. Depth Structure map for the Gacheta Formation is illustrated on Figure 20.

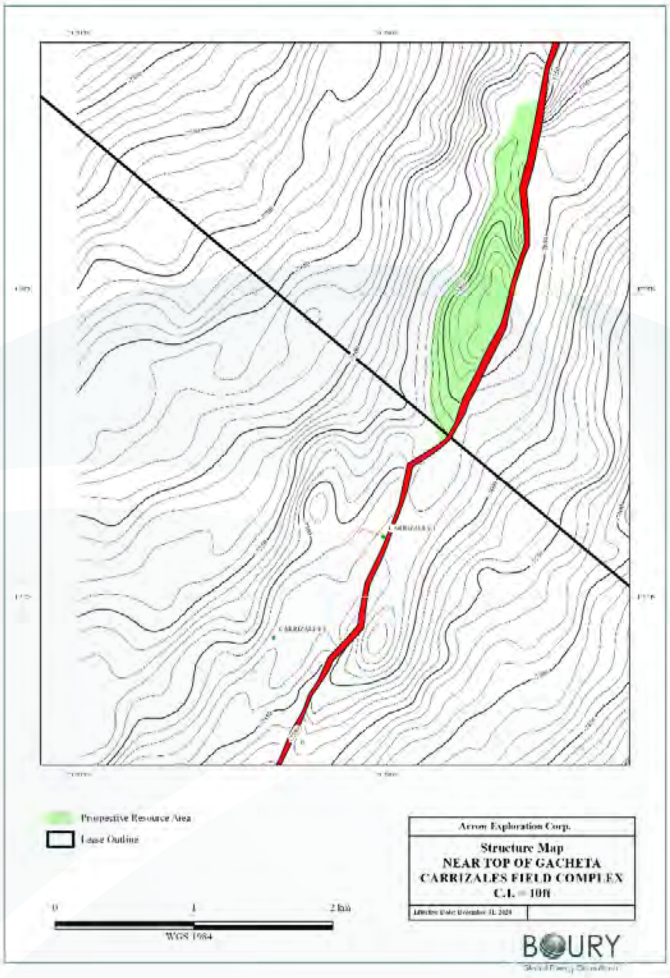

Figure 20: Carrizales Property Complex - Depth Structure Map of Near Top of Gacheta Formation.

The Ubaque Formation is generally comprised of thick, massive sand and can be subdivided into two major units: Upper Ubaque and Main Ubaque.

Reservoir Analysis

The Carrizales' Norte property in the Tapir Block in Colombia is located in the central part of the Llanos Basin, approximately 250 kilometers northeast of Bogotá, the capital city of Colombia. Arrow has represented that it holds 50 percent contractual working interest in the Carrizales Norte property earned by farm-in. Formal registration of working interest is in process. Currently there are no wells drilled on Arrows' Carrizales Norte acreage.

The Carrizales' Norte property is expected to be developed in a manner similar to that of the nearby, Arrow interest, Rio Cravo Este property. A single drilling/production pad will be required, to be constructed on the south side of the Cravo South river (Rio Cravo Sur), to access the Carizales Norte prospect targets on the north side of the river using directional drilling techniques. Provision will be made for the drilling of multiple wells from the single surface location.

The first well on the prospect is expected to be drilled in the first quarter of 2022. It will be drilled to a target depth within or through the Ubaque formation to allow for evaluation of all prospective intervals from the Ubaque on up. Completion and testing intervals will be determined after drilling and logging information has been fully evaluated. The log and test results will determine how many additional wells will be required to fully exploit the Carizales Norte property. It is expected that a total of 3 to 4 wells will be required. Drilling of development wells is expected to commence in the second half of 2022.

Production facilities to be installed on the Carizales Norte pad will be similar to those that have been installed on the Rio Cravo Este site, consisting of separation, treatment, flaring, storage, and truck loading equipment. Upon completion of full field development, facilities will be optimized to the production volumes.

ESTIMATION OF PROSPECTIVE RESOURCES

The estimated gross prospective oil resources for the prospect evaluated in this report are summarized in Table 16, expressed in Mbbl:

Table 16
Gross Prospective Oil Resources Summary

Prospect	Country	Low Estimate (Mbbl)	Best Estimate (Mbbl)	High Estimate (Mbbl)	Mean Estimate (Mbbl)	Probability of Geologic Success, P_g (Mbbl)	P_g-Adjusted Mean Estimate (Mbbl)
Carrizales Norte	Colombia	1,985	2,523	3,165	2,555	0.500	1,277
Statistical Aggregate		**1,985**	**2,523**	**3,165**	**2,555**	**0.500**	**1,277**
Arithmetic Summation		1,985	2,523	3,165	2,555	0.500	1,277

Notes:
1. Pg is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
2. Recovery efficiency is applied to prospective resources in this table.
3. Arithmetic summation of probabilistic estimates produces invalid results except for the Mean estimate.
   Arithmetic summation of probabilistic estimates presented in this table is in compliance with COGEH guidelines.
4. There is no certainty that any portion of the prospective resources estimated herein will be discovered.
5. Even if Prospective resources is discovered; there is no certainty that it will be commercially viable

The estimated company gross prospective oil resources for the prospect evaluated in this report are summarized in Table 17, expressed in Mbbl:

Table 17
Company Gross Prospective Oil Resources Summary

Prospect	Country	Low Estimate (Mbbl)	Best Estimate (Mbbl)	High Estimate (Mbbl)	Mean Estimate (Mbbl)	Probability of Geologic Success, P_g (decimal)	P_g-Adjusted Mean Estimate (Mbbl)
Carrizales Norte	Colombia	993	1,262	1,583	1,278	0.500	639
Statistical Aggregate		**993**	**1,262**	**1,583**	**1,278**	**0.500**	**639**
Arithmetic Summation		993	1,262	1,583	1,278	0.500	639

Notes:
1. Pg is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
2. Recovery efficiency is applied to prospective resources in this table.
3. Arithmetic summation of probabilistic estimates produces invalid results except for the Mean estimate.
   Arithmetic summation of probabilistic estimates presented in this table is in compliance with COGEH guidelines.
4. Even if Prospective resources is discovered; there is no certainty that it will be commercially viable

SUMMARY & CONCLUSIONS

Estimates of proved, probable, and possible crude oil, natural gas, and NGL reserves attributable to the company gross owned by Arrow and evaluated herein are summarized in Table 18, expressed in Mbbl and MMcf:

`

Table 18

Company Gross Reserves Summary

	1P	2P	3P
Oil and NGL, Mbbl	2,141	5,604	8,721
Marketable Natural Gas, MMcf	4,741	8,580	10,554

Estimates of the net present value after income tax, discounted at a rate of 10 percent, of the unrisked proved, proved plus probable and proved plus probable plus possible base case scenario reserves of the petroleum interests attributable to Arrow, expressed in millions of United States dollars (MM U.S.$), are presented in Table 19.

Table 19

Reserves - Company Gross After Tax Net Present Values Discounted at 10%

Asset	1P (MM U.S.$)	2P (MM U.S.$)	3P (MM U.S.$)
Canada & Colombia	9.2	28.1	48.0

ENVIRONMENTAL CONSIDERATIONS

Colombia

The operator of Capella, Emerald Energy Colombia, has a robust Health, Safety, Security, Community/Social and Environmental set of policies and procedures as are required to operate in a remote and sometimes unstable region of the country. These policies and procedures have been developed over the years that Emerald have operated in the Capella and surrounding fields.

Canada

The operator of Fir, Tourmaline Oil Corp. is a large Canadian independent oil and gas company. Tourmaline has a robust set of Health, Safety, and Environment policies and procedures as are required to operate in Canada.

Arrow Exploration Corp. has a Safety Management System and Emergency Response Plan for Canadian Operations that include policies and procedures for Health, Safety, Environment, and Alcohol and Drug use that apply to all Company employees and contractors.

PROFESSIONAL QUALIFICATIONS

Boury Global Energy Consultants is an Alberta Corporation with address at P.O. Box 22139 Bankers Hall, Calgary, Alberta T2P 4J5, Canada. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent evaluation of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, Boury Global Energy Consultants Ltd. has no commercial arrangement with Arrow Exploration Corp.

The evaluation has been supervised by Ms. Nahla R. Boury. Ms. Boury, President, with Boury Global Energy Consultants Ltd., a Registered Professional Engineer in the Province of Alberta, has 31 years of oil and gas industry experience and 27 years of applicable evaluation experience.

Submitted,

SIGNED: July 9, 2021

____
Nahla R. Boury, P. Eng.

PERMIT TO PRACTICE
BOURY GLOBAL ENERGY
CONSULTANTS LTD.

Signature____________________________

Date __________July 9, 2021___________

PERMIT NUMBER: P 14020
The Association of Professional Engineers,
Geologists and Geophysicists of Alberta

CERTIFICATE of QUALIFICATION

I, Nahla R. Boury, Professional Engineer, of P.O. Box 22139 Bankers Hall, Calgary, Alberta, Canada hereby certify:

1. I am an employee of Boury Global Energy Consultants Ltd., which prepared an evaluation report of a certain Canadian and Colombian oil and gas properties of Arrow Exploration Corp. The effective date of this evaluation is December 31, 2020.

2. I do not have, nor do I expect to receive, any direct or indirect interest in the securities of Arrow Exploration Corp. or its affiliated companies.

3. I attended the University of Calgary and I graduated with a Bachelor of Science Degree in Chemical Engineering in 1990; I am a Registered Professional Engineer in the Province of Alberta and that I have in excess of twenty-nine years' experience in the Petroleum Industry of which twenty-five years' experience are in the conduct of evaluation and engineering studies relating to worldwide oil and gas fields.

4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of Arrow Exploration Corp., and the appropriate governmental regulatory authorities.

SIGNED: July 9, 2021

Nahla R. Boury, P.Eng.ICD.D
APEGA ID: 52097
President
Boury Global Energy Consultants Ltd.

PROFESSIONAL ENGINEER
NAHLA R. BOURY
ALBERTA

Table A

BOURY GLOBAL ENERGY CONSULTANTS PRICE FORECAST

Effective Date as of December 31, 2020

YEAR	INFLATION %	EXCHANGE RATE USD/CAD	WTI UNESC Constant $US/bbl	WTI @CUSHING $US/bbl	Brent $US/bbl	LIGHT OIL EDMONTON $/bbl	WESTERN CANADIAN SELECT (WCS) 20.5 API $/bbl	NYMEX Henry Hub Reference $US/MMBtu	AECO-C SPOT $/MMBtu	EDMONTON ETHANE PRICE $/bbl	EDMONTON PROPANE PRICE $/bbl	EDMONTON BUTANE PRICE $/bbl	EDMONTON PENTANES PLUS $/bbl	PLANT GATE SULPHUR PRICE $/LT
2017	0.0	0.760	50.84	50.84	54.80	61.16	50.49	3.02	2.19	6.12	25.08	40.98	65.44	47.00
2018	0.0	0.780	64.90	64.90	71.34	79.95	52.21	3.11	1.53	4.00	28.78	38.37	87.14	47.94
2019	0.0	0.754	56.12	56.12	63.52	67.83	58.76	2.58	1.80	6.78	19.15	24.89	71.86	60.00
2020	0.0	0.739	39.23	39.23	41.75	45.20	35.50	2.13	2.25	5.42	16.27	20.34	49.72	2.85
2021	0.0	0.760	40.01	48.50	50.00	55.10	45.00	2.95	2.80	10.47	15.43	21.49	60.61	2.60
2022	1.5	0.760	40.81	51.50	54.00	58.20	48.50	2.98	2.72	9.89	20.37	26.19	64.02	9.00
2023	2.0	0.760	41.63	54.00	57.00	63.00	53.00	3.00	2.70	9.45	22.05	32.76	66.78	25.00
2024	2.0	0.760	42.46	57.00	60.00	66.80	56.00	3.05	2.74	9.35	23.38	34.74	70.81	25.50
2025	2.0	0.760	43.31	58.00	62.00	68.70	58.00	3.11	2.80	8.24	24.05	35.72	72.82	26.01
2026	2.0	0.760	44.18	59.00	64.00	71.00	60.00	3.20	2.85	8.52	24.85	36.92	75.26	26.53
2027	2.0	0.760	45.06	60.00	65.00	72.42	61.00	3.25	2.89	8.69	25.35	37.66	76.77	27.06
2028	2.0	0.760	45.96	61.00	66.00	73.80	62.00	3.30	2.95	8.86	25.83	38.38	78.23	27.60
2029	2.0	0.760	46.88	62.00	68.00	75.00	63.00	3.35	3.00	9.00	26.25	39.00	79.50	28.15
2030	2.0	0.760	47.82	63.20	69.20	76.50	64.00	3.45	3.05	9.18	26.78	39.78	81.09	28.72
2031	2.0	0.760	48.78	64.60	70.60	78.00	65.00	3.50	3.10	9.36	27.30	40.56	82.68	29.29
2032	2.0	0.760	49.75	66.00	72.00	80.00	66.00	3.60	3.20	9.60	28.00	41.60	84.80	29.88
2032+	escalate oil, gas and product prices at 2.0% per year thereafter													

Disclaimer: This price forecast is an estimate of future pricing and should be used at his/her own risk.
BGEC and its officers, directors and employees shall not be held responsible or liable for any use of the above information.

Arrow Exploration Corp.

Table 1A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Proved Developed Producing

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	PP	-	25	0.3	-	21	0.1	-25	-15	-8	-4
100/01-29-058-22W5/0	W=30.0	Commingled	PP	-	85	0.9	-	71	0.6	22	32	35	34
100/05-29-058-22W5/0	W=30.0	Commingled	PP	-	83	0.9	-	70	0.5	22	33	35	35
100/03-31-058-22W5/0	W=30.0	Commingled	PP	-	464	4.9	-	392	3.4	597	441	341	277
100/05-31-058-22W5/0	W=30.0	Commingled	PP	-	113	1.2	-	95	0.8	45	53	52	49
100/03-33-058-22W5/0	W=24.0	Commingled	PP	-	50	0.5	-	42	0.3	0	10	14	16
100/16-33-058-22W5/0	W=30.0	Commingled	PP	-	37	0.4	-	31	0.2	-17	-5	1	5
100/01-24-058-23W5/0	W=30.0	Commingled	PP	-	55	0.6	-	46	0.3	-14	0	6	9
100/15-24-058-23W5/0	W=30.0	Commingled	PP	-	113	1.2	-	95	0.8	55	61	59	55
102/16-25-058-23W5/0	W=30.0	Commingled	PP	-	244	2.6	-	206	1.8	224	191	159	134
100/01-36-058-23W5/0	W=30.0	Commingled	PP	-	35	0.4	-	30	0.2	-9	1	7	10
100/15-05-059-22W5/0	W=40.0	Commingled	PP	-	180	1.9	-	151	1.2	128	128	119	109
Subtotal 01) Fir (Producers)				**-**	**1,484**	**15.7**	**-**	**1,250**	**10.2**	**1,028**	**930**	**821**	**730**
Colombia													
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	PP	148	-	-	131	-	-	7,309	6,834	6,422	6,064
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-3,326	-3,029	-2,778	-2,564
Subtotal Rio Cravo Este				**148**	**-**	**-**	**131**	**-**	**-**	**3,983**	**3,805**	**3,645**	**3,500**
Total Arrow Exploration Corp.				**148**	**1,484**	**15.7**	**131**	**1,250**	**10.2**	**5,010**	**4,735**	**4,466**	**4,230**

BOURY
Global Energy Consultants

Arrow Exploration Corp.

Table 1B – Summary of Reserves and Future Net Revenue Forecast – Total Company
Effective Date as of December 31, 2020
Proved Developed Producing

Year	WI Wells	Company Share Oil: Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL: Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal: Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	4.14	155	56	44.38	2,507	520	190	2.30	435	6	2	32.55	65	247	90	33.39	3,008
2022	4.14	111	41	47.32	1,922	466	170	2.23	380	5	2	34.64	62	194	71	33.40	2,364
2023	4.14	84	31	49.76	1,524	420	153	2.21	339	4	2	36.51	59	158	58	33.26	1,922
2024	4.14	56	20	52.69	1,072	377	138	2.25	310	4	1	38.71	57	122	45	32.11	1,438
2025	3.34	-	-	-	-	316	115	2.30	265	3	1	39.81	49	56	20	15.33	313
2026	3.04	-	-	-	-	273	100	2.34	233	3	1	41.14	43	48	18	15.65	276
2027	2.74	-	-	-	-	248	91	2.37	215	3	1	41.97	40	44	16	15.88	255
2028	2.74	-	-	-	-	227	83	2.42	201	2	1	42.77	38	40	15	16.21	239
2029	2.74	-	-	-	-	186	68	2.46	167	2	1	43.46	31	33	12	16.48	198
2030	2.20	-	-	-	-	164	60	2.50	150	2	1	44.33	28	29	11	16.76	178
2031	1.90	-	-	-	-	130	47	2.54	120	1	1	45.20	23	23	8	17.04	143
2032	1.60	-	-	-	-	119	43	2.62	114	1	0	46.36	21	21	8	17.58	135
2033	1.60	-	-	-	-	81	29	2.68	79	1	0	47.29	15	14	5	17.93	94
2034	0.90	-	-	-	-	60	22	2.73	60	1	0	48.23	11	11	4	18.29	71
2035	0.60	-	-	-	-	55	20	2.79	56	1	0	49.20	11	10	4	18.65	67
Rem.	0.60	-	-	-	-	29	154	3.14	483	0	2	55.53	90	5	27	21.05	574
29.67 yr			**148**	**47.44**	**7,025**		**1,484**	**2.43**	**3,608**		**16**	**40.98**	**644**		**411**	**27.43**	**11,278**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	201	69	38	35	17	360	12.0	3,008	360	2,649
2022	154	53	22	32	14	276	11.7	2,364	276	2,089
2023	122	42	11	30	12	217	11.3	1,922	217	1,705
2024	86	30	3	29	11	158	11.0	1,438	158	1,280
2025	-	-	-	24	9	34	10.8	313	34	280
2026	-	-	-	22	8	30	10.8	276	30	247
2027	-	-	-	4	7	12	4.5	255	12	244
2028	-	-	-	4	6	10	4.4	239	10	228
2029	-	-	-	3	5	8	4.2	198	8	190
2030	-	-	-	3	5	7	4.1	178	7	171
2031	-	-	-	2	3	6	3.9	143	6	137
2032	-	-	-	2	3	5	3.9	135	5	130
2033	-	-	-	1	2	4	3.9	94	4	90
2034	-	-	-	1	2	3	3.9	71	3	69
2035	-	-	-	1	1	2	3.7	67	2	64
Rem.	-	-	-	8	10	19	3.2	574	19	555
29.67 yr	**562**	**194**	**74**	**203**	**117**	**1,151**	**10.2**	**11,278**	**1,151**	**10,127**

Year	Company Net Oil: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total: Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	136	50	2,200	435	159	419	3	1	30	211	77	2,649
2022	98	36	1,693	390	142	367	3	1	28	166	60	2,089
2023	74	27	1,349	351	128	330	2	1	27	135	49	1,705
2024	49	18	953	315	115	302	2	1	25	104	38	1,280
2025	-	-	-	264	96	258	2	1	22	46	17	280
2026	-	-	-	228	83	227	1	1	19	40	14	247
2027	-	-	-	211	77	210	2	1	33	37	14	244
2028	-	-	-	193	71	197	2	1	31	34	13	228
2029	-	-	-	158	58	164	2	1	26	28	10	190
2030	-	-	-	140	51	148	1	1	23	25	9	171
2031	-	-	-	110	40	119	1	0	19	20	7	137
2032	-	-	-	101	37	112	1	0	18	18	7	130
2033	-	-	-	69	25	78	1	0	12	12	4	90
2034	-	-	-	51	19	59	1	0	9	9	3	69
2035	-	-	-	47	17	56	0	0	9	8	3	64
Rem.	-	-	-	24	131	481	0	1	74	4	23	555
29.67 yr		**131**	**6,195**		**1,250**	**3,526**		**10**	**406**		**349**	**10,127**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	840	198	160	1,198	13.29	-	990	2,441	27.09	-	-	-	-	2,441	2,441	2,332
2022	851	199	134	1,185	16.73	-	756	1,660	23.44	-	-	-	-	1,660	4,101	1,447
2023	879	204	117	1,199	20.75	-	-	506	8.75	-	-	-	-	506	4,607	401
2024	756	193	99	1,048	23.40	164	-	68	5.19	-	-	-	-	68	4,675	54
2025	-	107	65	172	8.41	-	-	108	5.27	-	-	-	-	108	4,783	70
2026	-	98	57	156	8.81	-	-	91	5.16	-	-	-	-	91	4,874	54
2027	-	99	53	153	9.50	-	-	91	5.66	-	-	-	-	91	4,965	49
2028	-	101	50	151	10.25	-	-	77	5.24	-	-	-	-	77	5,042	38
2029	-	85	42	126	10.48	31	-	33	5.30	-	-	-	-	33	5,074	15
2030	-	81	37	118	11.11	32	-	21	4.97	-	-	-	-	21	5,096	8
2031	-	64	30	94	11.18	32	-	11	5.19	-	-	-	-	11	5,107	4
2032	-	64	28	92	11.98	-	-	38	4.90	-	-	-	-	38	5,145	13
2033	-	39	20	59	11.21	-	-	31	6.02	-	-	-	-	31	5,176	10
2034	-	26	15	41	10.46	61	-	-34	7.12	-	-	-	-	-34	5,143	-10
2035	-	25	14	39	11.01	35	-	-10	6.95	-	-	-	-	-10	5,133	-2
Rem.	-	302	119	422	15.47	256	-	-122	4.90	-	-	-	-	-122	5,010	-16
29.67 yr	**3,326**	**1,885**	**1,041**	**6,252**	**15.21**	**611**	**1,746**	**5,010**	**13.67**	**-**	**-**	**-**	**-**	**5,010**	**5,010**	**4,466**

Country/State	N/A
Avg. WI Share	35.63 %
Econ. Life/To Aban.	29.67 yr / 34.67 yr
Econ. RLI	4.65 yr
Capital Cost NPV @ 10%	-
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	-

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	296	148	131	6,195	5,728	5,482	5,330	4,986	4,688
Sales Gas (MMcf)	4,838	1,484	1,250	3,526	2,582	2,230	2,046	1,705	1,468
NGL (Mbbl)	51	16	10	406	275	228	205	162	134
Total (MBOE)	**1,154**	**411**	**349**	**10,127**	**8,586**	**7,940**	**7,581**	**6,853**	**6,290**
Total BTCF				**5,010**	**4,735**	**4,570**	**4,466**	**4,230**	**4,025**

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Arrow Exploration Corp.

Table 1C – Summary of Reserves and Future Net Revenue Forecast – Total Canada
Effective Date as of December 31, 2020
Proved Developed Producing

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	3.64	-	-	-	-	520	190	2.30	435	6	2	32.55	65	92	34	14.90	501
2022	3.64	-	-	-	-	466	170	2.23	380	5	2	34.64	62	83	30	14.66	442
2023	3.64	-	-	-	-	420	153	2.21	339	4	2	36.51	59	74	27	14.67	399
2024	3.64	-	-	-	-	377	138	2.25	310	4	1	38.71	57	67	24	14.99	367
2025	3.34	-	-	-	-	316	115	2.30	265	3	1	39.81	49	56	20	15.33	313
2026	3.04	-	-	-	-	273	100	2.34	233	3	1	41.14	43	48	18	15.65	276
2027	2.74	-	-	-	-	248	91	2.37	215	3	1	41.97	40	44	16	15.88	255
2028	2.74	-	-	-	-	227	83	2.42	201	2	1	42.77	38	40	15	16.21	239
2029	2.74	-	-	-	-	186	68	2.46	167	2	1	43.46	31	33	12	16.48	198
2030	2.20	-	-	-	-	164	60	2.50	150	2	1	44.33	28	29	11	16.76	178
2031	1.90	-	-	-	-	130	47	2.54	120	1	1	45.20	23	23	8	17.04	143
2032	1.60	-	-	-	-	119	43	2.62	114	1	0	46.36	21	21	8	17.58	135
2033	1.60	-	-	-	-	81	29	2.68	79	1	0	47.29	15	14	5	17.93	94
2034	0.90	-	-	-	-	60	22	2.73	60	1	0	48.23	11	11	4	18.29	71
2035	0.60	-	-	-	-	55	20	2.79	56	1	0	49.20	11	10	4	18.65	67
Rem.	0.60	-	-	-	-	29	154	3.14	483	0	2	55.53	90	5	27	21.05	574
29.67 yr			**-**	**-**	**-**		**1,484**	**2.43**	**3,608**		**16**	**40.98**	**644**		**263**	**16.17**	**4,252**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	-	-	-	35	17	52	10.4	501	52	449
2022	-	-	-	32	14	47	10.6	442	47	395
2023	-	-	-	30	12	42	10.6	399	42	356
2024	-	-	-	29	11	40	10.8	367	40	327
2025	-	-	-	24	9	34	10.8	313	34	280
2026	-	-	-	22	8	30	10.8	276	30	247
2027	-	-	-	4	7	12	4.5	255	12	244
2028	-	-	-	4	6	10	4.4	239	10	228
2029	-	-	-	3	5	8	4.2	198	8	190
2030	-	-	-	3	5	7	4.1	178	7	171
2031	-	-	-	2	3	6	3.9	143	6	137
2032	-	-	-	2	3	5	3.9	135	5	130
2033	-	-	-	1	2	4	3.9	94	4	90
2034	-	-	-	1	2	3	3.9	71	3	69
2035	-	-	-	1	1	2	3.7	67	2	64
Rem.	-	-	-	8	10	19	3.2	574	19	555
29.67 yr	**-**	**-**	**-**	**203**	**117**	**320**	**7.5**	**4,252**	**320**	**3,932**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	-	-	-	435	159	419	3	1	30	75	27	449
2022	-	-	-	390	142	367	3	1	28	68	25	395
2023	-	-	-	351	128	330	2	1	27	61	22	356
2024	-	-	-	315	115	302	2	1	25	55	20	327
2025	-	-	-	264	96	258	2	1	22	46	17	280
2026	-	-	-	228	83	227	1	1	19	40	14	247
2027	-	-	-	211	77	210	2	1	33	37	14	244
2028	-	-	-	193	71	197	2	1	31	34	13	228
2029	-	-	-	158	58	164	2	1	26	28	10	190
2030	-	-	-	140	51	148	1	1	23	25	9	171
2031	-	-	-	110	40	119	1	0	19	20	7	137
2032	-	-	-	101	37	112	1	0	18	18	7	130
2033	-	-	-	69	25	78	1	0	12	12	4	90
2034	-	-	-	51	19	59	1	0	9	9	3	69
2035	-	-	-	47	17	56	0	0	9	8	3	64
Rem.	-	-	-	24	131	481	0	1	74	4	23	555
29.67 yr		**-**	**-**		**1,250**	**3,526**		**10**	**406**		**218**	**3,932**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	-	120	101	220	6.56	-	-	228	6.79	-	-	-	-	228	228	218
2022	-	120	91	211	6.99	-	-	184	6.11	-	-	-	-	184	413	160
2023	-	122	83	205	7.55	-	-	151	5.57	-	-	-	-	151	564	119
2024	-	123	76	199	8.13	-	-	128	5.24	-	-	-	-	128	692	92
2025	-	107	65	172	8.41	-	-	108	5.27	-	-	-	-	108	800	70
2026	-	98	57	156	8.81	-	-	91	5.16	-	-	-	-	91	891	54
2027	-	99	53	153	9.50	-	-	91	5.66	-	-	-	-	91	982	49
2028	-	101	50	151	10.25	-	-	77	5.24	-	-	-	-	77	1,059	38
2029	-	85	42	126	10.48	31	-	33	5.30	-	-	-	-	33	1,092	15
2030	-	81	37	118	11.11	32	-	21	4.97	-	-	-	-	21	1,113	8
2031	-	64	30	94	11.18	32	-	11	5.19	-	-	-	-	11	1,125	4
2032	-	64	28	92	11.98	-	-	38	4.90	-	-	-	-	38	1,162	13
2033	-	39	20	59	11.21	-	-	31	6.02	-	-	-	-	31	1,194	10
2034	-	26	15	41	10.46	61	-	-34	7.12	-	-	-	-	-34	1,160	-10
2035	-	25	14	39	11.01	35	-	-10	6.95	-	-	-	-	-10	1,150	-2
Rem.	-	302	119	422	15.47	256	-	-122	4.90	-	-	-	-	-122	1,028	-16
29.67 yr	**-**	**1,576**	**881**	**2,457**	**9.34**	**447**	**-**	**1,028**	**5.61**	**-**	**-**	**-**	**-**	**1,028**	**1,028**	**821**

Country/State	Canada/Alberta
Avg. WI Share	30.67 %
Econ. Life/To Aban.	29.67 yr / 34.67 yr
Econ. RLI	7.45 yr
Capital Cost NPV @ 10%	-
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	-

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	4,838	1,484	1,250	3,526	2,582	2,230	2,046	1,705	1,468
NGL (Mbbl)	51	16	10	406	275	228	205	162	134
Total (MBOE)	**858**	**263**	**218**	**3,932**	**2,858**	**2,458**	**2,251**	**1,867**	**1,602**
Total BTCF				**1,028**	**930**	**863**	**821**	**730**	**655**

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Arrow Exploration Corp.

Table 1D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia
Effective Date as of December 31, 2020
Proved Developed Producing

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	0.50	155	56	44.38	2,507	-	-	-	-	-	-	-	-	155	56	44.38	2,507
2022	0.50	111	41	47.32	1,922	-	-	-	-	-	-	-	-	111	41	47.32	1,922
2023	0.50	84	31	49.76	1,524	-	-	-	-	-	-	-	-	84	31	49.76	1,524
2024 (10)	0.50	67	20	52.69	1,072	-	-	-	-	-	-	-	-	67	20	52.69	1,072
3.83 yr			**148**	**47.44**	**7,025**		**-**	**-**	**-**		**-**	**-**	**-**		**148**	**47.44**	**7,025**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	201	69	38	-	-	308	12.3	2,507	308	2,200
2022	154	53	22	-	-	229	11.9	1,922	229	1,693
2023	122	42	11	-	-	175	11.5	1,524	175	1,349
2024 (10)	86	30	3	-	-	119	11.1	1,072	119	953
3.83 yr	**562**	**194**	**74**	**-**	**-**	**830**	**11.8**	**7,025**	**830**	**6,195**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	136	50	2,200	-	-	-	-	-	-	136	50	2,200
2022	98	36	1,693	-	-	-	-	-	-	98	36	1,693
2023	74	27	1,349	-	-	-	-	-	-	74	27	1,349
2024 (10)	59	18	953	-	-	-	-	-	-	59	18	953
3.83 yr		**131**	**6,195**		**-**	**-**		**-**	**-**		**131**	**6,195**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	840	78	59	977	17.30	-	990	2,213	39.17	-	-	-	-	2,213	2,213	2,114
2022	851	79	43	974	23.97	-	756	1,475	36.31	-	-	-	-	1,475	3,688	1,287
2023	879	82	34	994	32.47	-	-	355	11.58	-	-	-	-	355	4,043	282
2024 (10)	756	70	23	849	41.74	164	-	-60	5.12	-	-	-	-	-60	3,983	-38
3.83 yr	**3,326**	**309**	**159**	**3,795**	**25.62**	**164**	**1,746**	**3,983**	**28.00**	**-**	**-**	**-**	**-**	**3,983**	**3,983**	**3,645**

Country/State	Colombia
Avg. WI Share	50.00 %
Econ. Life/To Aban.	3.83 yr / 3.83 yr
Econ. RLI	2.23 yr
Capital Cost NPV @ 10%	-
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	-

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	296	148	131	6,195	5,728	5,482	5,330	4,986	4,688
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**296**	**148**	**131**	**6,195**	**5,728**	**5,482**	**5,330**	**4,986**	**4,688**
Total BTCF				**3,983**	**3,805**	**3,707**	**3,645**	**3,500**	**3,369**

Arrow Exploration Corp.

Table 1E – After Tax Analysis – Total Company
Effective Date as of December 31, 2020
Proved Developed Producing

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,714	2,568	-	-	-	-	-	-	-	2,441	-	2,441	2,441	2,332
2022	1,917	1,867	-	-	-	-	-	-	-	1,660	-	1,660	4,101	1,447
2023	753	1,419	-	-	-	-	-	-	-	506	-	506	4,607	401
2024	307	971	-	-	-	-	-	-	-	68	-	68	4,675	54
2025	313	108	-	-	-	-	-	-	-	108	-	108	4,783	70
2026	276	91	-	-	-	-	-	-	-	91	-	91	4,874	54
2027	255	91	-	-	-	-	-	-	-	91	-	91	4,965	49
2028	239	77	-	-	-	-	-	-	-	77	-	77	5,042	38
2029	198	33	-	-	-	-	-	-	-	33	-	33	5,074	15
2030	178	21	-	-	-	-	-	-	-	21	-	21	5,096	8
2031	143	11	-	-	-	-	-	-	-	11	-	11	5,107	4
2032	135	38	-	-	-	-	-	-	-	38	-	38	5,145	13
2033	94	31	-	-	-	-	-	-	-	31	-	31	5,176	10
2034	71	-	-	-	-	-	-	-	-	-34	-	-34	5,143	-10
2035	67	-	-	-	-	-	-	-	-	-10	-	-10	5,133	-2
Rem.	574	77	-	-	-	-	-	-	-	-122	-	-122	5,010	-16
35.00 yr	**8,235**	**7,403**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,010**	**-**	**5,010**	**5,010**	**4,466**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	5,010	4,735	4,570	4,466	4,230	4,025
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	5,010	4,735	4,570	4,466	4,230	4,025

Arrow Exploration Corp.

Table 1F – After Tax Analysis – Total Canada
Effective Date as of December 31, 2020
Proved Developed Producing

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	228	228	-	-	-	-	-	228	-	228	228	218
2022	184	184	-	-	-	-	-	184	-	184	413	160
2023	151	151	-	-	-	-	-	151	-	151	564	119
2024	128	128	-	-	-	-	-	128	-	128	692	92
2025	108	108	-	-	-	-	-	108	-	108	800	70
2026	91	91	-	-	-	-	-	91	-	91	891	54
2027	91	91	-	-	-	-	-	91	-	91	982	49
2028	77	77	-	-	-	-	-	77	-	77	1,059	38
2029	33	33	-	-	-	-	-	33	-	33	1,092	15
2030	21	21	-	-	-	-	-	21	-	21	1,113	8
2031	11	11	-	-	-	-	-	11	-	11	1,125	4
2032	38	38	-	-	-	-	-	38	-	38	1,162	13
2033	31	31	-	-	-	-	-	31	-	31	1,194	10
2034	-34	-	-	-	-	-	-	-34	-	-34	1,160	-10
2035	-10	-	-	-	-	-	-	-10	-	-10	1,150	-2
Rem.	-122	77	-	-	-	-	-	-122	-	-122	1,028	-16
35.00 yr	**1,028**	**1,270**	**-**	**-**	**-**	**-**	**-**	**1,028**	**-**	**1,028**	**1,028**	**821**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	1,028	930	863	821	730	655
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	1,028	930	863	821	730	655

Arrow Exploration Corp.

Table 1G – After Tax Analysis – Total Colombia
Effective Date as of December 31, 2020
Proved Developed Producing

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,213	2,340	-	-	-	2,213	-	2,213	2,213	2,114
2022	1,475	1,682	-	-	-	1,475	-	1,475	3,688	1,287
2023	355	1,268	-	-	-	355	-	355	4,043	282
2024	-60	843	-	-	-	-60	-	-60	3,983	-38
4.00 yr	**3,983**	**6,133**	**-**	**-**	**-**	**3,983**	**-**	**3,983**	**3,983**	**3,645**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	3,983	3,805	3,707	3,645	3,500	3,369
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	3,983	3,805	3,707	3,645	3,500	3,369

Arrow Exploration Corp.

Table 2A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved Developed

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	PP	-	25	0.3	-	21	0.1	-25	-15	-8	-4
100/01-29-058-22W5/0	W=30.0	Commingled	PP	-	85	0.9	-	71	0.6	22	32	35	34
100/05-29-058-22W5/0	W=30.0	Commingled	PP	-	83	0.9	-	70	0.5	22	33	35	35
100/03-31-058-22W5/0	W=30.0	Commingled	PP	-	464	4.9	-	392	3.4	597	441	341	277
100/05-31-058-22W5/0	W=30.0	Commingled	PP	-	113	1.2	-	95	0.8	45	53	52	49
100/03-33-058-22W5/0	W=24.0	Commingled	PP	-	50	0.5	-	42	0.3	0	10	14	16
100/16-33-058-22W5/0	W=30.0	Commingled	PP	-	37	0.4	-	31	0.2	-17	-5	1	5
100/01-24-058-23W5/0	W=30.0	Commingled	PP	-	55	0.6	-	46	0.3	-14	0	6	9
100/15-24-058-23W5/0	W=30.0	Commingled	PP	-	113	1.2	-	95	0.8	55	61	59	55
102/16-25-058-23W5/0	W=30.0	Commingled	PP	-	244	2.6	-	206	1.8	224	191	159	134
100/01-36-058-23W5/0	W=30.0	Commingled	PP	-	35	0.4	-	30	0.2	-9	1	7	10
100/15-05-059-22W5/0	W=40.0	Commingled	PP	-	180	1.9	-	151	1.2	128	128	119	109
Subtotal 01) Fir (Producers)				**-**	**1,484**	**15.7**	**-**	**1,250**	**10.2**	**1,028**	**930**	**821**	**730**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+NP	-	1,295	25.9	-	1,215	20.1	1,433	1,206	1,011	849
100/06-26-052-23W5/0	W=100.0		P+NP	-	1,963	39.3	-	1,801	29.2	2,688	2,214	1,835	1,537
Subtotal 01) Pepper Locations				**-**	**3,258**	**65.2**	**-**	**3,016**	**49.4**	**4,121**	**3,420**	**2,846**	**2,387**
Subtotal Alberta				**-**	**4,741**	**80.9**	**-**	**4,265**	**59.5**	**5,149**	**4,350**	**3,667**	**3,117**
Colombia													
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+NP	68	-	-	61	-	-	2,043	1,892	1,760	1,644
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+NP	33	-	-	30	-	-	895	841	793	750
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+NP	5	-	-	4	-	-	-197	-176	-157	-141
Subtotal 1) Oso Pardo (Oil)				**106**	**-**	**-**	**95**	**-**	**-**	**2,740**	**2,557**	**2,397**	**2,254**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-2,758	-2,545	-2,361	-2,202
Subtotal Oso Pardo				**106**	**-**	**-**	**95**	**-**	**-**	**-18**	**13**	**35**	**52**
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	PP	148	-	-	131	-	-	7,309	6,834	6,422	6,064
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-3,326	-3,029	-2,778	-2,564
Subtotal Rio Cravo Este				**148**	**-**	**-**	**131**	**-**	**-**	**3,983**	**3,805**	**3,645**	**3,500**
Subtotal Colombia				**255**	**-**	**80.9**	**226**	**-**	**59.5**	**3,965**	**3,817**	**3,680**	**3,552**
Total Arrow Exploration Corp.				**255**	**4,741**	**80.9**	**226**	**4,265**	**59.5**	**9,114**	**8,167**	**7,347**	**6,668**

Arrow Exploration Corp.

Table 2B – Summary of Reserves and Future Net Revenue Forecast – Total Company
Effective Date as of December 31, 2020
Total Proved Developed

Year	WI Wells	Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			Company Share Sales Revenue M$US
		Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	
2021	7.14	248	91	44.93	4,071	520	190	2.30	435	6	2	32.55	65	340	124	36.80	4,572
2022	9.14	214	78	47.97	3,751	1,386	506	2.23	1,129	23	9	45.69	389	469	171	30.81	5,269
2023	9.14	162	59	50.37	2,988	3,346	1,221	2.22	2,706	63	23	49.75	1,143	783	286	23.92	6,837
2024	8.14	72	26	52.96	1,401	1,821	666	2.25	1,499	33	12	51.98	625	409	150	23.57	3,525
2025	5.34	-	-	-	-	1,225	447	2.30	1,027	22	8	52.93	416	226	82	17.52	1,443
2026	5.04	-	-	-	-	916	334	2.34	782	16	6	54.25	312	168	61	17.79	1,093
2027	4.74	-	-	-	-	735	268	2.37	636	12	5	54.86	247	135	49	17.95	883
2028	4.74	-	-	-	-	613	224	2.42	543	10	4	55.48	205	112	41	18.22	748
2029	4.74	-	-	-	-	502	183	2.46	451	8	3	56.38	170	92	34	18.52	621
2030	4.20	-	-	-	-	429	157	2.50	392	7	3	57.35	147	79	29	18.81	539
2031	3.90	-	-	-	-	356	130	2.54	331	6	2	58.73	127	65	24	19.19	457
2032	3.60	-	-	-	-	270	99	2.63	259	4	2	59.14	93	49	18	19.53	352
2033	2.60	-	-	-	-	184	67	2.68	179	3	1	60.31	64	34	12	19.91	243
2034	1.90	-	-	-	-	151	55	2.73	151	2	1	62.16	56	28	10	20.46	207
2035	1.60	-	-	-	-	110	40	2.79	112	2	1	61.71	38	20	7	20.50	150
Rem.	0.60	-	-	-	-	29	154	3.14	483	0	2	55.53	90	5	27	21.05	574
29.67 yr			**255**	**47.96**	**12,210**		**4,741**	**2.34**	**11,115**		**81**	**51.79**	**4,189**		**1,126**	**24.44**	**27,514**

Year	Royalties & Burdens							Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %			
2021	326	112	38	35	17	528	11.5	4,572	528	4,044
2022	300	104	22	67	14	507	9.6	5,269	507	4,762
2023	239	82	11	361	12	706	10.3	6,837	706	6,131
2024	112	39	3	256	11	421	11.9	3,525	421	3,104
2025	-	-	-	161	9	171	11.8	1,443	171	1,273
2026	-	-	-	115	8	123	11.2	1,093	123	971
2027	-	-	-	34	7	41	4.6	883	41	843
2028	-	-	-	22	6	28	3.7	748	28	720
2029	-	-	-	14	5	20	3.1	621	20	602
2030	-	-	-	11	5	15	2.8	539	15	524
2031	-	-	-	8	3	12	2.5	457	12	446
2032	-	-	-	6	3	9	2.7	352	9	343
2033	-	-	-	4	2	6	2.6	243	6	237
2034	-	-	-	3	2	5	2.5	207	5	202
2035	-	-	-	2	1	4	2.6	150	4	146
Rem.	-	-	-	8	10	19	3.2	574	19	555
29.67 yr	**977**	**337**	**74**	**1,108**	**117**	**2,613**	**9.5**	**27,514**	**2,613**	**24,901**

Year	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	219	80	3,595	435	159	419	3	1	30	294	107	4,044
2022	190	69	3,325	1,264	461	1,096	20	7	341	421	154	4,762
2023	144	53	2,655	2,989	1,091	2,584	47	17	892	690	252	6,131
2024	64	24	1,247	1,650	604	1,456	19	7	401	359	131	3,104
2025	-	-	-	1,106	404	1,006	13	5	267	197	72	1,273
2026	-	-	-	824	301	770	9	3	201	147	53	971
2027	-	-	-	673	246	630	10	4	213	122	45	843
2028	-	-	-	559	205	538	9	3	182	102	37	720
2029	-	-	-	458	167	448	7	3	154	84	31	602
2030	-	-	-	391	143	389	6	2	135	71	26	524
2031	-	-	-	325	119	329	5	2	117	60	22	446
2032	-	-	-	245	90	258	4	1	85	45	16	343
2033	-	-	-	166	61	178	3	1	59	30	11	237
2034	-	-	-	138	50	150	2	1	52	25	9	202
2035	-	-	-	99	36	111	2	1	35	18	7	146
Rem.	-	-	-	24	131	481	0	1	74	4	23	555
29.67 yr		**226**	**10,822**		**4,265**	**10,842**		**60**	**3,236**		**996**	**24,901**

Year	Operating Costs					Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs				Before Tax Cash Flow		
	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE					Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	1,456	366	240	2,061	16.59	-	990	2,973	23.93	469	-	-	469	2,504	2,504	2,374
2022	1,703	479	456	2,638	15.43	-	756	2,879	16.83	-	-	1,530	1,530	1,349	3,853	1,180
2023	1,758	551	934	3,242	11.34	223	-	2,666	10.11	-	-	-	-	2,666	6,519	2,117
2024	980	390	492	1,862	12.45	625	-	617	8.30	-	-	-	-	617	7,135	441
2025	-	262	307	569	6.91	-	-	704	8.54	-	-	-	-	704	7,839	460
2026	-	257	232	489	7.95	-	-	482	7.85	-	-	-	-	482	8,321	286
2027	-	261	188	449	9.13	-	-	394	8.00	-	-	-	-	394	8,715	212
2028	-	266	159	425	10.35	-	-	295	7.18	-	-	-	-	295	9,009	145
2029	-	253	132	385	11.49	31	-	185	6.45	-	-	-	-	185	9,194	83
2030	-	253	115	368	12.82	32	-	125	5.46	-	-	-	-	125	9,319	50
2031	-	239	98	337	14.14	32	-	77	4.57	-	-	-	-	77	9,396	28
2032	-	190	74	265	14.67	-	-	78	4.34	-	-	-	-	78	9,474	26
2033	-	130	51	181	14.82	-	-	56	4.57	-	-	-	-	56	9,530	17
2034	-	119	44	162	16.04	61	-	-22	3.91	-	-	-	-	-22	9,508	-7
2035	-	88	32	120	16.37	35	-	-9	3.59	-	-	-	-	-9	9,499	-2
Rem.	-	302	119	422	15.47	519	-	-386	4.90	-	-	-	-	-386	9,114	-63
29.67 yr	**5,897**	**4,406**	**3,673**	**13,976**	**12.42**	**1,559**	**1,746**	**11,113**	**11.26**	**469**	**-**	**1,530**	**1,999**	**9,114**	**9,114**	**7,347**

Country/State	N/A
Avg. WI Share	60.25 %
Econ. Life/To Aban.	29.67 yr / 34.67 yr
Econ. RLI	7.53 yr
Capital Cost NPV @ 10%	1,758
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	0.6

Product	Remaining Reserves			Net Revenue NPV (M$US)					
	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	403	255	226	10,822	10,008	9,577	9,309	8,704	8,176
Sales Gas (MMcf)	8,096	4,741	4,265	10,842	8,462	7,455	6,899	5,793	4,971
NGL (Mbbl)	116	81	60	3,236	2,532	2,227	2,057	1,718	1,465
Total (MBOE)	**1,868**	**1,126**	**996**	**24,901**	**21,002**	**19,258**	**18,265**	**16,215**	**14,612**
Total BTCF				**9,114**	**8,167**	**7,657**	**7,347**	**6,668**	**6,108**

Arrow Exploration Corp.

Table 2C – Summary of Reserves and Future Net Revenue Forecast – Total Canada
Effective Date as of December 31, 2020
Total Proved Developed

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	3.64	-	-	-	-	520	190	2.30	435	6	2	32.55	65	92	34	14.90	501
2022	5.64	-	-	-	-	1,386	506	2.23	1,129	23	9	45.69	389	254	93	16.36	1,519
2023	5.64	-	-	-	-	3,346	1,221	2.22	2,706	63	23	49.75	1,143	621	227	16.99	3,849
2024	5.64	-	-	-	-	1,821	666	2.25	1,499	33	12	51.98	625	336	123	17.25	2,124
2025	5.34	-	-	-	-	1,225	447	2.30	1,027	22	8	52.93	416	226	82	17.52	1,443
2026	5.04	-	-	-	-	916	334	2.34	782	16	6	54.25	312	168	61	17.79	1,093
2027	4.74	-	-	-	-	735	268	2.37	636	12	5	54.86	247	135	49	17.95	883
2028	4.74	-	-	-	-	613	224	2.42	543	10	4	55.48	205	112	41	18.22	748
2029	4.74	-	-	-	-	502	183	2.46	451	8	3	56.38	170	92	34	18.52	621
2030	4.20	-	-	-	-	429	157	2.50	392	7	3	57.35	147	79	29	18.81	539
2031	3.90	-	-	-	-	356	130	2.54	331	6	2	58.73	127	65	24	19.19	457
2032	3.60	-	-	-	-	270	99	2.63	259	4	2	59.14	93	49	18	19.53	352
2033	2.60	-	-	-	-	184	67	2.68	179	3	1	60.31	64	34	12	19.91	243
2034	1.90	-	-	-	-	151	55	2.73	151	2	1	62.16	56	28	10	20.46	207
2035	1.60	-	-	-	-	110	40	2.79	112	2	1	61.71	38	20	7	20.50	150
Rem.	0.60	-	-	-	-	29	154	3.14	483	0	2	55.53	90	5	27	21.05	574
29.67 yr			**-**	**-**	**-**		**4,741**	**2.34**	**11,115**		**81**	**51.79**	**4,189**		**871**	**17.57**	**15,304**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	-	-	-	35	17	52	10.4	501	52	449
2022	-	-	-	67	14	81	5.4	1,519	81	1,437
2023	-	-	-	361	12	374	9.7	3,849	374	3,476
2024	-	-	-	256	11	267	12.6	2,124	267	1,857
2025	-	-	-	161	9	171	11.8	1,443	171	1,273
2026	-	-	-	115	8	123	11.2	1,093	123	971
2027	-	-	-	34	7	41	4.6	883	41	843
2028	-	-	-	22	6	28	3.7	748	28	720
2029	-	-	-	14	5	20	3.1	621	20	602
2030	-	-	-	11	5	15	2.8	539	15	524
2031	-	-	-	8	3	12	2.5	457	12	446
2032	-	-	-	6	3	9	2.7	352	9	343
2033	-	-	-	4	2	6	2.6	243	6	237
2034	-	-	-	3	2	5	2.5	207	5	202
2035	-	-	-	2	1	4	2.6	150	4	146
Rem.	-	-	-	8	10	19	3.2	574	19	555
29.67 yr	**-**	**-**	**-**	**1,108**	**117**	**1,225**	**8.0**	**15,304**	**1,225**	**14,079**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	-	-	-	435	159	419	3	1	30	75	27	449
2022	-	-	-	1,264	461	1,096	20	7	341	231	84	1,437
2023	-	-	-	2,989	1,091	2,584	47	17	892	545	199	3,476
2024	-	-	-	1,650	604	1,456	19	7	401	294	108	1,857
2025	-	-	-	1,106	404	1,006	13	5	267	197	72	1,273
2026	-	-	-	824	301	770	9	3	201	147	53	971
2027	-	-	-	673	246	630	10	4	213	122	45	843
2028	-	-	-	559	205	538	9	3	182	102	37	720
2029	-	-	-	458	167	448	7	3	154	84	31	602
2030	-	-	-	391	143	389	6	2	135	71	26	524
2031	-	-	-	325	119	329	5	2	117	60	22	446
2032	-	-	-	245	90	258	4	1	85	45	16	343
2033	-	-	-	166	61	178	3	1	59	30	11	237
2034	-	-	-	138	50	150	2	1	52	25	9	202
2035	-	-	-	99	36	111	2	1	35	18	7	146
Rem.	-	-	-	24	131	481	0	1	74	4	23	555
29.67 yr		**-**	**-**		**4,265**	**10,842**		**60**	**3,236**		**770**	**14,079**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	-	120	101	220	6.56	-	-	228	6.79	-	-	-	-	228	228	218
2022	-	145	324	468	5.04	-	-	969	10.44	-	-	1,530	1,530	-561	-333	-486
2023	-	271	830	1,101	4.86	-	-	2,375	10.48	-	-	-	-	2,375	2,042	1,888
2024	-	275	453	729	5.92	-	-	1,129	9.17	-	-	-	-	1,129	3,171	812
2025	-	262	307	569	6.91	-	-	704	8.54	-	-	-	-	704	3,874	460
2026	-	257	232	489	7.95	-	-	482	7.85	-	-	-	-	482	4,356	286
2027	-	261	188	449	9.13	-	-	394	8.00	-	-	-	-	394	4,750	212
2028	-	266	159	425	10.35	-	-	295	7.18	-	-	-	-	295	5,045	145
2029	-	253	132	385	11.49	31	-	185	6.45	-	-	-	-	185	5,230	83
2030	-	253	115	368	12.82	32	-	125	5.46	-	-	-	-	125	5,355	50
2031	-	239	98	337	14.14	32	-	77	4.57	-	-	-	-	77	5,431	28
2032	-	190	74	265	14.67	-	-	78	4.34	-	-	-	-	78	5,509	26
2033	-	130	51	181	14.82	-	-	56	4.57	-	-	-	-	56	5,565	17
2034	-	119	44	162	16.04	61	-	-22	3.91	-	-	-	-	-22	5,543	-7
2035	-	88	32	120	16.37	35	-	-9	3.59	-	-	-	-	-9	5,535	-2
Rem.	-	302	119	422	15.47	519	-	-386	4.90	-	-	-	-	-386	5,149	-63
29.67 yr	**-**	**3,431**	**3,258**	**6,689**	**7.68**	**711**	**-**	**6,679**	**8.48**	**-**	**-**	**1,530**	**1,530**	**5,149**	**5,149**	**3,667**

Country/State	Canada/Alberta
Avg. WI Share	59.43 %
Econ. Life/To Aban.	29.67 yr / 34.67 yr
Econ. RLI	12.73 yr
Capital Cost NPV @ 10%	1,300
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	0.5

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	8,096	4,741	4,265	10,842	8,462	7,455	6,899	5,793	4,971
NGL (Mbbl)	116	81	60	3,236	2,532	2,227	2,057	1,718	1,465
Total (MBOE)	**1,466**	**871**	**770**	**14,079**	**10,994**	**9,682**	**8,956**	**7,511**	**6,436**
Total BTCF				**5,149**	**4,350**	**3,924**	**3,667**	**3,117**	**2,676**

Arrow Exploration Corp.

Table 2D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia
Effective Date as of December 31, 2020
Total Proved Developed

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	3.50	248	91	44.93	4,071	-	-	-	-	-	-	-	-	248	91	44.93	4,071
2022	3.50	214	78	47.97	3,751	-	-	-	-	-	-	-	-	214	78	47.97	3,751
2023	3.50	162	59	50.37	2,988	-	-	-	-	-	-	-	-	162	59	50.37	2,988
2024 (10)	2.50	87	26	52.96	1,401	-	-	-	-	-	-	-	-	87	26	52.96	1,401
3.83 yr			**255**	**47.96**	**12,210**		**-**	**-**	**-**		**-**	**-**	**-**		**255**	**47.96**	**12,210**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	326	112	38	-	-	476	11.7	4,071	476	3,595
2022	300	104	22	-	-	426	11.4	3,751	426	3,325
2023	239	82	11	-	-	332	11.1	2,988	332	2,655
2024 (10)	112	39	3	-	-	154	11.0	1,401	154	1,247
3.83 yr	**977**	**337**	**74**	**-**	**-**	**1,388**	**11.4**	**12,210**	**1,388**	**10,822**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	219	80	3,595	-	-	-	-	-	-	219	80	3,595
2022	190	69	3,325	-	-	-	-	-	-	190	69	3,325
2023	144	53	2,655	-	-	-	-	-	-	144	53	2,655
2024 (10)	77	24	1,247	-	-	-	-	-	-	77	24	1,247
3.83 yr		**226**	**10,822**		**-**	**-**		**-**	**-**		**226**	**10,822**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	1,456	246	139	1,841	20.32	-	990	2,744	30.29	469	-	-	469	2,275	2,275	2,156
2022	1,703	335	133	2,170	27.75	-	756	1,910	24.43	-	-	-	-	1,910	4,186	1,667
2023	1,758	279	104	2,141	36.10	223	-	291	8.67	-	-	-	-	291	4,477	229
2024 (10)	980	115	38	1,134	42.87	625	-	-512	4.27	-	-	-	-	-512	3,965	-371
3.83 yr	**5,897**	**975**	**415**	**7,286**	**28.62**	**848**	**1,746**	**4,434**	**20.75**	**469**	**-**	**-**	**469**	**3,965**	**3,965**	**3,680**

Country/State	Colombia
Avg. WI Share	63.22 %
Econ. Life/To Aban.	3.83 yr / 3.83 yr
Econ. RLI	3.03 yr
Capital Cost NPV @ 10%	458
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	0.2

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	403	255	226	10,822	10,008	9,577	9,309	8,704	8,176
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**403**	**255**	**226**	**10,822**	**10,008**	**9,577**	**9,309**	**8,704**	**8,176**
Total BTCF				**3,965**	**3,817**	**3,734**	**3,680**	**3,552**	**3,432**

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Arrow Exploration Corp.

Table 2E – After Tax Analysis – Total Company
Effective Date as of December 31, 2020
Total Proved Developed

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	3,245	6,565	-	-	-	-	-	-	-	2,504	-	2,504	2,504	2,374
2022	3,429	7,053	-	-	-	-	-	-	-	1,349	-	1,349	3,853	1,180
2023	4,141	7,004	-	-	-	-	-	-	-	2,666	-	2,666	6,519	2,117
2024	1,612	2,687	-	-	-	-	-	-	-	617	-	617	7,135	441
2025	1,443	704	-	-	-	-	-	-	-	704	-	704	7,839	460
2026	1,093	482	-	-	-	-	-	-	-	482	-	482	8,321	286
2027	883	394	-	-	-	-	-	-	-	394	-	394	8,715	212
2028	748	295	-	-	-	-	-	-	-	295	-	295	9,009	145
2029	621	185	-	-	-	-	-	-	-	185	-	185	9,194	83
2030	539	125	-	-	-	-	-	-	-	125	-	125	9,319	50
2031	457	77	-	-	-	-	-	-	-	77	-	77	9,396	28
2032	352	78	-	-	-	-	-	-	-	78	-	78	9,474	26
2033	243	56	-	-	-	-	-	-	-	56	-	56	9,530	17
2034	207	-	-	-	-	-	-	-	-	-22	-	-22	9,508	-7
2035	150	-	-	-	-	-	-	-	-	-9	-	-9	9,499	-2
Rem.	574	45	-	-	-	-	-	-	-	-386	-	-386	9,114	-63
35.00 yr	**19,738**	**25,747**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,114**	**-**	**9,114**	**9,114**	**7,347**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	9,114	8,167	7,657	7,347	6,668	6,108
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	9,114	8,167	7,657	7,347	6,668	6,108

Arrow Exploration Corp.

Table 2F – After Tax Analysis – Total Canada
Effective Date as of December 31, 2020
Total Proved Developed

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	228	228	-	-	-	-	-	228	-	228	228	218
2022	969	969	-	-	-	-	-	-561	-	-561	-333	-486
2023	2,375	2,375	-	-	-	-	-	2,375	-	2,375	2,042	1,888
2024	1,129	1,129	-	-	-	-	-	1,129	-	1,129	3,171	812
2025	704	704	-	-	-	-	-	704	-	704	3,874	460
2026	482	482	-	-	-	-	-	482	-	482	4,356	286
2027	394	394	-	-	-	-	-	394	-	394	4,750	212
2028	295	295	-	-	-	-	-	295	-	295	5,045	145
2029	185	185	-	-	-	-	-	185	-	185	5,230	83
2030	125	125	-	-	-	-	-	125	-	125	5,355	50
2031	77	77	-	-	-	-	-	77	-	77	5,431	28
2032	78	78	-	-	-	-	-	78	-	78	5,509	26
2033	56	56	-	-	-	-	-	56	-	56	5,565	17
2034	-22	-	-	-	-	-	-	-22	-	-22	5,543	-7
2035	-9	-	-	-	-	-	-	-9	-	-9	5,535	-2
Rem.	-386	45	-	-	-	-	-	-386	-	-386	5,149	-63
35.00 yr	**6,679**	**7,140**	**-**	**-**	**-**	**-**	**-**	**5,149**	**-**	**5,149**	**5,149**	**3,667**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	5,149	4,350	3,924	3,667	3,117	2,676
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	5,149	4,350	3,924	3,667	3,117	2,676

Arrow Exploration Corp.
Table 2G – After Tax Analysis – Total Colombia
Effective Date as of December 31, 2020
Total Proved Developed

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,744	6,336	-	-	-	2,275	-	2,275	2,275	2,156
2022	1,910	6,084	-	-	-	1,910	-	1,910	4,186	1,667
2023	291	4,629	-	-	-	291	-	291	4,477	229
2024	-512	1,558	-	-	-	-512	-	-512	3,965	-371
4.00 yr	**4,434**	**18,607**	**-**	**-**	**-**	**3,965**	**-**	**3,965**	**3,965**	**3,680**

Cash Flow NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	3,965	3,817	3,734	3,680	3,552	3,432
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	3,965	3,817	3,734	3,680	3,552	3,432

Arrow Exploration Corp.
Table 3A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	PP	-	25	0.3	-	21	0.1	-25	-15	-8	-4
100/01-29-058-22W5/0	W=30.0	Commingled	PP	-	85	0.9	-	71	0.6	22	32	35	34
100/05-29-058-22W5/0	W=30.0	Commingled	PP	-	83	0.9	-	70	0.5	22	33	35	35
100/03-31-058-22W5/0	W=30.0	Commingled	PP	-	464	4.9	-	392	3.4	597	441	341	277
100/05-31-058-22W5/0	W=30.0	Commingled	PP	-	113	1.2	-	95	0.8	45	53	52	49
100/03-33-058-22W5/0	W=24.0	Commingled	PP	-	50	0.5	-	42	0.3	0	10	14	16
100/16-33-058-22W5/0	W=30.0	Commingled	PP	-	37	0.4	-	31	0.2	-17	-5	1	5
100/01-24-058-23W5/0	W=30.0	Commingled	PP	-	55	0.6	-	46	0.3	-14	0	6	9
100/15-24-058-23W5/0	W=30.0	Commingled	PP	-	113	1.2	-	95	0.8	55	61	59	55
102/16-25-058-23W5/0	W=30.0	Commingled	PP	-	244	2.6	-	206	1.8	224	191	159	134
100/01-36-058-23W5/0	W=30.0	Commingled	PP	-	35	0.4	-	30	0.2	-9	1	7	10
100/15-05-059-22W5/0	W=40.0	Commingled	PP	-	180	1.9	-	151	1.2	128	128	119	109
Subtotal 01) Fir (Producers)				**-**	**1,484**	**15.7**	**-**	**1,250**	**10.2**	**1,028**	**930**	**821**	**730**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+NP	-	1,295	25.9	-	1,215	20.1	1,433	1,206	1,011	849
100/06-26-052-23W5/0	W=100.0		P+NP	-	1,963	39.3	-	1,801	29.2	2,688	2,214	1,835	1,537
Subtotal 01) Pepper Locations				**-**	**3,258**	**65.2**	**-**	**3,016**	**49.4**	**4,121**	**3,420**	**2,846**	**2,387**
Subtotal Alberta				**-**	**4,741**	**80.9**	**-**	**4,265**	**59.5**	**5,149**	**4,350**	**3,667**	**3,117**
Colombia													
Ombu Block													
Capella													
01A) Conglomerate Group													
Conglomerate Group	W=10.0	CONGLOMERATE	P+NP	26	-	-	24	-	-	43	56	65	70
01B) Conglomerate DEV													
CONG 2024 DEV-1P Area	W=10.0	CONGLOMERATE	P+PU	469	-	-	439	-	-	3,495	2,537	1,854	1,361
02A) Incised Valley													
Incised Valley Group	W=10.0	M1 & M2	P+NP	270	-	-	254	-	-	2,976	2,649	2,377	2,148
02B) Incised Valley DEV													
INC 2022 DEV-1P Area	W=10.0	M1 & M2	P+PU	444	-	-	416	-	-	3,168	2,508	1,990	1,580
INC 2023 DEV-1P Area	W=10.0	M1 & M2	P+PU	452	-	-	424	-	-	3,567	2,758	2,144	1,674
Subtotal 02B) Incised Valley DEV				**896**	**-**	**-**	**840**	**-**	**-**	**6,735**	**5,266**	**4,134**	**3,254**
03A) M1 Rest of Field													
M1 Rest of Field Group	W=10.0	M1	P+NP	11	-	-	11	-	-	36	39	41	42
04) Field Expenses													
Field Expenses			NRA	-	-	-	-	-	-	-10,295	-8,696	-7,464	-6,497
Subtotal Capella				**1,672**	**-**	**-**	**1,568**	**-**	**-**	**2,989**	**1,851**	**1,007**	**378**

BOURY Global Energy Consultants

Arrow Exploration Corp.

Table 3A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+NP	68	-	-	61	-	-	2,043	1,892	1,760	1,644
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+NP	33	-	-	30	-	-	895	841	793	750
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+NP	5	-	-	4	-	-	-197	-176	-157	-141
Subtotal 1) Oso Pardo (Oil)				**106**	**-**	**-**	**95**	**-**	**-**	**2,740**	**2,557**	**2,397**	**2,254**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-2,758	-2,545	-2,361	-2,202
Subtotal Oso Pardo				**106**	**-**	**-**	**95**	**-**	**-**	**-18**	**13**	**35**	**52**
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	P+PU	126	-	-	111	-	-	5,855	5,480	5,157	4,879
RCE-02_C7A	W=50.0	Carbonera C7A	P+PU	155	-	-	136	-	-	4,301	3,658	3,134	2,703
Subtotal 01) RCE - C7A Carbonera				**281**	**-**	**-**	**247**	**-**	**-**	**10,157**	**9,138**	**8,292**	**7,582**
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-4,342	-3,850	-3,447	-3,115
Subtotal Rio Cravo Este				**281**	**-**	**-**	**247**	**-**	**-**	**5,814**	**5,288**	**4,844**	**4,467**
Subtotal Colombia				**2,060**	**-**	**80.9**	**1,910**	**-**	**59.5**	**8,786**	**7,152**	**5,887**	**4,896**
Total Arrow Exploration Corp.				**2,060**	**4,741**	**80.9**	**1,910**	**4,265**	**59.5**	**13,935**	**11,502**	**9,554**	**8,013**

Arrow Exploration Corp.

Table 3B – Summary of Reserves and Future Net Revenue Forecast – Total Company
Effective Date as of December 31, 2020
Total Proved

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	9.94	422	154	33.39	5,143	520	190	2.30	435	6	2	32.55	65	514	188	30.08	5,644
2022	14.34	825	301	31.77	9,572	1,386	506	2.23	1,129	23	9	45.69	389	1,080	394	28.14	11,090
2023	15.44	1,266	462	29.25	13,513	3,346	1,221	2.22	2,706	63	23	49.75	1,143	1,886	688	25.22	17,362
2024	15.64	1,146	419	29.47	12,355	1,821	666	2.25	1,499	33	12	51.98	625	1,482	542	26.69	14,479
2025	15.44	983	359	29.19	10,479	1,225	447	2.30	1,027	22	8	52.93	416	1,209	441	27.02	11,923
2026	13.84	553	202	27.68	5,585	916	334	2.34	782	16	6	54.25	312	721	263	25.37	6,679
2027	12.94	356	130	28.50	3,704	735	268	2.37	636	12	5	54.86	247	491	179	25.60	4,587
2028	12.54	89	33	29.33	960	613	224	2.42	543	10	4	55.48	205	202	74	23.14	1,709
2029	4.74	-	-	-	-	502	183	2.46	451	8	3	56.38	170	92	34	18.52	621
2030	4.20	-	-	-	-	429	157	2.50	392	7	3	57.35	147	79	29	18.81	539
2031	3.90	-	-	-	-	356	130	2.54	331	6	2	58.73	127	65	24	19.19	457
2032	3.60	-	-	-	-	270	99	2.63	259	4	2	59.14	93	49	18	19.53	352
2033	2.60	-	-	-	-	184	67	2.68	179	3	1	60.31	64	34	12	19.91	243
2034	1.90	-	-	-	-	151	55	2.73	151	2	1	62.16	56	28	10	20.46	207
2035	1.60	-	-	-	-	110	40	2.79	112	2	1	61.71	38	20	7	20.50	150
Rem.	0.60	-	-	-	-	29	154	3.14	483	0	2	55.53	90	5	27	21.05	574
29.67 yr			**2,060**	**29.76**	**61,312**		**4,741**	**2.34**	**11,115**		**81**	**51.79**	**4,189**		**2,931**	**26.14**	**76,615**

Year	Royalties & Burdens Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	385	106	32	35	17	575	10.2	5,644	575	5,069
2022	689	156	70	67	14	996	9.0	11,090	996	10,094
2023	941	137	60	361	12	1,512	8.7	17,362	1,512	15,850
2024	834	78	33	256	11	1,213	8.4	14,479	1,213	13,267
2025	689	46	13	161	9	919	7.7	11,923	919	11,003
2026	338	-	-	115	8	461	6.9	6,679	461	6,218
2027	222	-	-	34	7	263	5.7	4,587	263	4,324
2028	58	-	-	22	6	86	5.0	1,709	86	1,623
2029	-	-	-	14	5	20	3.1	621	20	602
2030	-	-	-	11	5	15	2.8	539	15	524
2031	-	-	-	8	3	12	2.5	457	12	446
2032	-	-	-	6	3	9	2.7	352	9	343
2033	-	-	-	4	2	6	2.6	243	6	237
2034	-	-	-	3	2	5	2.5	207	5	202
2035	-	-	-	2	1	4	2.6	150	4	146
Rem.	-	-	-	8	10	19	3.2	574	19	555
29.67 yr	**4,157**	**523**	**208**	**1,108**	**117**	**6,114**	**8.0**	**76,615**	**6,114**	**70,502**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	384	140	4,620	435	159	419	3	1	30	459	167	5,069
2022	756	276	8,657	1,264	461	1,096	20	7	341	987	360	10,094
2023	1,170	427	12,375	2,989	1,091	2,584	47	17	892	1,715	626	15,850
2024	1,064	390	11,409	1,650	604	1,456	19	7	401	1,359	497	13,267
2025	917	335	9,731	1,106	404	1,006	13	5	267	1,114	407	11,003
2026	519	190	5,247	824	301	770	9	3	201	666	243	6,218
2027	335	122	3,481	673	246	630	10	4	213	457	167	4,324
2028	84	31	903	559	205	538	9	3	182	186	68	1,623
2029	-	-	-	458	167	448	7	3	154	84	31	602
2030	-	-	-	391	143	389	6	2	135	71	26	524
2031	-	-	-	325	119	329	5	2	117	60	22	446
2032	-	-	-	245	90	258	4	1	85	45	16	343
2033	-	-	-	166	61	178	3	1	59	30	11	237
2034	-	-	-	138	50	150	2	1	52	25	9	202
2035	-	-	-	99	36	111	2	1	35	18	7	146
Rem.	-	-	-	24	131	481	0	1	74	4	23	555
29.67 yr		**1,910**	**56,423**		**4,265**	**10,842**		**60**	**3,236**		**2,680**	**70,502**

Year	Operating Costs Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	2,321	576	468	3,364	17.93	-	890	2,594	13.83	690	210	-	900	1,694	1,694	1,609
2022	2,676	884	1,132	4,692	11.91	-	856	6,258	15.88	44	6,504	1,530	8,078	-1,820	-126	-1,646
2023	2,825	1,229	2,269	6,323	9.18	223	-	9,304	13.84	2,096	4,272	-	6,368	2,936	2,811	2,265
2024	2,239	1,257	1,871	5,367	9.90	461	-	7,438	14.56	-	5,323	-	5,323	2,115	4,926	1,528
2025	2,005	1,313	1,590	4,908	11.12	356	-	5,739	13.81	-	-	-	-	5,739	10,665	3,767
2026	1,183	1,139	1,027	3,349	12.72	116	-	2,753	10.90	-	-	-	-	2,753	13,418	1,640
2027	1,225	1,140	718	3,083	17.21	-	-	1,241	6.93	-	-	-	-	1,241	14,659	674
2028	418	554	296	1,267	17.17	1,185	-	-829	4.82	-	-	-	-	-829	13,830	-416
2029	-	253	132	385	11.49	31	-	185	6.45	-	-	-	-	185	14,015	83
2030	-	253	115	368	12.82	32	-	125	5.46	-	-	-	-	125	14,140	50
2031	-	239	98	337	14.14	32	-	77	4.57	-	-	-	-	77	14,217	28
2032	-	190	74	265	14.67	-	-	78	4.34	-	-	-	-	78	14,295	26
2033	-	130	51	181	14.82	-	-	56	4.57	-	-	-	-	56	14,351	17
2034	-	119	44	162	16.04	61	-	-22	3.91	-	-	-	-	-22	14,329	-7
2035	-	88	32	120	16.37	35	-	-9	3.59	-	-	-	-	-9	14,320	-2
Rem.	-	302	119	422	15.47	519	-	-386	4.90	-	-	-	-	-386	13,935	-63
29.67 yr	**14,892**	**9,665**	**10,036**	**34,593**	**11.80**	**3,051**	**1,746**	**34,604**	**12.85**	**2,830**	**16,309**	**1,530**	**20,669**	**13,935**	**13,935**	**9,554**

Country/State	N/A
Avg. WI Share	15.54 %
Econ. Life/To Aban.	29.67 yr / 34.67 yr
Econ. RLI	76.42 yr
Capital Cost NPV @ 10%	16,750
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	3.3

Product	Remaining Reserves Gross	Company Share	Company Net	Net Revenue NPV (M$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	17,393	2,060	1,910	56,423	48,116	44,021	41,592	36,384	32,167
Sales Gas (MMcf)	8,096	4,741	4,265	10,842	8,462	7,455	6,899	5,793	4,971
NGL (Mbbl)	116	81	60	3,236	2,532	2,227	2,057	1,718	1,465
Total (MBOE)	**18,858**	**2,931**	**2,680**	**70,502**	**59,109**	**53,703**	**50,547**	**43,896**	**38,603**
Total BTCF				**13,935**	**11,502**	**10,279**	**9,554**	**8,013**	**6,788**

Arrow Exploration Corp.

Table 3C – Summary of Reserves and Future Net Revenue Forecast – Total Canada

Effective Date as of December 31, 2020

Total Proved

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Company Share Oil Volume Mbbl	Company Share Oil Avg. Price $US/bbl	Company Share Oil Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Company Share Sales Gas Volume MMcf	Company Share Sales Gas Avg. Price $US/Mcf	Company Share Sales Gas Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Company Share NGL Volume Mbbl	Company Share NGL Avg. Price $US/bbl	Company Share NGL Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Company ShareTotal Volume MBOE	Company ShareTotal Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	3.64	-	-	-	-	520	190	2.30	435	6	2	32.55	65	92	34	14.90	501
2022	5.64	-	-	-	-	1,386	506	2.23	1,129	23	9	45.69	389	254	93	16.36	1,519
2023	5.64	-	-	-	-	3,346	1,221	2.22	2,706	63	23	49.75	1,143	621	227	16.99	3,849
2024	5.64	-	-	-	-	1,821	666	2.25	1,499	33	12	51.98	625	336	123	17.25	2,124
2025	5.34	-	-	-	-	1,225	447	2.30	1,027	22	8	52.93	416	226	82	17.52	1,443
2026	5.04	-	-	-	-	916	334	2.34	782	16	6	54.25	312	168	61	17.79	1,093
2027	4.74	-	-	-	-	735	268	2.37	636	12	5	54.86	247	135	49	17.95	883
2028	4.74	-	-	-	-	613	224	2.42	543	10	4	55.48	205	112	41	18.22	748
2029	4.74	-	-	-	-	502	183	2.46	451	8	3	56.38	170	92	34	18.52	621
2030	4.20	-	-	-	-	429	157	2.50	392	7	3	57.35	147	79	29	18.81	539
2031	3.90	-	-	-	-	356	130	2.54	331	6	2	58.73	127	65	24	19.19	457
2032	3.60	-	-	-	-	270	99	2.63	259	4	2	59.14	93	49	18	19.53	352
2033	2.60	-	-	-	-	184	67	2.68	179	3	1	60.31	64	34	12	19.91	243
2034	1.90	-	-	-	-	151	55	2.73	151	2	1	62.16	56	28	10	20.46	207
2035	1.60	-	-	-	-	110	40	2.79	112	2	1	61.71	38	20	7	20.50	150
Rem.	0.60	-	-	-	-	29	154	3.14	483	0	2	55.53	90	5	27	21.05	574
29.67 yr			**-**	**-**	**-**		**4,741**	**2.34**	**11,115**		**81**	**51.79**	**4,189**		**871**	**17.57**	**15,304**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	-	-	-	35	17	52	10.4	501	52	449
2022	-	-	-	67	14	81	5.4	1,519	81	1,437
2023	-	-	-	361	12	374	9.7	3,849	374	3,476
2024	-	-	-	256	11	267	12.6	2,124	267	1,857
2025	-	-	-	161	9	171	11.8	1,443	171	1,273
2026	-	-	-	115	8	123	11.2	1,093	123	971
2027	-	-	-	34	7	41	4.6	883	41	843
2028	-	-	-	22	6	28	3.7	748	28	720
2029	-	-	-	14	5	20	3.1	621	20	602
2030	-	-	-	11	5	15	2.8	539	15	524
2031	-	-	-	8	3	12	2.5	457	12	446
2032	-	-	-	6	3	9	2.7	352	9	343
2033	-	-	-	4	2	6	2.6	243	6	237
2034	-	-	-	3	2	5	2.5	207	5	202
2035	-	-	-	2	1	4	2.6	150	4	146
Rem.	-	-	-	8	10	19	3.2	574	19	555
29.67 yr	**-**	**-**	**-**	**1,108**	**117**	**1,225**	**8.0**	**15,304**	**1,225**	**14,079**

Year	Company Net Oil Cal Day Rate bbl/d	Company Net Oil Volume Mbbl	Company Net Oil Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Company Net Sales Gas Volume MMcf	Company Net Sales Gas Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Company Net NGL Volume Mbbl	Company Net NGL Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Company Net Total Volume MBOE	Company Net Total Net Revenue M$US
2021	-	-	-	435	159	419	3	1	30	75	27	449
2022	-	-	-	1,264	461	1,096	20	7	341	231	84	1,437
2023	-	-	-	2,989	1,091	2,584	47	17	892	545	199	3,476
2024	-	-	-	1,650	604	1,456	19	7	401	294	108	1,857
2025	-	-	-	1,106	404	1,006	13	5	267	197	72	1,273
2026	-	-	-	824	301	770	9	3	201	147	53	971
2027	-	-	-	673	246	630	10	4	213	122	45	843
2028	-	-	-	559	205	538	9	3	182	102	37	720
2029	-	-	-	458	167	448	7	3	154	84	31	602
2030	-	-	-	391	143	389	6	2	135	71	26	524
2031	-	-	-	325	119	329	5	2	117	60	22	446
2032	-	-	-	245	90	258	4	1	85	45	16	343
2033	-	-	-	166	61	178	3	1	59	30	11	237
2034	-	-	-	138	50	150	2	1	52	25	9	202
2035	-	-	-	99	36	111	2	1	35	18	7	146
Rem.	-	-	-	24	131	481	0	1	74	4	23	555
29.67 yr		**-**	**-**		**4,265**	**10,842**		**60**	**3,236**		**770**	**14,079**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	-	120	101	220	6.56	-	-	228	6.79	-	-	-	-	228	228	218
2022	-	145	324	468	5.04	-	-	969	10.44	-	-	1,530	1,530	-561	-333	-486
2023	-	271	830	1,101	4.86	-	-	2,375	10.48	-	-	-	-	2,375	2,042	1,888
2024	-	275	453	729	5.92	-	-	1,129	9.17	-	-	-	-	1,129	3,171	812
2025	-	262	307	569	6.91	-	-	704	8.54	-	-	-	-	704	3,874	460
2026	-	257	232	489	7.95	-	-	482	7.85	-	-	-	-	482	4,356	286
2027	-	261	188	449	9.13	-	-	394	8.00	-	-	-	-	394	4,750	212
2028	-	266	159	425	10.35	-	-	295	7.18	-	-	-	-	295	5,045	145
2029	-	253	132	385	11.49	31	-	185	6.45	-	-	-	-	185	5,230	83
2030	-	253	115	368	12.82	32	-	125	5.46	-	-	-	-	125	5,355	50
2031	-	239	98	337	14.14	32	-	77	4.57	-	-	-	-	77	5,431	28
2032	-	190	74	265	14.67	-	-	78	4.34	-	-	-	-	78	5,509	26
2033	-	130	51	181	14.82	-	-	56	4.57	-	-	-	-	56	5,565	17
2034	-	119	44	162	16.04	61	-	-22	3.91	-	-	-	-	-22	5,543	-7
2035	-	88	32	120	16.37	35	-	-9	3.59	-	-	-	-	-9	5,535	-2
Rem.	-	302	119	422	15.47	519	-	-386	4.90	-	-	-	-	-386	5,149	-63
29.67 yr	**-**	**3,431**	**3,258**	**6,689**	**7.68**	**711**	**-**	**6,679**	**8.48**	**-**	**-**	**1,530**	**1,530**	**5,149**	**5,149**	**3,667**

Country/State	Canada/Alberta
Avg. WI Share	59.43 %
Econ. Life/To Aban.	29.67 yr / 34.67 yr
Econ. RLI	12.73 yr
Capital Cost NPV @ 10%	1,300
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	0.5

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	8,096	4,741	4,265	10,842	8,462	7,455	6,899	5,793	4,971
NGL (Mbbl)	116	81	60	3,236	2,532	2,227	2,057	1,718	1,465
Total (MBOE)	**1,466**	**871**	**770**	**14,079**	**10,994**	**9,682**	**8,956**	**7,511**	**6,436**
Total BTCF				**5,149**	**4,350**	**3,924**	**3,667**	**3,117**	**2,676**

Arrow Exploration Corp.

Table 3D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia

Effective Date as of December 31, 2020

Total Proved

Year	WI Wells	Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			Company Share Sales Revenue
		Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	M$US
2021	6.30	422	154	33.39	5,143	-	-	-	-	-	-	-	-	422	154	33.39	5,143
2022	8.70	825	301	31.77	9,572	-	-	-	-	-	-	-	-	825	301	31.77	9,572
2023	9.80	1,266	462	29.25	13,513	-	-	-	-	-	-	-	-	1,266	462	29.25	13,513
2024	10.10	1,146	419	29.47	12,355	-	-	-	-	-	-	-	-	1,146	419	29.47	12,355
2025	10.10	983	359	29.19	10,479	-	-	-	-	-	-	-	-	983	359	29.19	10,479
2026	8.80	553	202	27.68	5,585	-	-	-	-	-	-	-	-	553	202	27.68	5,585
2027	8.20	356	130	28.50	3,704	-	-	-	-	-	-	-	-	356	130	28.50	3,704
2028 (4)	7.80	271	33	29.33	960	-	-	-	-	-	-	-	-	271	33	29.33	960
7.33 yr			**2,060**	**29.76**	**61,312**		**-**	**-**	**-**		**-**	**-**	**-**		**2,060**	**29.76**	**61,312**

Year	Royalties & Burdens							Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %			
2021	385	106	32	-	-	523	10.2	5,143	523	4,620
2022	689	156	70	-	-	915	9.6	9,572	915	8,657
2023	941	137	60	-	-	1,139	8.4	13,513	1,139	12,375
2024	834	78	33	-	-	946	7.7	12,355	946	11,409
2025	689	46	13	-	-	749	7.1	10,479	749	9,731
2026	338	-	-	-	-	338	6.1	5,585	338	5,247
2027	222	-	-	-	-	222	6.0	3,704	222	3,481
2028 (4)	58	-	-	-	-	58	6.0	960	58	903
7.33 yr	**4,157**	**523**	**208**	**-**	**-**	**4,889**	**8.0**	**61,312**	**4,889**	**56,423**

Year	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	384	140	4,620	-	-	-	-	-	-	384	140	4,620
2022	756	276	8,657	-	-	-	-	-	-	756	276	8,657
2023	1,170	427	12,375	-	-	-	-	-	-	1,170	427	12,375
2024	1,064	390	11,409	-	-	-	-	-	-	1,064	390	11,409
2025	917	335	9,731	-	-	-	-	-	-	917	335	9,731
2026	519	190	5,247	-	-	-	-	-	-	519	190	5,247
2027	335	122	3,481	-	-	-	-	-	-	335	122	3,481
2028 (4)	254	31	903	-	-	-	-	-	-	254	31	903
7.33 yr		**1,910**	**56,423**		**-**	**-**		**-**	**-**		**1,910**	**56,423**

Year	Operating Costs					Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs				Before Tax Cash Flow		
	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE					Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	2,321	456	367	3,144	20.41	-	890	2,366	15.36	690	210	-	900	1,466	1,466	1,391
2022	2,676	739	808	4,224	14.02	-	856	5,289	17.56	44	6,504	-	6,548	-1,259	207	-1,159
2023	2,825	958	1,439	5,222	11.30	223	-	6,930	15.48	2,096	4,272	-	6,368	562	769	377
2024	2,239	982	1,417	4,639	11.06	461	-	6,309	16.15	-	5,323	-	5,323	987	1,755	715
2025	2,005	1,050	1,284	4,339	12.09	356	-	5,035	15.02	-	-	-	-	5,035	6,790	3,307
2026	1,183	882	795	2,860	14.17	116	-	2,271	11.83	-	-	-	-	2,271	9,062	1,354
2027	1,225	879	530	2,634	20.27	-	-	848	6.52	-	-	-	-	848	9,909	462
2028 (4)	418	287	137	842	25.71	1,185	-	-1,124	1.86	-	-	-	-	-1,124	8,786	-560
7.33 yr	**14,892**	**6,234**	**6,778**	**27,904**	**13.55**	**2,340**	**1,746**	**27,925**	**14.69**	**2,830**	**16,309**	**-**	**19,139**	**8,786**	**8,786**	**5,887**

Country/State	Colombia
Avg. WI Share	11.84 %
Econ. Life/To Aban.	7.33 yr / 7.33 yr
Econ. RLI	132.12 yr
Capital Cost NPV @ 10%	15,449
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	3.6

Product	Remaining Reserves			Net Revenue NPV (M$US)					
	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	17,393	2,060	1,910	56,423	48,116	44,021	41,592	36,384	32,167
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**17,393**	**2,060**	**1,910**	**56,423**	**48,116**	**44,021**	**41,592**	**36,384**	**32,167**
Total BTCF				**8,786**	**7,152**	**6,356**	**5,887**	**4,896**	**4,113**

Arrow Exploration Corp.
Table 3E – After Tax Analysis – Total Company
Effective Date as of December 31, 2020
Total Proved

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,867	2,573	707	31.0	-	-	219	-	-	1,694	219	1,475	1,475	1,400
2022	6,808	7,124	391	30.0	-	-	117	-	-	-1,820	117	-1,937	-462	-1,747
2023	10,779	13,107	-	-	-	-	-	-	-	2,936	-	2,936	2,474	2,265
2024	8,433	12,942	-	-	-	-	-	-	-	2,115	-	2,115	4,590	1,528
2025	6,308	10,891	-	-	-	-	-	-	-	5,739	-	5,739	10,328	3,767
2026	3,364	6,104	-	-	-	-	-	-	-	2,753	-	2,753	13,082	1,640
2027	1,731	4,014	-	-	-	-	-	-	-	1,241	-	1,241	14,323	674
2028	-5	1,207	-	-	-	-	-	-	-	-829	-	-829	13,494	-416
2029	621	185	-	-	-	-	-	-	-	185	-	185	13,679	83
2030	539	125	-	-	-	-	-	-	-	125	-	125	13,804	50
2031	457	77	-	-	-	-	-	-	-	77	-	77	13,881	28
2032	352	78	-	-	-	-	-	-	-	78	-	78	13,959	26
2033	243	56	-	-	-	-	-	-	-	56	-	56	14,015	17
2034	207	-	-	-	-	-	-	-	-	-22	-	-22	13,993	-7
2035	150	-	-	-	-	-	-	-	-	-9	-	-9	13,984	-2
Rem.	574	45	-	-	-	-	-	-	-	-386	-	-386	13,598	-63
35.00 yr	**43,428**	**58,528**	**1,097**	**30.6**	**-**	**-**	**336**	**-**	**-**	**13,935**	**336**	**13,598**	**13,598**	**9,243**

	Cash Flow NPV (M$US)					
	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	13,935	11,502	10,279	9,554	8,013	6,788
Tax Payable	336	323	315	311	300	290
After Tax Cash Flow	13,598	11,179	9,964	9,243	7,713	6,499

Arrow Exploration Corp.

Table 3F – After Tax Analysis – Total Canada
Effective Date as of December 31, 2020
Total Proved

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	228	228	-	-	-	-	-	228	-	228	228	218
2022	969	969	-	-	-	-	-	-561	-	-561	-333	-486
2023	2,375	2,375	-	-	-	-	-	2,375	-	2,375	2,042	1,888
2024	1,129	1,129	-	-	-	-	-	1,129	-	1,129	3,171	812
2025	704	704	-	-	-	-	-	704	-	704	3,874	460
2026	482	482	-	-	-	-	-	482	-	482	4,356	286
2027	394	394	-	-	-	-	-	394	-	394	4,750	212
2028	295	295	-	-	-	-	-	295	-	295	5,045	145
2029	185	185	-	-	-	-	-	185	-	185	5,230	83
2030	125	125	-	-	-	-	-	125	-	125	5,355	50
2031	77	77	-	-	-	-	-	77	-	77	5,431	28
2032	78	78	-	-	-	-	-	78	-	78	5,509	26
2033	56	56	-	-	-	-	-	56	-	56	5,565	17
2034	-22	-	-	-	-	-	-	-22	-	-22	5,543	-7
2035	-9	-	-	-	-	-	-	-9	-	-9	5,535	-2
Rem.	-386	45	-	-	-	-	-	-386	-	-386	5,149	-63
35.00 yr	**6,679**	**7,140**	**-**	**-**	**-**	**-**	**-**	**5,149**	**-**	**5,149**	**5,149**	**3,667**

Cash Flow NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	5,149	4,350	3,924	3,667	3,117	2,676
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	5,149	4,350	3,924	3,667	3,117	2,676

Arrow Exploration Corp.
Table 3G – After Tax Analysis – Total Colombia
Effective Date as of December 31, 2020
Total Proved

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,366	2,345	707	31.0	219	1,466	219	1,247	1,247	1,182
2022	5,289	6,155	391	30.0	117	-1,259	117	-1,376	-129	-1,261
2023	6,930	10,732	-	-	-	562	-	562	433	377
2024	6,309	11,814	-	-	-	987	-	987	1,419	715
2025	4,865	10,187	-	-	-	5,035	-	5,035	6,454	3,307
2026	2,271	5,622	-	-	-	2,271	-	2,271	8,725	1,354
2027	848	3,620	-	-	-	848	-	848	9,573	462
2028	-754	912	-	-	-	-1,124	-	-1,124	8,449	-560
8.00 yr	**28,125**	**51,388**	**1,097**	**30.6**	**336**	**8,786**	**336**	**8,449**	**8,449**	**5,576**

Cash Flow NPV (M$US)

	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	8,786	7,152	6,356	5,887	4,896	4,113
Tax Payable	336	323	315	311	300	290
After Tax Cash Flow	8,449	6,830	6,040	5,576	4,596	3,823

Arrow Exploration Corp.

Table 4A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved + Probable

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	P+PBP	-	26	0.3	-	22	0.1	-25	-14	-7	-3
100/01-29-058-22W5/0	W=30.0	Commingled	P+PBP	-	100	1.1	-	84	0.7	29	40	41	39
100/05-29-058-22W5/0	W=30.0	Commingled	P+PBP	-	97	1.0	-	82	0.7	29	40	41	39
100/03-31-058-22W5/0	W=30.0	Commingled	P+PBP	-	619	6.6	-	524	4.6	803	528	382	300
100/05-31-058-22W5/0	W=30.0	Commingled	P+PBP	-	136	1.4	-	114	1.0	58	65	60	54
100/03-33-058-22W5/0	W=24.0	Commingled	P+PBP	-	59	0.6	-	50	0.4	5	15	18	19
100/16-33-058-22W5/0	W=30.0	Commingled	P+PBP	-	49	0.5	-	41	0.3	-14	-1	5	8
100/01-24-058-23W5/0	W=30.0	Commingled	P+PBP	-	62	0.7	-	52	0.4	-11	3	9	11
100/15-24-058-23W5/0	W=30.0	Commingled	P+PBP	-	135	1.4	-	113	0.9	70	74	69	62
102/16-25-058-23W5/0	W=30.0	Commingled	P+PBP	-	291	3.1	-	245	2.2	277	222	177	146
100/01-36-058-23W5/0	W=30.0	Commingled	P+PBP	-	43	0.5	-	36	0.2	-6	5	11	14
100/15-05-059-22W5/0	W=40.0	Commingled	P+PBP	-	206	2.2	-	173	1.4	148	144	131	117
Subtotal 01) Fir (Producers)				**-**	**1,823**	**19.3**	**-**	**1,537**	**12.9**	**1,363**	**1,119**	**937**	**808**
02) Fir (Locations)													
1XX/16-19-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.2	378	150	33	-26
1XX/13-29-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.3	370	154	35	-30
1XX/06-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.3	370	154	35	-30
1XX/14-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PBU	-	596	6.3	-	507	5.2	379	151	34	-26
Subtotal 02) Fir (Locations)				**-**	**2,385**	**25.3**	**-**	**2,027**	**21.0**	**1,497**	**610**	**136**	**-113**
Subtotal Fir				**-**	**4,208**	**44.6**	**-**	**3,564**	**34.0**	**2,860**	**1,729**	**1,073**	**695**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+PBN	-	1,735	34.7	-	1,617	26.5	2,218	1,810	1,484	1,230
100/06-26-052-23W5/0	W=100.0		P+PBN	-	2,637	52.7	-	2,400	38.7	3,980	3,139	2,524	2,070
Subtotal 01) Pepper Locations				**-**	**4,372**	**87.4**	**-**	**4,017**	**65.2**	**6,198**	**4,949**	**4,009**	**3,300**
Subtotal Alberta				**-**	**8,580**	**132.0**	**-**	**7,581**	**99.2**	**9,058**	**6,678**	**5,082**	**3,994**
Colombia													
Ombu Block													
Capella													
01A) Conglomerate Group													
Conglomerate Group	W=10.0	CONGLOMERATE	P+PBN	36	-	-	33	-	-	115	126	129	129
01B) Conglomerate DEV													
CONG 2024 DEV-1P Area	W=10.0	CONGLOMERATE	P+PBU	582	-	-	542	-	-	5,311	3,902	2,899	2,174
CONG 2024 DEV-2P Area	W=10.0	CONGLOMERATE	P+PBU	92	-	-	86	-	-	851	615	450	332
CONG 2025 DEV-2P Area	W=10.0	CONGLOMERATE	P+PBU	855	-	-	797	-	-	7,957	5,613	4,010	2,896
Subtotal 01B) Conglomerate DEV				**1,529**	**-**	**-**	**1,424**	**-**	**-**	**14,119**	**10,131**	**7,359**	**5,402**

Arrow Exploration Corp.

Table 4A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved + Probable

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	Before Tax Cash Flow NPV @ 5.0% M$US	Before Tax Cash Flow NPV @ 10.0% M$US	Before Tax Cash Flow NPV @ 15.0% M$US
02A) Incised Valley													
Incised Valley Group	W=10.0	M1 & M2	P+PBN	386	-	-	361	-	-	4,964	4,211	3,628	3,169
02B) Incised Valley DEV													
INC 2022 DEV-1P Area	W=10.0	M1 & M2	P+PBU	602	-	-	561	-	-	5,866	4,718	3,830	3,134
INC 2023 DEV-1P Area	W=10.0	M1 & M2	P+PBU	621	-	-	579	-	-	6,584	5,140	4,058	3,235
INC 2023 DEV-2P Area	W=10.0	M1 & M2	P+PBU	555	-	-	516	-	-	6,114	4,678	3,624	2,837
INC 2024 DEV-2P Area	W=10.0	M1 & M2	P+PBU	317	-	-	295	-	-	3,605	2,716	2,074	1,603
Subtotal 02B) Incised Valley DEV				**2,094**	**-**	**-**	**1,951**	**-**	**-**	**22,169**	**17,253**	**13,586**	**10,808**
03A) M1 Rest of Field													
M1 Rest of Field Group	W=10.0	M1	P+PBN	15	-	-	14	-	-	76	77	76	74
04) Field Expenses													
Field Expenses			NRA	-	-	-	-	-	-	-19,422	-15,908	-13,300	-11,314
Subtotal Capella				**4,061**	**-**	**-**	**3,783**	**-**	**-**	**22,020**	**15,888**	**11,479**	**8,269**
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+PBN	90	-	-	81	-	-	2,932	2,670	2,446	2,253
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+PBN	43	-	-	39	-	-	1,256	1,157	1,071	996
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+PBN	6	-	-	5	-	-	-195	-168	-146	-127
Subtotal 1) Oso Pardo (Oil)				**140**	**-**	**-**	**125**	**-**	**-**	**3,993**	**3,659**	**3,371**	**3,122**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-3,520	-3,182	-2,899	-2,659
Subtotal Oso Pardo				**140**	**-**	**-**	**125**	**-**	**-**	**473**	**476**	**472**	**463**
Tapir Block													
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	P+PBU	148	-	-	130	-	-	6,872	6,313	5,850	5,461
RCE-02_C7A	W=50.0	Carbonera C7A	P+PBU	216	-	-	189	-	-	6,670	5,347	4,351	3,585
RCE-03_C7A	W=50.0	Carbonera C7A	P+PBU	206	-	-	179	-	-	8,863	6,268	4,532	3,342
Subtotal 01) RCE - C7A Carbonera				**570**	**-**	**-**	**498**	**-**	**-**	**22,405**	**17,928**	**14,733**	**12,388**
02) RCE - C7C Carbonera													
RCE-01_C7C	W=50.0	Carbonera C7C	P+PBN	128	-	-	111	-	-	5,358	3,775	2,710	1,979
RCE-02_C7C	W=50.0	Carbonera C7C	P+PBU	121	-	-	105	-	-	5,142	3,171	2,003	1,293
RCE-04_C7C	W=50.0	Carbonera C7C	P+PBU	128	-	-	111	-	-	5,471	3,627	2,457	1,697
Subtotal 02) RCE - C7C Carbonera				**376**	**-**	**-**	**328**	**-**	**-**	**15,970**	**10,573**	**7,170**	**4,969**
03) RCE - Gacheta B													
RCE-01_GACHETA_B	W=50.0	Gacheta B	P+PBN	75	-	-	66	-	-	2,979	1,770	1,078	672
RCE-03_GACHETA_B	W=50.0	Gacheta B	P+PBU	95	-	-	83	-	-	948	661	434	251
RCE-04_GACHETA_B	W=50.0	Gacheta B	P+PBU	95	-	-	83	-	-	693	372	154	7
Subtotal 03) RCE - Gacheta B				**264**	**-**	**-**	**231**	**-**	**-**	**4,620**	**2,804**	**1,666**	**930**
04) RCE - Gacheta D													
RCE-03_GACHETA_D	W=50.0	Gacheta D	P+PBU	27	-	-	23	-	-	693	390	225	133
RCE-04_GACHETA_D	W=50.0	Gacheta D	P+PBU	34	-	-	30	-	-	1,046	595	348	208
Subtotal 04) RCE - Gacheta D				**61**	**-**	**-**	**53**	**-**	**-**	**1,739**	**985**	**573**	**342**

Arrow Exploration Corp.

Table 4A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved + Probable

				Company Gross Reserves			Net Reserves			Before Tax Cash Flow			
Area and Property	Company Interest %	Zone	Res. Cat.	Oil Mbbl	Sales Gas MMcf	NGL Mbbl	Oil Mbbl	Sales Gas MMcf	NGL Mbbl	NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-12,105	-8,966	-6,919	-5,532
Subtotal Rio Cravo Este				**1,271**	**-**	**-**	**1,110**	**-**	**-**	**32,629**	**23,324**	**17,224**	**13,096**
Subtotal Colombia				**5,472**	**-**	**132.0**	**5,018**	**-**	**99.2**	**55,122**	**39,689**	**29,175**	**21,829**
Total Arrow Exploration Corp.				**5,472**	**8,580**	**132.0**	**5,018**	**7,581**	**99.2**	**64,180**	**46,367**	**34,257**	**25,823**

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BOURY
Global Energy Consultants

Arrow Exploration Corp.

Table 4B – Summary of Reserves and Future Net Revenue Forecast – Total Company
Effective Date as of December 31, 2020
Total Proved + Probable

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	9.94	443	162	33.28	5,386	523	191	2.30	438	6	2	32.55	66	536	196	30.10	5,890
2022	14.94	1,027	375	32.82	12,303	1,481	540	2.23	1,206	25	9	45.86	421	1,299	474	29.38	13,931
2023	18.54	1,762	643	29.08	18,701	4,214	1,538	2.22	3,408	77	28	49.14	1,373	2,541	927	25.32	23,483
2024	23.54	2,437	892	30.14	26,876	3,009	1,101	2.25	2,476	49	18	49.80	888	2,987	1,093	27.66	30,240
2025	25.04	2,631	960	29.27	28,114	2,266	827	2.30	1,900	35	13	50.25	644	3,044	1,111	27.60	30,658
2026	25.04	2,215	808	32.08	25,931	1,703	622	2.34	1,454	26	10	51.76	495	2,525	922	30.25	27,880
2027	24.24	1,495	546	34.60	18,885	1,387	506	2.37	1,201	21	8	52.49	404	1,748	638	32.12	20,490
2028	24.24	1,103	404	37.88	15,294	1,165	426	2.42	1,032	18	6	53.25	341	1,315	481	34.63	16,668
2029	23.34	815	298	40.21	11,967	1,013	370	2.46	910	15	6	53.84	296	999	365	36.11	13,174
2030	23.04	502	183	47.91	8,779	882	322	2.50	806	13	5	54.79	261	662	242	40.74	9,846
2031	7.40	263	96	60.11	5,769	784	286	2.54	728	12	4	55.71	235	405	148	45.52	6,732
2032	7.40	268	98	61.48	6,025	707	259	2.63	679	10	4	56.98	216	396	145	47.76	6,920
2033	7.10	18	7	62.77	420	621	227	2.68	607	9	3	58.19	194	131	48	25.54	1,221
2034	4.80	-	-	-	-	564	206	2.73	563	8	3	59.17	178	102	37	19.83	740
2035	4.80	-	-	-	-	472	172	2.79	480	7	2	59.74	147	85	31	20.11	627
Rem.	3.10	-	-	-	-	84	986	3.25	3,205	1	12	60.78	700	15	176	22.21	3,905
47.00 yr			**5,472**	**33.71**	**184,453**		**8,580**	**2.46**	**21,093**		**132**	**51.94**	**6,859**		**7,034**	**30.20**	**212,404**

Year	Royalties & Burdens Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	403	110	33	35	17	599	10.2	5,890	599	5,291
2022	898	214	119	71	15	1,316	9.4	13,931	1,316	12,614
2023	1,338	185	97	493	23	2,136	9.1	23,483	2,136	21,347
2024	1,980	199	113	337	33	2,662	8.8	30,240	2,662	27,579
2025	2,100	129	80	221	28	2,558	8.3	30,658	2,558	28,100
2026	1,888	199	148	166	21	2,422	8.7	27,880	2,422	25,458
2027	1,329	188	137	67	17	1,737	8.5	20,490	1,737	18,752
2028	1,077	198	144	50	14	1,483	8.9	16,668	1,483	15,184
2029	845	173	119	36	12	1,187	9.0	13,174	1,187	11,987
2030	657	180	124	28	11	1,001	10.2	9,846	1,001	8,845
2031	462	159	103	22	9	755	11.2	6,732	755	5,977
2032	482	166	108	19	9	784	11.3	6,920	784	6,136
2033	34	12	7	19	7	79	6.4	1,221	79	1,143
2034	-	-	-	17	7	23	3.2	740	23	717
2035	-	-	-	13	6	19	3.1	627	19	607
Rem.	-	-	-	71	53	125	3.2	3,905	125	3,780
47.00 yr	**13,493**	**2,113**	**1,332**	**1,667**	**282**	**18,886**	**8.9**	**212,404**	**18,886**	**193,518**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	403	147	4,839	437	160	421	3	1	30	479	175	5,291
2022	937	342	11,072	1,353	494	1,171	22	8	371	1,184	432	12,614
2023	1,624	593	17,082	3,665	1,338	3,223	56	20	1,042	2,291	836	21,347
2024	2,243	821	24,584	2,662	974	2,399	31	11	595	2,718	995	27,579
2025	2,425	885	25,806	2,011	734	1,858	23	8	436	2,783	1,016	28,100
2026	2,039	744	23,696	1,510	551	1,427	17	6	335	2,307	842	25,458
2027	1,377	503	17,231	1,243	454	1,186	17	6	335	1,601	585	18,752
2028	1,012	370	13,876	1,043	382	1,022	14	5	287	1,200	439	15,184
2029	747	272	10,829	907	331	903	13	5	255	910	332	11,987
2030	452	165	7,817	789	288	801	11	4	228	594	217	8,845
2031	230	84	5,045	701	256	724	10	4	207	357	130	5,977
2032	234	86	5,269	631	231	675	9	3	192	348	127	6,136
2033	16	6	368	555	203	605	8	3	170	116	42	1,143
2034	-	-	-	504	184	560	7	3	157	91	33	717
2035	-	-	-	419	153	478	6	2	129	76	28	607
Rem.	-	-	-	73	849	3,199	1	9	581	13	151	3,780
47.00 yr		**5,018**	**167,515**		**7,581**	**20,653**		**99**	**5,350**		**6,381**	**193,518**

Year	Operating Costs Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	2,321	576	490	3,386	17.31	-	911	2,815	14.39	690	210	-	900	1,915	1,915	1,815
2022	2,676	958	1,308	4,942	10.42	-	835	8,508	17.94	44	9,586	1,530	11,160	-2,652	-737	-2,486
2023	2,825	1,426	3,041	7,293	7.86	227	-	13,828	15.15	4,191	8,203	1,210	13,605	222	-515	188
2024	2,924	1,882	3,694	8,500	7.78	-	-	19,078	17.45	3,796	11,777	1,234	16,806	2,272	1,757	1,532
2025	2,229	2,180	3,975	8,384	7.55	474	-	19,241	17.75	-	8,683	-	8,683	10,559	12,316	6,857
2026	2,228	2,365	3,237	7,830	8.50	46	-	17,582	19.13	-	350	-	350	17,232	29,548	10,237
2027	2,306	2,420	2,220	6,946	10.89	-	-	11,806	18.51	-	365	-	365	11,441	40,989	6,189
2028	2,386	2,450	1,626	6,463	13.43	124	-	8,598	18.12	-	-	-	-	8,598	49,587	4,227
2029	2,470	2,486	1,228	6,184	16.95	-	-	5,803	15.91	-	386	-	386	5,417	55,004	2,410
2030	1,831	1,623	706	4,160	17.21	2,265	-	2,421	19.39	-	401	-	401	2,020	57,024	816
2031	1,157	739	344	2,241	15.15	32	-	3,704	25.26	-	419	-	419	3,285	60,309	1,217
2032	1,198	757	336	2,290	15.81	-	-	3,846	26.54	-	424	-	424	3,422	63,731	1,143
2033	102	336	180	618	12.91	796	-	-271	10.98	-	-	-	-	-271	63,460	-90
2034	-	303	156	460	12.32	-	-	257	6.89	-	-	-	-	257	63,717	71
2035	-	263	132	395	12.69	63	-	149	6.80	-	-	-	-	149	63,866	37
Rem.	-	1,847	805	2,652	15.08	815	-	314	6.42	-	-	-	-	314	64,180	93
47.00 yr	**26,653**	**22,612**	**23,479**	**72,744**	**10.34**	**4,842**	**1,746**	**117,678**	**17.42**	**8,721**	**40,802**	**3,974**	**53,498**	**64,180**	**64,180**	**34,257**

Country/State	N/A
Avg. WI Share	15.10 %
Econ. Life/To Aban.	47.00 yr / 52.00 yr
Econ. RLI	188.41 yr
Capital Cost NPV @ 10%	40,185
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	4.3

Product	Remaining Reserves Gross	Company Share	Company Net	Net Revenue NPV (M$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	43,288	5,472	5,018	167,515	130,181	113,371	103,894	84,819	70,610
Sales Gas (MMcf)	18,275	8,580	7,581	20,653	14,410	12,143	10,971	8,792	7,287
NGL (Mbbl)	235	132	99	5,350	3,842	3,264	2,960	2,383	1,979
Total (MBOE)	**46,569**	**7,034**	**6,381**	**193,518**	**148,433**	**128,778**	**117,824**	**95,994**	**79,876**
Total BTCF				**64,180**	**46,367**	**38,567**	**34,257**	**25,823**	**19,808**

Arrow Exploration Corp.

Table 4C – Summary of Reserves and Future Net Revenue Forecast – Total Canada
Effective Date as of December 31, 2020
Total Proved + Probable

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	3.64	-	-	-	-	523	191	2.30	438	6	2	32.55	66	93	34	14.90	504
2022	5.64	-	-	-	-	1,481	540	2.23	1,206	25	9	45.86	421	272	99	16.40	1,628
2023	6.24	-	-	-	-	4,214	1,538	2.22	3,408	77	28	49.14	1,373	779	284	16.82	4,782
2024	6.84	-	-	-	-	3,009	1,101	2.25	2,476	49	18	49.80	888	550	201	16.70	3,364
2025	6.84	-	-	-	-	2,266	827	2.30	1,900	35	13	50.25	644	413	151	16.89	2,544
2026	6.54	-	-	-	-	1,703	622	2.34	1,454	26	10	51.76	495	310	113	17.22	1,948
2027	6.24	-	-	-	-	1,387	506	2.37	1,201	21	8	52.49	404	252	92	17.42	1,604
2028	6.24	-	-	-	-	1,165	426	2.42	1,032	18	6	53.25	341	212	77	17.73	1,373
2029	5.94	-	-	-	-	1,013	370	2.46	910	15	6	53.84	296	184	67	17.97	1,206
2030	5.94	-	-	-	-	882	322	2.50	806	13	5	54.79	261	160	58	18.26	1,067
2031	5.40	-	-	-	-	784	286	2.54	728	12	4	55.71	235	142	52	18.54	963
2032	5.40	-	-	-	-	707	259	2.63	679	10	4	56.98	216	128	47	19.08	895
2033	5.10	-	-	-	-	621	227	2.68	607	9	3	58.19	194	113	41	19.48	801
2034	4.80	-	-	-	-	564	206	2.73	563	8	3	59.17	178	102	37	19.83	740
2035	4.80	-	-	-	-	472	172	2.79	480	7	2	59.74	147	85	31	20.11	627
Rem.	3.10	-	-	-	-	84	986	3.25	3,205	1	12	60.78	700	15	176	22.21	3,905
47.00 yr			**-**	**-**	**-**		**8,580**	**2.46**	**21,093**		**132**	**51.94**	**6,859**		**1,562**	**17.89**	**27,951**

Year	Royalties & Burdens Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	-	-	-	35	17	52	10.4	504	52	451
2022	-	-	-	71	15	86	5.3	1,628	86	1,542
2023	-	-	-	493	23	516	10.8	4,782	516	4,265
2024	-	-	-	337	33	370	11.0	3,364	370	2,994
2025	-	-	-	221	28	250	9.8	2,544	250	2,294
2026	-	-	-	166	21	187	9.6	1,948	187	1,762
2027	-	-	-	67	17	84	5.2	1,604	84	1,521
2028	-	-	-	50	14	65	4.7	1,373	65	1,309
2029	-	-	-	36	12	49	4.0	1,206	49	1,158
2030	-	-	-	28	11	38	3.6	1,067	38	1,029
2031	-	-	-	22	9	31	3.3	963	31	932
2032	-	-	-	19	9	28	3.1	895	28	867
2033	-	-	-	19	7	27	3.3	801	27	775
2034	-	-	-	17	7	23	3.2	740	23	717
2035	-	-	-	13	6	19	3.1	627	19	607
Rem.	-	-	-	71	53	125	3.2	3,905	125	3,780
47.00 yr	**-**	**-**	**-**	**1,667**	**282**	**1,949**	**7.0**	**27,951**	**1,949**	**26,003**

Year	Company Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	-	-	-	437	160	421	3	1	30	76	28	451
2022	-	-	-	1,353	494	1,171	22	8	371	247	90	1,542
2023	-	-	-	3,665	1,338	3,223	56	20	1,042	667	243	4,265
2024	-	-	-	2,662	974	2,399	31	11	595	475	174	2,994
2025	-	-	-	2,011	734	1,858	23	8	436	358	131	2,294
2026	-	-	-	1,510	551	1,427	17	6	335	268	98	1,762
2027	-	-	-	1,243	454	1,186	17	6	335	224	82	1,521
2028	-	-	-	1,043	382	1,022	14	5	287	188	69	1,309
2029	-	-	-	907	331	903	13	5	255	164	60	1,158
2030	-	-	-	789	288	801	11	4	228	143	52	1,029
2031	-	-	-	701	256	724	10	4	207	127	46	932
2032	-	-	-	631	231	675	9	3	192	114	42	867
2033	-	-	-	555	203	605	8	3	170	100	37	775
2034	-	-	-	504	184	560	7	3	157	91	33	717
2035	-	-	-	419	153	478	6	2	129	76	28	607
Rem.	-	-	-	73	849	3,199	1	9	581	13	151	3,780
47.00 yr		**-**	**-**		**7,581**	**20,653**		**99**	**5,350**		**1,363**	**26,003**

Year	Operating Costs Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	-	120	101	221	6.54	-	-	230	6.81	-	-	-	-	230	230	220
2022	-	145	348	493	4.96	-	-	1,049	10.57	-	-	1,530	1,530	-481	-250	-419
2023	-	282	1,034	1,316	4.63	-	-	2,950	10.37	-	-	1,210	1,210	1,739	1,489	1,388
2024	-	308	717	1,025	5.09	-	-	1,969	9.78	-	-	1,234	1,234	735	2,224	531
2025	-	315	539	855	5.67	-	-	1,440	9.56	-	-	-	-	1,440	3,664	941
2026	-	311	412	723	6.39	-	-	1,039	9.18	-	-	-	-	1,039	4,703	617
2027	-	316	341	657	7.13	-	-	864	9.38	-	-	-	-	864	5,567	466
2028	-	312	291	604	7.79	-	-	705	9.10	-	-	-	-	705	6,271	346
2029	-	318	257	574	8.55	-	-	583	8.69	-	-	-	-	583	6,855	260
2030	-	310	227	538	9.20	32	-	460	8.40	-	-	-	-	460	7,314	186
2031	-	309	206	515	9.92	32	-	385	8.02	-	-	-	-	385	7,699	141
2032	-	312	189	501	10.68	-	-	366	7.81	-	-	-	-	366	8,065	123
2033	-	298	169	468	11.37	33	-	273	7.46	-	-	-	-	273	8,338	83
2034	-	303	156	460	12.32	-	-	257	6.89	-	-	-	-	257	8,595	71
2035	-	263	132	395	12.69	63	-	149	6.80	-	-	-	-	149	8,744	37
Rem.	-	1,847	805	2,652	15.08	815	-	314	6.42	-	-	-	-	314	9,058	93
47.00 yr	**-**	**6,071**	**5,925**	**11,996**	**7.68**	**975**	**-**	**13,032**	**8.97**	**-**	**-**	**3,974**	**3,974**	**9,058**	**9,058**	**5,082**

Country/State	Canada/Alberta
Avg. WI Share	47.61 %
Econ. Life/To Aban.	47.00 yr / 52.00 yr
Econ. RLI	28.45 yr
Capital Cost NPV @ 10%	3,130
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	1.4

Product	Remaining Reserves Gross	Company Share	Company Net	Net Revenue NPV (M$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	18,275	8,580	7,581	20,653	14,410	12,143	10,971	8,792	7,287
NGL (Mbbl)	235	132	99	5,350	3,842	3,264	2,960	2,383	1,979
Total (MBOE)	**3,281**	**1,562**	**1,363**	**26,003**	**18,251**	**15,407**	**13,931**	**11,175**	**9,266**
Total BTCF				**9,058**	**6,678**	**5,645**	**5,082**	**3,994**	**3,225**

Arrow Exploration Corp.

Table 4D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia

Effective Date as of December 31, 2020

Total Proved + Probable

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Company Share Oil Volume Mbbl	Company Share Oil Avg. Price $US/bbl	Company Share Oil Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Company Share Sales Gas Volume MMcf	Company Share Sales Gas Avg. Price $US/Mcf	Company Share Sales Gas Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Company Share NGL Volume Mbbl	Company Share NGL Avg. Price $US/bbl	Company Share NGL Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Company ShareTotal Volume MBOE	Company ShareTotal Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	6.30	443	162	33.28	5,386	-	-	-	-	-	-	-	-	443	162	33.28	5,386
2022	9.30	1,027	375	32.82	12,303	-	-	-	-	-	-	-	-	1,027	375	32.82	12,303
2023	12.30	1,762	643	29.08	18,701	-	-	-	-	-	-	-	-	1,762	643	29.08	18,701
2024	16.70	2,437	892	30.14	26,876	-	-	-	-	-	-	-	-	2,437	892	30.14	26,876
2025	18.50	2,631	960	29.27	28,114	-	-	-	-	-	-	-	-	2,631	960	29.27	28,114
2026	18.50	2,215	808	32.08	25,931	-	-	-	-	-	-	-	-	2,215	808	32.08	25,931
2027	18.00	1,495	546	34.60	18,885	-	-	-	-	-	-	-	-	1,495	546	34.60	18,885
2028	18.00	1,103	404	37.88	15,294	-	-	-	-	-	-	-	-	1,103	404	37.88	15,294
2029	17.40	815	298	40.21	11,967	-	-	-	-	-	-	-	-	815	298	40.21	11,967
2030	17.10	502	183	47.91	8,779	-	-	-	-	-	-	-	-	502	183	47.91	8,779
2031	2.00	263	96	60.11	5,769	-	-	-	-	-	-	-	-	263	96	60.11	5,769
2032	2.00	268	98	61.48	6,025	-	-	-	-	-	-	-	-	268	98	61.48	6,025
2033 (1)	2.00	216	7	62.77	420	-	-	-	-	-	-	-	-	216	7	62.77	420
12.08 yr			**5,472**	**33.71**	**184,453**		**-**	**-**	**-**		**-**	**-**	**-**		**5,472**	**33.71**	**184,453**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	403	110	33	-	-	546	10.1	5,386	546	4,839
2022	898	214	119	-	-	1,231	10.0	12,303	1,231	11,072
2023	1,338	185	97	-	-	1,620	8.7	18,701	1,620	17,082
2024	1,980	199	113	-	-	2,292	8.5	26,876	2,292	24,584
2025	2,100	129	80	-	-	2,309	8.2	28,114	2,309	25,806
2026	1,888	199	148	-	-	2,236	8.6	25,931	2,236	23,696
2027	1,329	188	137	-	-	1,654	8.8	18,885	1,654	17,231
2028	1,077	198	144	-	-	1,419	9.3	15,294	1,419	13,876
2029	845	173	119	-	-	1,138	9.5	11,967	1,138	10,829
2030	657	180	124	-	-	962	11.0	8,779	962	7,817
2031	462	159	103	-	-	723	12.5	5,769	723	5,045
2032	482	166	108	-	-	756	12.5	6,025	756	5,269
2033 (1)	34	12	7	-	-	52	12.4	420	52	368
12.08 yr	**13,493**	**2,113**	**1,332**	**-**	**-**	**16,938**	**9.2**	**184,453**	**16,938**	**167,515**

Year	Company Net Oil Cal Day Rate bbl/d	Company Net Oil Volume Mbbl	Company Net Oil Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Company Net Sales Gas Volume MMcf	Company Net Sales Gas Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Company Net NGL Volume Mbbl	Company Net NGL Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Company Net Total Volume MBOE	Company Net Total Net Revenue M$US
2021	403	147	4,839	-	-	-	-	-	-	403	147	4,839
2022	937	342	11,072	-	-	-	-	-	-	937	342	11,072
2023	1,624	593	17,082	-	-	-	-	-	-	1,624	593	17,082
2024	2,243	821	24,584	-	-	-	-	-	-	2,243	821	24,584
2025	2,425	885	25,806	-	-	-	-	-	-	2,425	885	25,806
2026	2,039	744	23,696	-	-	-	-	-	-	2,039	744	23,696
2027	1,377	503	17,231	-	-	-	-	-	-	1,377	503	17,231
2028	1,012	370	13,876	-	-	-	-	-	-	1,012	370	13,876
2029	747	272	10,829	-	-	-	-	-	-	747	272	10,829
2030	452	165	7,817	-	-	-	-	-	-	452	165	7,817
2031	230	84	5,045	-	-	-	-	-	-	230	84	5,045
2032	234	86	5,269	-	-	-	-	-	-	234	86	5,269
2033 (1)	189	6	368	-	-	-	-	-	-	189	6	368
12.08 yr		**5,018**	**167,515**		**-**	**-**		**-**	**-**		**5,018**	**167,515**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	2,321	456	389	3,165	19.56	-	911	2,584	15.97	690	210	-	900	1,684	1,684	1,595
2022	2,676	813	960	4,450	11.87	-	835	7,458	19.90	44	9,586	-	9,630	-2,172	-487	-2,067
2023	2,825	1,144	2,008	5,977	9.29	227	-	10,878	17.27	4,191	8,203	-	12,395	-1,517	-2,004	-1,200
2024	2,924	1,574	2,977	7,475	8.38	-	-	17,109	19.19	3,796	11,777	-	15,573	1,537	-467	1,001
2025	2,229	1,864	3,435	7,529	7.84	474	-	17,802	19.03	-	8,683	-	8,683	9,119	8,652	5,917
2026	2,228	2,054	2,825	7,107	8.79	46	-	16,543	20.52	-	350	-	350	16,193	24,845	9,621
2027	2,306	2,104	1,880	6,289	11.52	-	-	10,942	20.05	-	365	-	365	10,577	35,423	5,723
2028	2,386	2,138	1,335	5,859	14.51	124	-	7,893	19.85	-	-	-	-	7,893	43,316	3,882
2029	2,470	2,169	971	5,610	18.85	-	-	5,220	17.54	-	386	-	386	4,833	48,149	2,150
2030	1,831	1,312	478	3,622	19.76	2,233	-	1,961	22.89	-	401	-	401	1,560	49,709	630
2031	1,157	430	139	1,726	17.99	-	-	3,319	34.59	-	419	-	419	2,901	52,610	1,076
2032	1,198	445	147	1,790	18.26	-	-	3,480	35.51	-	424	-	424	3,056	55,666	1,020
2033 (1)	102	38	10	150	22.36	763	-	-544	32.65	-	-	-	-	-544	55,122	-173
12.08 yr	**26,653**	**16,542**	**17,554**	**60,748**	**11.10**	**3,867**	**1,746**	**104,646**	**19.83**	**8,721**	**40,802**	**-**	**49,524**	**55,122**	**55,122**	**29,175**

Country/State	Colombia
Avg. WI Share	12.64 %
Econ. Life/To Aban.	12.08 yr / 12.08 yr
Econ. RLI	328.36 yr
Capital Cost NPV @ 10%	37,054
Price Deck	BGEC December 31, 2020
Rate of Return	173.1
Total Payout (years)	4.5

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	43,288	5,472	5,018	167,515	130,181	113,371	103,894	84,819	70,610
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**43,288**	**5,472**	**5,018**	**167,515**	**130,181**	**113,371**	**103,894**	**84,819**	**70,610**
Total BTCF				**55,122**	**39,689**	**32,921**	**29,175**	**21,829**	**16,583**

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Arrow Exploration Corp.

Table 4E – After Tax Analysis – Total Company
Effective Date as of December 31, 2020
Total Proved + Probable

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	3,088	1,024	1,790	31.0	-	-	555	-	-	1,915	555	1,360	1,360	1,286
2022	9,086	3,920	4,587	30.0	-	-	1,376	-	-	-2,652	1,376	-4,028	-2,669	-3,680
2023	15,660	9,529	4,299	30.0	-	-	1,290	-	-	222	1,290	-1,067	-3,736	-829
2024	20,473	14,515	4,564	30.0	-	-	1,369	-	-	2,272	1,369	903	-2,833	551
2025	20,346	18,282	1,419	30.0	-	-	426	-	-	10,559	426	10,133	7,300	6,580
2026	18,491	15,048	2,917	30.0	-	-	875	-	-	17,232	875	16,357	23,657	9,719
2027	12,547	10,263	2,609	30.0	-	-	783	-	-	11,441	783	10,658	34,316	5,768
2028	9,267	7,543	2,789	30.0	-	-	837	-	-	8,598	837	7,761	42,077	3,818
2029	6,426	5,674	2,150	30.0	-	-	645	-	-	5,417	645	4,772	46,849	2,123
2030	3,427	3,636	2,135	30.0	-	-	641	-	-	2,020	641	1,379	48,228	557
2031	4,282	2,211	1,493	30.0	-	-	448	-	-	3,285	448	2,837	51,065	1,052
2032	4,374	2,627	1,218	30.0	-	-	365	-	-	3,422	365	3,057	54,122	1,021
2033	257	428	-	-	-	-	-	-	-	-271	-	-271	53,851	-90
2034	740	257	-	-	-	-	-	-	-	257	-	257	54,108	71
2035	627	149	-	-	-	-	-	-	-	149	-	149	54,257	37
Rem.	3,905	854	-	-	-	-	-	-	-	314	-	314	54,570	93
52.00 yr	**132,996**	**95,960**	**31,971**	**30.1**	**-**	**-**	**9,609**	**-**	**-**	**64,180**	**9,609**	**54,570**	**54,570**	**28,077**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	64,180	46,367	38,567	34,257	25,823	19,808
Tax Payable	9,609	7,584	6,684	6,180	5,171	4,423
After Tax Cash Flow	54,570	38,782	31,882	28,077	20,652	15,385

Arrow Exploration Corp.
Table 4F – After Tax Analysis – Total Canada
Effective Date as of December 31, 2020
Total Proved + Probable

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	230	230	-	-	-	-	-	230	-	230	230	220
2022	1,049	1,049	-	-	-	-	-	-481	-	-481	-250	-419
2023	2,950	2,950	-	-	-	-	-	1,739	-	1,739	1,489	1,388
2024	1,969	1,969	-	-	-	-	-	735	-	735	2,224	531
2025	1,440	1,440	-	-	-	-	-	1,440	-	1,440	3,664	941
2026	1,039	1,039	-	-	-	-	-	1,039	-	1,039	4,703	617
2027	864	864	-	-	-	-	-	864	-	864	5,567	466
2028	705	705	-	-	-	-	-	705	-	705	6,271	346
2029	583	583	-	-	-	-	-	583	-	583	6,855	260
2030	460	460	-	-	-	-	-	460	-	460	7,314	186
2031	385	385	-	-	-	-	-	385	-	385	7,699	141
2032	366	366	-	-	-	-	-	366	-	366	8,065	123
2033	273	273	-	-	-	-	-	273	-	273	8,338	83
2034	257	257	-	-	-	-	-	257	-	257	8,595	71
2035	149	149	-	-	-	-	-	149	-	149	8,744	37
Rem.	314	854	-	-	-	-	-	314	-	314	9,058	93
52.00 yr	**13,032**	**13,572**	**-**	**-**	**-**	**-**	**-**	**9,058**	**-**	**9,058**	**9,058**	**5,082**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	9,058	6,678	5,645	5,082	3,994	3,225
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	9,058	6,678	5,645	5,082	3,994	3,225

Arrow Exploration Corp.

Table 4G – After Tax Analysis – Total Colombia
Effective Date as of December 31, 2020
Total Proved + Probable

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,584	794	1,790	31.0	555	1,684	555	1,129	1,129	1,066
2022	7,458	2,871	4,587	30.0	1,376	-2,172	1,376	-3,548	-2,418	-3,260
2023	10,878	6,579	4,299	30.0	1,290	-1,517	1,290	-2,806	-5,225	-2,217
2024	17,109	12,546	4,564	30.0	1,369	1,537	1,369	168	-5,057	20
2025	17,802	16,842	1,419	30.0	426	9,119	426	8,694	3,636	5,639
2026	16,543	14,009	2,917	30.0	875	16,193	875	15,318	18,954	9,102
2027	10,942	9,399	2,609	30.0	783	10,577	783	9,794	28,749	5,302
2028	7,893	6,839	2,789	30.0	837	7,893	837	7,056	35,805	3,472
2029	5,220	5,091	2,150	30.0	645	4,833	645	4,188	39,994	1,863
2030	2,360	3,177	2,135	30.0	641	1,560	641	920	40,913	371
2031	3,319	1,826	1,493	30.0	448	2,901	448	2,453	43,366	911
2032	3,480	2,261	1,218	30.0	365	3,056	365	2,691	46,057	898
2033	-544	154	-	-	-	-544	-	-544	45,512	-173
13.00 yr	**105,044**	**82,388**	**31,971**	**30.1**	**9,609**	**55,122**	**9,609**	**45,512**	**45,512**	**22,994**

Cash Flow NPV (M$US)	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Before Tax Cash Flow	55,122	39,689	32,921	29,175	21,829	16,583
Tax Payable	9,609	7,584	6,684	6,180	5,171	4,423
After Tax Cash Flow	45,512	32,104	26,237	22,994	16,658	12,160

Arrow Exploration Corp.

Table 5A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
Canada													
Alberta													
Fir													
01) Fir (Producers)													
100/04-19-058-22W5/0	W=30.0	Commingled	P+PSP	-	30	0.3	-	25	0.2	-24	-13	-6	-2
100/01-29-058-22W5/0	W=30.0	Commingled	P+PSP	-	111	1.2	-	94	0.8	36	46	45	42
100/05-29-058-22W5/0	W=30.0	Commingled	P+PSP	-	112	1.2	-	95	0.8	38	47	47	44
100/03-31-058-22W5/0	W=30.0	Commingled	P+PSP	-	735	7.8	-	621	5.5	1,145	625	423	323
100/05-31-058-22W5/0	W=30.0	Commingled	P+PSP	-	156	1.7	-	131	1.2	72	75	68	59
100/03-33-058-22W5/0	W=24.0	Commingled	P+PSP	-	68	0.7	-	57	0.5	9	19	22	22
100/16-33-058-22W5/0	W=30.0	Commingled	P+PSP	-	56	0.6	-	47	0.3	-12	2	8	11
100/01-24-058-23W5/0	W=30.0	Commingled	P+PSP	-	69	0.7	-	58	0.5	-8	6	12	14
100/15-24-058-23W5/0	W=30.0	Commingled	P+PSP	-	156	1.7	-	131	1.1	88	88	79	69
102/16-25-058-23W5/0	W=30.0	Commingled	P+PSP	-	329	3.5	-	278	2.5	320	245	190	153
100/01-36-058-23W5/0	W=30.0	Commingled	P+PSP	-	52	0.5	-	43	0.3	-3	8	14	17
100/15-05-059-22W5/0	W=40.0	Commingled	P+PSP	-	232	2.5	-	196	1.7	170	161	142	125
Subtotal 01) Fir (Producers)				**-**	**2,107**	**22.3**	**-**	**1,778**	**15.2**	**1,831**	**1,309**	**1,043**	**877**
02) Fir (Locations)													
1XX/16-19-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	752	8.0	-	640	6.4	707	338	152	55
1XX/13-29-058-22W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	753	8.0	-	640	6.5	694	349	164	62
1XX/06-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	753	8.0	-	640	6.5	694	349	164	62
1XX/14-36-058-23W5/X DCCETI	W=30.0 F=30.0	Commingled	P+PSU	-	752	8.0	-	640	6.4	708	339	153	56
Subtotal 02) Fir (Locations)				**-**	**3,011**	**31.9**	**-**	**2,560**	**25.8**	**2,804**	**1,375**	**633**	**236**
Subtotal Fir				**-**	**5,118**	**54.3**	**-**	**4,337**	**41.0**	**4,635**	**2,685**	**1,676**	**1,113**
Pepper													
01) Pepper Locations													
100/14-21-052-22W5/3	W=100.0		P+PSN	-	2,152	43.0	-	1,995	32.4	3,021	2,387	1,915	1,564
100/06-26-052-23W5/0	W=100.0		P+PSN	-	3,284	65.7	-	2,964	47.6	5,280	4,049	3,194	2,585
Subtotal 01) Pepper Locations				**-**	**5,436**	**108.7**	**-**	**4,959**	**80.0**	**8,300**	**6,436**	**5,110**	**4,149**
Subtotal Alberta				**-**	**10,554**	**163.0**	**-**	**9,296**	**121.0**	**12,935**	**9,121**	**6,786**	**5,262**
Colombia													
Ombu Block													
Capella													
01A) Conglomerate Group													
Conglomerate Group	W=10.0	CONGLOMERATE	P+PSN	45	-	-	42	-	-	193	195	190	180
01B) Conglomerate DEV													
CONG 2024 DEV-1P Area	W=10.0	CONGLOMERATE	P+PSU	715	-	-	663	-	-	7,799	5,783	4,347	3,307
CONG 2024 DEV-2P Area	W=10.0	CONGLOMERATE	P+PSU	113	-	-	105	-	-	1,259	918	679	509
CONG 2025 DEV-2P Area	W=10.0	CONGLOMERATE	P+PSU	1,062	-	-	987	-	-	12,011	8,538	6,165	4,514
Subtotal 01B) Conglomerate DEV				**1,891**	**-**	**-**	**1,755**	**-**	**-**	**21,069**	**15,239**	**11,191**	**8,330**

Arrow Exploration Corp.
Table 5A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
02A) Incised Valley													
Incised Valley Group	W=10.0	M1 & M2	P+PSN	500	-	-	467	-	-	7,129	5,818	4,857	4,136
02B) Incised Valley DEV													
INC 2022 DEV-1P Area	W=10.0	M1 & M2	P+PSU	812	-	-	756	-	-	9,915	7,928	6,430	5,279
INC 2023 DEV-1P Area	W=10.0	M1 & M2	P+PSU	840	-	-	780	-	-	10,943	8,487	6,687	5,340
INC 2023 DEV-2P Area	W=10.0	M1 & M2	P+PSU	751	-	-	697	-	-	10,109	7,683	5,937	4,653
INC 2024 DEV-2P Area	W=10.0	M1 & M2	P+PSU	430	-	-	400	-	-	5,939	4,444	3,383	2,614
Subtotal 02B) Incised Valley DEV				**2,834**	**-**	**-**	**2,633**	**-**	**-**	**36,906**	**28,543**	**22,436**	**17,887**
03A) M1 Rest of Field													
M1 Rest of Field Group	W=10.0	M1	P+PSN	20	-	-	19	-	-	117	114	110	105
04) Field Expenses													
Field Expenses			NRA	-	-	-	-	-	-	-23,956	-19,442	-16,184	-13,755
Subtotal Capella				**5,289**	**-**	**-**	**4,916**	**-**	**-**	**41,458**	**30,468**	**22,600**	**16,882**
Santa Isabel													
Oso Pardo													
1) Oso Pardo (Oil)													
MORSA01-UMIR	W=100.0	UMIR SANDS	P+PSN	111	-	-	99	-	-	3,755	3,368	3,045	2,772
OSO PARDO01-UMIR	W=100.0	UMIR SAND 1	P+PSN	52	-	-	47	-	-	1,594	1,442	1,314	1,205
OSO PARDO02-UMIR	W=100.0	UMIR SANDS	P+PSN	7	-	-	6	-	-	-193	-161	-136	-114
Subtotal 1) Oso Pardo (Oil)				**170**	**-**	**-**	**152**	**-**	**-**	**5,156**	**4,650**	**4,224**	**3,863**
2) Oso Pardo Facilities													
Oso Pardo Facilities		SURFACE	NRA	-	-	-	-	-	-	-4,225	-3,749	-3,360	-3,037
Subtotal Oso Pardo				**170**	**-**	**-**	**152**	**-**	**-**	**931**	**900**	**864**	**826**
Tapir Block													
Mateguafa													
Mateguafa-Oil													
MTG-05_C7A	W=50.0	CARBONERA C7-A	P+PSU	209	-	-	164	-	-	2,571	1,796	1,239	835
MTG-05_GA/GB	W=50.0	GUADALUPE A & B	P+PSU	245	-	-	214	-	-	8,594	5,077	3,092	1,934
MTG-05_U	W=50.0	UBAQUE	P+PSU	126	-	-	110	-	-	3,909	1,711	780	369
MTG-06_C7A	W=50.0	CARBONERA C7-A	P+PSU	203	-	-	159	-	-	6,009	3,438	2,028	1,230
MTG-06_GA/GB	W=50.0	GUADALUPE A & B	P+PSU	251	-	-	219	-	-	4,962	3,654	2,716	2,033
MTG-06_U	W=50.0	UBAQUE	P+PSU	125	-	-	109	-	-	3,890	1,697	771	364
MTG-FACILITY			NRA	-	-	-	-	-	-	-8,887	-5,419	-3,643	-2,648
Subtotal Mateguafa-Oil				**1,159**	**-**	**-**	**974**	**-**	**-**	**21,048**	**11,953**	**6,984**	**4,115**
Rio Cravo Este													
01) RCE - C7A Carbonera													
RCE-01_C7A	W=50.0	Carbonera C7A	P+PSU	247	-	-	216	-	-	11,140	9,658	8,538	7,670
RCE-02_C7A	W=50.0	Carbonera C7A	P+PSU	320	-	-	279	-	-	11,159	8,617	6,816	5,501
RCE-03_C7A	W=50.0	Carbonera C7A	P+PSU	304	-	-	265	-	-	13,637	9,090	6,248	4,410
Subtotal 01) RCE - C7A Carbonera				**871**	**-**	**-**	**760**	**-**	**-**	**35,936**	**27,364**	**21,601**	**17,580**

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Arrow Exploration Corp.

Table 5A – Summary of Reserves and Net Present Value
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Area and Property	Company Interest %	Zone	Res. Cat.	Company Gross Reserves Oil Mbbl	Company Gross Reserves Sales Gas MMcf	Company Gross Reserves NGL Mbbl	Net Reserves Oil Mbbl	Net Reserves Sales Gas MMcf	Net Reserves NGL Mbbl	Before Tax Cash Flow NPV @ 0.0% M$US	NPV @ 5.0% M$US	NPV @ 10.0% M$US	NPV @ 15.0% M$US
02) RCE - C7C Carbonera													
RCE-01_C7C	W=50.0	Carbonera C7C	P+PSN	191	-	-	167	-	-	8,825	5,143	3,088	1,905
RCE-02_C7C	W=50.0	Carbonera C7C	P+PSU	187	-	-	163	-	-	9,043	4,737	2,569	1,437
RCE-04_C7C	W=50.0	Carbonera C7C	P+PSU	191	-	-	166	-	-	8,528	5,414	3,528	2,353
Subtotal 02) RCE - C7C Carbonera				**569**	**-**	**-**	**497**	**-**	**-**	**26,396**	**15,294**	**9,185**	**5,696**
03) RCE - Gacheta B													
RCE-01_GACHETA_B	W=50.0	Gacheta B	P+PSN	85	-	-	74	-	-	3,768	1,753	845	421
RCE-03_GACHETA_B	W=50.0	Gacheta B	P+PSU	114	-	-	99	-	-	1,730	1,320	995	735
RCE-04_GACHETA_B	W=50.0	Gacheta B	P+PSU	113	-	-	98	-	-	1,507	999	645	397
Subtotal 03) RCE - Gacheta B				**311**	**-**	**-**	**272**	**-**	**-**	**7,004**	**4,071**	**2,485**	**1,553**
04) RCE - Gacheta D													
RCE-02_GACHETA_D	W=50.0	Gacheta D	P+PSU	17	-	-	15	-	-	219	96	44	21
RCE-03_GACHETA_D	W=50.0	Gacheta D	P+PSU	78	-	-	68	-	-	3,355	1,586	777	393
RCE-04_GACHETA_D	W=50.0	Gacheta D	P+PSU	94	-	-	82	-	-	4,018	1,978	1,009	531
Subtotal 04) RCE - Gacheta D				**189**	**-**	**-**	**165**	**-**	**-**	**7,593**	**3,661**	**1,830**	**945**
05) RCE Field Cost													
RCE Facility		Carbonera C7A	NRA	-	-	-	-	-	-	-18,773	-12,236	-8,584	-6,410
Subtotal Rio Cravo Este				**1,940**	**-**	**-**	**1,693**	**-**	**-**	**58,156**	**38,153**	**26,517**	**19,364**
Subtotal Tapir Block				**3,099**	**-**	**-**	**2,668**	**-**	**-**	**79,204**	**50,107**	**33,501**	**23,479**
Subtotal Colombia				**8,558**	**-**	**163.0**	**7,735**	**-**	**121.0**	**121,592**	**81,475**	**56,965**	**41,188**
Total Arrow Exploration Corp.				**8,558**	**10,554**	**163.0**	**7,735**	**9,296**	**121.0**	**134,527**	**90,596**	**63,751**	**46,449**

BOURY Global Energy Consultants

Arrow Exploration Corp.

Table 5B – Summary of Reserves and Future Net Revenue Forecast – Total Company
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Year	WI Wells	Company Share Oil Cal Day Rate bbl/d	Company Share Oil Volume Mbbl	Company Share Oil Avg. Price $US/bbl	Company Share Oil Sales Revenue M$US	Company Share Sales Gas Cal Day Rate Mcf/d	Company Share Sales Gas Volume MMcf	Company Share Sales Gas Avg. Price $US/Mcf	Company Share Sales Gas Sales Revenue M$US	Company Share NGL Cal Day Rate bbl/d	Company Share NGL Volume Mbbl	Company Share NGL Avg. Price $US/bbl	Company Share NGL Sales Revenue M$US	Company ShareTotal Cal Day Rate BOE/d	Company ShareTotal Volume MBOE	Company ShareTotal Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	9.94	469	171	33.44	5,721	525	192	2.30	440	6	2	32.55	66	562	205	30.37	6,228
2022	14.94	1,170	427	32.84	14,024	1,567	572	2.23	1,276	27	10	46.00	450	1,458	532	29.60	15,751
2023	20.54	2,398	875	31.34	27,432	4,688	1,711	2.22	3,792	85	31	49.18	1,533	3,265	1,192	27.49	32,757
2024	24.64	3,244	1,187	31.80	37,758	3,464	1,268	2.25	2,850	56	21	49.95	1,032	3,878	1,419	29.34	41,640
2025	27.64	3,495	1,276	30.89	39,399	2,669	974	2.30	2,238	42	15	50.47	769	3,981	1,453	29.18	42,406
2026	26.04	2,859	1,043	32.32	33,723	2,054	750	2.34	1,753	32	12	51.99	605	3,233	1,180	30.58	36,082
2027	26.04	1,973	720	34.30	24,702	1,693	618	2.37	1,466	26	9	52.77	501	2,281	833	32.03	26,669
2028	25.74	1,501	549	37.39	20,536	1,450	531	2.42	1,285	22	8	53.51	432	1,765	646	34.46	22,253
2029	25.24	1,210	442	40.13	17,725	1,265	462	2.46	1,136	19	7	54.18	377	1,440	526	36.60	19,238
2030	24.94	1,227	448	45.43	20,351	1,131	413	2.50	1,033	17	6	55.03	339	1,433	523	41.54	21,723
2031	24.34	900	329	47.97	15,767	1,011	369	2.54	939	15	5	55.99	307	1,084	396	43.00	17,013
2032	8.64	544	199	59.49	11,852	908	332	2.63	872	13	5	57.33	282	709	260	50.12	13,007
2033	8.40	442	161	60.88	9,823	824	301	2.68	806	12	4	58.29	258	592	216	50.42	10,886
2034	8.40	393	143	62.44	8,949	741	271	2.73	739	11	4	59.34	236	527	192	51.58	9,923
2035	7.80	392	143	64.16	9,171	657	240	2.79	668	10	4	60.53	213	511	186	53.92	10,053
Rem.	7.80	35	443	64.77	28,707	121	1,552	3.27	5,082	2	19	63.49	1,232	56	721	48.55	35,020
50.00 yr			**8,558**	**38.05**	**325,639**		**10,554**	**2.50**	**26,374**		**163**	**52.98**	**8,634**		**10,480**	**34.41**	**360,648**

Year	Royalties & Burdens: Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	429	118	38	35	17	638	10.2	6,228	638	5,590
2022	1,027	244	144	75	15	1,505	9.6	15,751	1,505	14,246
2023	2,357	293	237	612	25	3,522	10.8	32,757	3,522	29,234
2024	3,170	320	256	416	37	4,199	10.1	41,640	4,199	37,441
2025	3,293	245	184	271	33	4,026	9.5	42,406	4,026	38,380
2026	2,706	242	203	209	25	3,385	9.4	36,082	3,385	32,697
2027	1,900	215	170	95	21	2,399	9.0	26,669	2,399	24,269
2028	1,556	237	185	76	18	2,072	9.3	22,253	2,072	20,181
2029	1,306	256	186	62	15	1,825	9.5	19,238	1,825	17,413
2030	1,795	327	291	57	14	2,484	11.4	21,723	2,484	19,240
2031	1,522	245	224	50	12	2,053	12.1	17,013	2,053	14,960
2032	1,208	267	230	43	11	1,760	13.5	13,007	1,760	11,246
2033	982	226	180	36	10	1,434	13.2	10,886	1,434	9,452
2034	865	213	158	31	9	1,275	12.9	9,923	1,275	8,648
2035	847	227	164	26	8	1,272	12.6	10,053	1,272	8,781
Rem.	2,312	789	505	149	77	3,832	10.9	35,020	3,832	31,188
50.00 yr	**27,274**	**4,464**	**3,354**	**2,242**	**348**	**37,681**	**10.4**	**360,648**	**37,681**	**322,967**

Year	Company Net Oil Cal Day Rate bbl/d	Company Net Oil Volume Mbbl	Company Net Oil Net Revenue M$US	Company Net Sales Gas Cal Day Rate Mcf/d	Company Net Sales Gas Volume MMcf	Company Net Sales Gas Net Revenue M$US	Company Net NGL Cal Day Rate bbl/d	Company Net NGL Volume Mbbl	Company Net NGL Net Revenue M$US	Company Net Total Cal Day Rate BOE/d	Company Net Total Volume MBOE	Company Net Total Net Revenue M$US
2021	426	155	5,136	439	160	423	3	1	30	502	183	5,590
2022	1,066	389	12,609	1,434	523	1,239	23	8	398	1,328	485	14,246
2023	2,176	794	24,546	4,004	1,461	3,550	61	22	1,138	2,904	1,060	29,234
2024	2,952	1,080	34,011	3,019	1,105	2,738	36	13	692	3,491	1,278	37,441
2025	3,188	1,164	35,677	2,372	866	2,183	27	10	520	3,610	1,318	38,380
2026	2,614	954	30,573	1,824	666	1,716	21	8	408	2,938	1,072	32,697
2027	1,808	660	22,418	1,518	554	1,443	21	8	409	2,082	760	24,269
2028	1,372	502	18,558	1,298	475	1,267	18	6	355	1,606	588	20,181
2029	1,103	403	15,977	1,130	412	1,122	15	6	313	1,307	477	17,413
2030	1,095	400	17,937	1,012	369	1,023	14	5	279	1,277	466	19,240
2031	796	291	13,776	906	331	931	12	4	253	959	350	14,960
2032	465	170	10,147	812	297	865	11	4	235	612	224	11,246
2033	379	138	8,435	737	269	800	10	4	218	512	187	9,452
2034	338	123	7,713	662	242	734	9	3	201	457	167	8,648
2035	339	124	7,934	587	214	664	8	3	183	444	162	8,781
Rem.	30	388	25,101	106	1,350	5,064	1	16	1,023	49	628	31,188
50.00 yr		**7,735**	**290,548**		**9,296**	**25,764**		**121**	**6,655**		**9,406**	**322,967**

Year	Operating Costs: Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs: Tangible M$US	Intangible M$US	Canada M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	2,321	576	510	3,406	16.61	-	998	3,181	15.51	690	210	-	900	2,281	2,281	2,159
2022	2,676	958	1,458	5,092	9.57	-	748	9,902	18.61	2,074	9,586	1,530	13,190	-3,287	-1,006	-3,040
2023	3,114	1,659	4,116	8,889	7.46	-	-	20,346	17.07	5,221	14,918	1,210	21,349	-1,004	-2,010	-1,035
2024	3,249	2,173	5,006	10,428	7.35	231	-	26,782	19.03	4,338	11,777	1,234	17,348	9,433	7,424	6,661
2025	3,271	2,598	5,345	11,215	7.72	487	-	26,679	18.69	-	8,342	-	8,342	18,337	25,761	11,950
2026	2,576	2,684	4,366	9,626	8.16	-	-	23,072	19.55	-	346	-	346	22,726	48,487	13,483
2027	2,666	2,767	3,110	8,543	10.26	-	-	15,727	18.89	-	-	-	-	15,727	64,214	8,498
2028	2,759	2,806	2,357	7,921	12.27	49	-	12,211	18.98	-	369	-	369	11,841	76,055	5,798
2029	2,856	2,881	2,034	7,771	14.79	-	-	9,642	18.35	-	777	-	777	8,865	84,920	3,951
2030	2,956	2,910	2,112	7,977	15.26	163	-	11,099	21.54	-	397	-	397	10,703	95,623	4,331
2031	2,807	2,661	1,681	7,149	18.07	2,338	-	5,473	19.74	-	-	-	-	5,473	101,096	2,047
2032	1,626	1,104	959	3,688	14.21	33	-	7,525	29.12	-	424	-	424	7,102	108,198	2,368
2033	1,683	1,137	796	3,616	16.74	-	-	5,837	27.03	-	449	-	449	5,388	113,586	1,646
2034	1,742	1,163	684	3,589	18.66	34	-	5,025	26.30	-	-	-	-	5,025	118,610	1,393
2035	1,803	1,182	616	3,601	19.32	-	-	5,180	27.78	-	943	-	943	4,236	122,847	1,057
Rem.	5,743	6,051	3,827	15,620	21.66	2,406	-	13,162	21.58	-	1,481	-	1,481	11,680	134,527	2,485
50.00 yr	**43,845**	**35,309**	**38,977**	**118,131**	**11.27**	**5,741**	**1,746**	**200,841**	**19.71**	**12,323**	**50,017**	**3,974**	**66,314**	**134,527**	**134,527**	**63,751**

Country/State	N/A
Avg. WI Share	16.56 %
Econ. Life/To Aban.	50.00 yr / 55.00 yr
Econ. RLI	254.64 yr
Capital Cost NPV @ 10%	49,170
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	4.1

Product	Remaining Reserves: Gross	Company Share	Company Net	Net Revenue NPV (M$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	59,258	8,558	7,735	290,548	207,886	174,500	156,679	122,898	99,438
Sales Gas (MMcf)	22,359	10,554	9,296	25,764	17,318	14,385	12,897	10,184	8,351
NGL (Mbbl)	288	163	121	6,655	4,620	3,872	3,485	2,767	2,275
Total (MBOE)	**63,273**	**10,480**	**9,406**	**322,967**	**229,824**	**192,757**	**173,061**	**135,849**	**110,064**
Total BTCF				**134,527**	**90,596**	**73,033**	**63,751**	**46,449**	**34,791**

Arrow Exploration Corp.

Table 5C – Summary of Reserves and Future Net Revenue Forecast – Total Canada
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

		Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
Year	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	3.64	-	-	-	-	525	192	2.30	440	6	2	32.55	66	93	34	14.90	506
2022	5.64	-	-	-	-	1,567	572	2.23	1,276	27	10	46.00	450	288	105	16.43	1,727
2023	6.24	-	-	-	-	4,688	1,711	2.22	3,792	85	31	49.18	1,533	867	316	16.83	5,325
2024	6.84	-	-	-	-	3,464	1,268	2.25	2,850	56	21	49.95	1,032	634	232	16.74	3,882
2025	6.84	-	-	-	-	2,669	974	2.30	2,238	42	15	50.47	769	487	178	16.93	3,007
2026	6.54	-	-	-	-	2,054	750	2.34	1,753	32	12	51.99	605	374	137	17.27	2,359
2027	6.54	-	-	-	-	1,693	618	2.37	1,466	26	9	52.77	501	308	113	17.48	1,967
2028	6.24	-	-	-	-	1,450	531	2.42	1,285	22	8	53.51	432	264	97	17.78	1,716
2029	6.24	-	-	-	-	1,265	462	2.46	1,136	19	7	54.18	377	230	84	18.04	1,513
2030	5.94	-	-	-	-	1,131	413	2.50	1,033	17	6	55.03	339	205	75	18.31	1,373
2031	5.94	-	-	-	-	1,011	369	2.54	939	15	5	55.99	307	184	67	18.60	1,246
2032	5.64	-	-	-	-	908	332	2.63	872	13	5	57.33	282	165	60	19.15	1,154
2033	5.40	-	-	-	-	824	301	2.68	806	12	4	58.29	258	150	55	19.49	1,064
2034	5.40	-	-	-	-	741	271	2.73	739	11	4	59.34	236	134	49	19.86	974
2035	4.80	-	-	-	-	657	240	2.79	668	10	4	60.53	213	119	43	20.26	881
Rem.	4.80	-	-	-	-	121	1,552	3.27	5,082	2	19	63.49	1,232	22	278	22.71	6,313
50.00 yr			**-**	**-**	**-**		**10,554**	**2.50**	**26,374**		**163**	**52.98**	**8,634**		**1,922**	**18.21**	**35,008**

	Royalties & Burdens									
Year	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %	Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
2021	-	-	-	35	17	53	10.4	506	53	454
2022	-	-	-	75	15	89	5.2	1,727	89	1,638
2023	-	-	-	612	25	636	12.0	5,325	636	4,689
2024	-	-	-	416	37	453	11.7	3,882	453	3,430
2025	-	-	-	271	33	304	10.1	3,007	304	2,703
2026	-	-	-	209	25	234	9.9	2,359	234	2,125
2027	-	-	-	95	21	115	5.9	1,967	115	1,852
2028	-	-	-	76	18	94	5.5	1,716	94	1,622
2029	-	-	-	62	15	78	5.1	1,513	78	1,435
2030	-	-	-	57	14	70	5.1	1,373	70	1,302
2031	-	-	-	50	12	62	5.0	1,246	62	1,184
2032	-	-	-	43	11	54	4.7	1,154	54	1,100
2033	-	-	-	36	10	46	4.4	1,064	46	1,017
2034	-	-	-	31	9	40	4.1	974	40	935
2035	-	-	-	26	8	34	3.8	881	34	847
Rem.	-	-	-	149	77	226	3.6	6,313	226	6,087
50.00 yr	**-**	**-**	**-**	**2,242**	**348**	**2,589**	**7.4**	**35,008**	**2,589**	**32,419**

	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	-	-	-	439	160	423	3	1	30	76	28	454
2022	-	-	-	1,434	523	1,239	23	8	398	262	96	1,638
2023	-	-	-	4,004	1,461	3,550	61	22	1,138	728	266	4,689
2024	-	-	-	3,019	1,105	2,738	36	13	692	539	197	3,430
2025	-	-	-	2,372	866	2,183	27	10	520	422	154	2,703
2026	-	-	-	1,824	666	1,716	21	8	408	325	118	2,125
2027	-	-	-	1,518	554	1,443	21	8	409	274	100	1,852
2028	-	-	-	1,298	475	1,267	18	6	355	234	86	1,622
2029	-	-	-	1,130	412	1,122	15	6	313	204	74	1,435
2030	-	-	-	1,012	369	1,023	14	5	279	182	66	1,302
2031	-	-	-	906	331	931	12	4	253	163	59	1,184
2032	-	-	-	812	297	865	11	4	235	146	54	1,100
2033	-	-	-	737	269	800	10	4	218	133	48	1,017
2034	-	-	-	662	242	734	9	3	201	119	44	935
2035	-	-	-	587	214	664	8	3	183	106	39	847
Rem.	-	-	-	106	1,350	5,064	1	16	1,023	19	241	6,087
50.00 yr		**-**	**-**		**9,296**	**25,764**		**121**	**6,655**		**1,670**	**32,419**

	Operating Costs									Capital Costs				Before Tax Cash Flow		
Year	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE	Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	-	120	102	222	6.52	-	-	232	6.83	-	-	-	-	232	232	222
2022	-	145	369	514	4.89	-	-	1,123	10.69	-	-	1,530	1,530	-407	-175	-358
2023	-	282	1,151	1,434	4.53	-	-	3,255	10.29	-	-	1,210	1,210	2,045	1,870	1,629
2024	-	308	828	1,136	4.90	-	-	2,293	9.89	-	-	1,234	1,234	1,060	2,930	763
2025	-	321	638	959	5.40	-	-	1,744	9.82	-	-	-	-	1,744	4,674	1,139
2026	-	321	499	820	6.00	-	-	1,305	9.55	-	-	-	-	1,305	5,979	774
2027	-	321	418	739	6.57	-	-	1,113	9.89	-	-	-	-	1,113	7,092	600
2028	-	323	364	687	7.12	-	-	935	9.69	-	-	-	-	935	8,027	459
2029	-	319	322	641	7.64	-	-	795	9.47	-	-	-	-	795	8,822	354
2030	-	324	293	617	8.22	32	-	654	9.14	-	-	-	-	654	9,476	265
2031	-	320	266	586	8.75	-	-	598	8.92	-	-	-	-	598	10,074	220
2032	-	316	244	561	9.30	33	-	506	8.94	-	-	-	-	506	10,580	169
2033	-	322	225	547	10.02	-	-	471	8.62	-	-	-	-	471	11,051	143
2034	-	320	206	526	10.72	34	-	375	8.33	-	-	-	-	375	11,425	103
2035	-	309	186	496	11.40	-	-	352	8.09	-	-	-	-	352	11,777	88
Rem.	-	2,707	1,301	4,008	14.41	921	-	1,158	7.48	-	-	-	-	1,158	12,935	215
50.00 yr	**-**	**7,077**	**7,413**	**14,490**	**7.54**	**1,020**	**-**	**16,909**	**9.33**	**-**	**-**	**3,974**	**3,974**	**12,935**	**12,935**	**6,786**

Country/State	Canada/Alberta
Avg. WI Share	47.87 %
Econ. Life/To Aban.	50.00 yr / 55.00 yr
Econ. RLI	34.75 yr
Capital Cost NPV @ 10%	3,130
Price Deck	BGEC December 31, 2020
Rate of Return	
Total Payout (years)	1.2

	Remaining Reserves			Net Revenue NPV (M$US)					
Product	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	-	-	-	-	-	-	-	-	-
Sales Gas (MMcf)	22,359	10,554	9,296	25,764	17,318	14,385	12,897	10,184	8,351
NGL (Mbbl)	288	163	121	6,655	4,620	3,872	3,485	2,767	2,275
Total (MBOE)	**4,015**	**1,922**	**1,670**	**32,419**	**21,938**	**18,257**	**16,382**	**12,951**	**10,626**
Total BTCF				**12,935**	**9,121**	**7,595**	**6,786**	**5,262**	**4,210**

Arrow Exploration Corp.

Table 5D – Summary of Reserves and Future Net Revenue Forecast – Total Colombia
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Year	WI Wells	Company Share Oil				Company Share Sales Gas				Company Share NGL				Company ShareTotal			
		Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Company Share Sales Revenue M$US
2021	6.30	469	171	33.44	5,721	-	-	-	-	-	-	-	-	469	171	33.44	5,721
2022	9.30	1,170	427	32.84	14,024	-	-	-	-	-	-	-	-	1,170	427	32.84	14,024
2023	14.30	2,398	875	31.34	27,432	-	-	-	-	-	-	-	-	2,398	875	31.34	27,432
2024	17.80	3,244	1,187	31.80	37,758	-	-	-	-	-	-	-	-	3,244	1,187	31.80	37,758
2025	21.10	3,495	1,276	30.89	39,399	-	-	-	-	-	-	-	-	3,495	1,276	30.89	39,399
2026	19.50	2,859	1,043	32.32	33,723	-	-	-	-	-	-	-	-	2,859	1,043	32.32	33,723
2027	19.50	1,973	720	34.30	24,702	-	-	-	-	-	-	-	-	1,973	720	34.30	24,702
2028	19.50	1,501	549	37.39	20,536	-	-	-	-	-	-	-	-	1,501	549	37.39	20,536
2029	19.00	1,210	442	40.13	17,725	-	-	-	-	-	-	-	-	1,210	442	40.13	17,725
2030	19.00	1,227	448	45.43	20,351	-	-	-	-	-	-	-	-	1,227	448	45.43	20,351
2031	18.40	900	329	47.97	15,767	-	-	-	-	-	-	-	-	900	329	47.97	15,767
2032	3.00	544	199	59.49	11,852	-	-	-	-	-	-	-	-	544	199	59.49	11,852
2033	3.00	442	161	60.88	9,823	-	-	-	-	-	-	-	-	442	161	60.88	9,823
2034	3.00	393	143	62.44	8,949	-	-	-	-	-	-	-	-	393	143	62.44	8,949
2035	3.00	392	143	64.16	9,171	-	-	-	-	-	-	-	-	392	143	64.16	9,171
Rem.	3.00	228	443	64.77	28,707	-	-	-	-	-	-	-	-	228	443	64.77	28,707
20.33 yr			**8,558**	**38.05**	**325,639**		**-**	**-**	**-**		**-**	**-**	**-**		**8,558**	**38.05**	**325,639**

Year	Royalties & Burdens							Company Share Sales Revenue M$US	Total Roy. & Burdens M$US	Company Net Revenue M$US
	Sliding Scale M$US	Ecopetrol ORR/ X-Factor M$US	Samaria Obligation M$US	Alberta Crown M$US	Alberta ORR M$US	Total M$US	Total %			
2021	429	118	38	-	-	585	10.2	5,721	585	5,136
2022	1,027	244	144	-	-	1,416	10.1	14,024	1,416	12,609
2023	2,357	293	237	-	-	2,886	10.5	27,432	2,886	24,546
2024	3,170	320	256	-	-	3,747	9.9	37,758	3,747	34,011
2025	3,293	245	184	-	-	3,722	9.4	39,399	3,722	35,677
2026	2,706	242	203	-	-	3,151	9.3	33,723	3,151	30,573
2027	1,900	215	170	-	-	2,284	9.2	24,702	2,284	22,418
2028	1,556	237	185	-	-	1,978	9.6	20,536	1,978	18,558
2029	1,306	256	186	-	-	1,748	9.9	17,725	1,748	15,977
2030	1,795	327	291	-	-	2,413	11.9	20,351	2,413	17,937
2031	1,522	245	224	-	-	1,991	12.6	15,767	1,991	13,776
2032	1,208	267	230	-	-	1,706	14.4	11,852	1,706	10,147
2033	982	226	180	-	-	1,388	14.1	9,823	1,388	8,435
2034	865	213	158	-	-	1,235	13.8	8,949	1,235	7,713
2035	847	227	164	-	-	1,238	13.5	9,171	1,238	7,934
Rem.	2,312	789	505	-	-	3,606	12.6	28,707	3,606	25,101
20.33 yr	**27,274**	**4,464**	**3,354**	**-**	**-**	**35,092**	**10.8**	**325,639**	**35,092**	**290,548**

Year	Company Net Oil			Company Net Sales Gas			Company Net NGL			Company Net Total		
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue M$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue M$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue M$US
2021	426	155	5,136	-	-	-	-	-	-	426	155	5,136
2022	1,066	389	12,609	-	-	-	-	-	-	1,066	389	12,609
2023	2,176	794	24,546	-	-	-	-	-	-	2,176	794	24,546
2024	2,952	1,080	34,011	-	-	-	-	-	-	2,952	1,080	34,011
2025	3,188	1,164	35,677	-	-	-	-	-	-	3,188	1,164	35,677
2026	2,614	954	30,573	-	-	-	-	-	-	2,614	954	30,573
2027	1,808	660	22,418	-	-	-	-	-	-	1,808	660	22,418
2028	1,372	502	18,558	-	-	-	-	-	-	1,372	502	18,558
2029	1,103	403	15,977	-	-	-	-	-	-	1,103	403	15,977
2030	1,095	400	17,937	-	-	-	-	-	-	1,095	400	17,937
2031	796	291	13,776	-	-	-	-	-	-	796	291	13,776
2032	465	170	10,147	-	-	-	-	-	-	465	170	10,147
2033	379	138	8,435	-	-	-	-	-	-	379	138	8,435
2034	338	123	7,713	-	-	-	-	-	-	338	123	7,713
2035	339	124	7,934	-	-	-	-	-	-	339	124	7,934
Rem.	199	388	25,101	-	-	-	-	-	-	199	388	25,101
20.33 yr		**7,735**	**290,548**		**-**	**-**		**-**	**-**		**7,735**	**290,548**

Year	Operating Costs					Aband. M$US	Petrolco Income M$US	Net Op. Income M$US	Net Back $US/BOE	Capital Costs				Before Tax Cash Flow		
	Field Fixed M$US	Well Fixed M$US	Variable M$US	Total M$US	OPEX/BOE $US/BOE					Tangible M$US	Intangible M$US	Canada M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00% M$US
2021	2,321	456	408	3,184	18.61	-	998	2,949	17.24	690	210	-	900	2,049	2,049	1,938
2022	2,676	813	1,089	4,578	10.72	-	748	8,779	20.56	2,074	9,586	-	11,659	-2,880	-831	-2,683
2023	3,114	1,376	2,965	7,455	8.52	-	-	17,091	19.52	5,221	14,918	-	20,139	-3,049	-3,880	-2,664
2024	3,249	1,865	4,178	9,292	7.82	231	-	24,488	20.82	4,338	11,777	-	16,115	8,374	4,494	5,897
2025	3,271	2,277	4,707	10,255	8.04	487	-	24,935	19.93	-	8,342	-	8,342	16,593	21,087	10,811
2026	2,576	2,363	3,867	8,806	8.44	-	-	21,767	20.86	-	346	-	346	21,421	42,508	12,708
2027	2,666	2,446	2,692	7,804	10.84	-	-	14,614	20.29	-	-	-	-	14,614	57,122	7,898
2028	2,759	2,483	1,992	7,234	13.17	49	-	11,275	20.62	-	369	-	369	10,906	68,028	5,340
2029	2,856	2,562	1,712	7,130	16.14	-	-	8,847	20.03	-	777	-	777	8,070	76,098	3,597
2030	2,956	2,586	1,819	7,361	16.43	131	-	10,446	23.61	-	397	-	397	10,049	86,147	4,066
2031	2,807	2,341	1,414	6,563	19.97	2,338	-	4,875	21.95	-	-	-	-	4,875	91,022	1,827
2032	1,626	787	714	3,128	15.70	-	-	7,019	35.23	-	424	-	424	6,595	97,618	2,199
2033	1,683	815	571	3,069	19.02	-	-	5,366	33.26	-	449	-	449	4,918	102,535	1,503
2034	1,742	843	479	3,063	21.37	-	-	4,650	32.44	-	-	-	-	4,650	107,185	1,289
2035	1,803	873	430	3,106	21.72	-	-	4,828	33.77	-	943	-	943	3,885	111,070	969
Rem.	5,743	3,344	2,526	11,613	26.20	1,485	-	12,003	30.43	-	1,481	-	1,481	10,522	121,592	2,271
20.33 yr	**43,845**	**28,231**	**31,564**	**103,641**	**12.11**	**4,720**	**1,746**	**183,933**	**22.04**	**12,323**	**50,017**	**-**	**62,340**	**121,592**	**121,592**	**56,965**

Country/State	Colombia
Avg. WI Share	14.44 %
Econ. Life/To Aban.	20.33 yr / 20.33 yr
Econ. RLI	445.69 yr
Capital Cost NPV @ 10%	46,039
Price Deck	BGEC December 31, 2020
Rate of Return	155.8
Total Payout (years)	4.2

Product	Remaining Reserves			Net Revenue NPV (M$US)					
	Gross	Company Share	Company Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	59,258	8,558	7,735	290,548	207,886	174,500	156,679	122,898	99,438
Sales Gas (MMcf)	-	-	-	-	-	-	-	-	-
NGL (Mbbl)	-	-	-	-	-	-	-	-	-
Total (MBOE)	**59,258**	**8,558**	**7,735**	**290,548**	**207,886**	**174,500**	**156,679**	**122,898**	**99,438**
Total BTCF				**121,592**	**81,475**	**65,438**	**56,965**	**41,188**	**30,581**

Arrow Exploration Corp.

Table 5E – After Tax Analysis – Total Company
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Year	Taxable Income Before Ded. Total M$US	Total Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Canada Tax Rate %	Alberta Tax Rate %	Colombia Tax Payable M$US	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Federal Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	3,456	766	2,416	31.0	-	-	749	-	-	2,281	749	1,533	1,533	1,445
2022	10,506	3,238	6,664	30.0	-	-	1,999	-	-	-3,287	1,999	-5,287	-3,754	-4,774
2023	22,415	10,130	10,216	30.0	-	-	3,065	-	-	-1,004	3,065	-4,069	-7,823	-3,451
2024	28,371	14,914	11,868	30.0	-	-	3,560	-	-	9,433	3,560	5,873	-1,949	4,109
2025	27,942	18,285	8,394	30.0	-	-	2,518	-	-	18,337	2,518	15,819	13,869	10,309
2026	24,126	14,847	8,224	30.0	-	-	2,467	-	-	22,726	2,467	20,259	34,128	12,022
2027	16,581	10,278	5,449	30.0	-	-	1,635	-	-	15,727	1,635	14,092	48,221	7,618
2028	12,991	7,696	4,514	30.0	-	-	1,354	-	-	11,841	1,354	10,487	58,708	5,136
2029	10,361	6,105	4,107	30.0	-	-	1,232	-	-	8,865	1,232	7,633	66,341	3,403
2030	11,818	5,695	6,728	30.0	-	-	2,019	-	-	10,703	2,019	8,684	75,025	3,515
2031	6,539	4,204	4,968	30.0	-	-	1,490	-	-	5,473	1,490	3,983	79,007	1,499
2032	8,173	2,394	5,131	30.0	-	-	1,539	-	-	7,102	1,539	5,562	84,570	1,853
2033	6,430	2,081	3,756	30.0	-	-	1,127	-	-	5,388	1,127	4,261	88,831	1,303
2034	5,624	1,805	3,220	30.0	-	-	966	-	-	5,025	966	4,059	92,890	1,126
2035	5,709	2,008	3,171	30.0	-	-	951	-	-	4,236	951	3,285	96,175	818
Rem.	18,317	8,258	6,303	30.0	-	-	1,891	-	-	11,680	1,891	9,789	105,964	2,069
55.00 yr	**219,358**	**112,706**	**95,129**	**30.0**	**-**	**-**	**28,563**	**-**	**-**	**134,527**	**28,563**	**105,964**	**105,964**	**47,999**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	134,527	90,596	73,033	63,751	46,449	34,791
Tax Payable	28,563	20,650	17,455	15,752	12,530	10,299
After Tax Cash Flow	105,964	69,945	55,578	47,999	33,919	24,492

Arrow Exploration Corp.

Table 5F – After Tax Analysis – Total Canada

Effective Date as of December 31, 2020

Total Proved + Prob. + Poss.

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Canada Tax Rate %	Alberta Tax Rate %	Canada Tax Payable M$US	Alberta Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	232	232	-	-	-	-	-	232	-	232	232	222
2022	1,123	1,123	-	-	-	-	-	-407	-	-407	-175	-358
2023	3,255	3,255	-	-	-	-	-	2,045	-	2,045	1,870	1,629
2024	2,293	2,293	-	-	-	-	-	1,060	-	1,060	2,930	763
2025	1,744	1,744	-	-	-	-	-	1,744	-	1,744	4,674	1,139
2026	1,305	1,305	-	-	-	-	-	1,305	-	1,305	5,979	774
2027	1,113	1,113	-	-	-	-	-	1,113	-	1,113	7,092	600
2028	935	935	-	-	-	-	-	935	-	935	8,027	459
2029	795	795	-	-	-	-	-	795	-	795	8,822	354
2030	654	654	-	-	-	-	-	654	-	654	9,476	265
2031	598	598	-	-	-	-	-	598	-	598	10,074	220
2032	506	506	-	-	-	-	-	506	-	506	10,580	169
2033	471	471	-	-	-	-	-	471	-	471	11,051	143
2034	375	375	-	-	-	-	-	375	-	375	11,425	103
2035	352	352	-	-	-	-	-	352	-	352	11,777	88
Rem.	1,158	1,640	-	-	-	-	-	1,158	-	1,158	12,935	215
55.00 yr	**16,909**	**17,391**	**-**	**-**	**-**	**-**	**-**	**12,935**	**-**	**12,935**	**12,935**	**6,786**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	12,935	9,121	7,595	6,786	5,262	4,210
Tax Payable	-	-	-	-	-	-
After Tax Cash Flow	12,935	9,121	7,595	6,786	5,262	4,210

Arrow Exploration Corp.

Table 5G – After Tax Analysis – Total Colombia
Effective Date as of December 31, 2020
Total Proved + Prob. + Poss.

Year	Taxable Income Before Deductions M$US	Deductions M$US	Taxable Income After Deductions M$US	Colombia Tax Rate %	Colombia Tax Payable M$US	BTCF M$US	Total Tax Payable M$US	ATCF M$US	Cum. ATCF M$US	NPV @ 10.00% M$US
2021	2,949	533	2,416	31.0	749	2,049	749	1,300	1,300	1,223
2022	8,779	2,115	6,664	30.0	1,999	-2,880	1,999	-4,880	-3,579	-4,417
2023	17,091	6,875	10,216	30.0	3,065	-3,049	3,065	-6,113	-9,693	-5,080
2024	24,488	12,621	11,868	30.0	3,560	8,374	3,560	4,813	-4,879	3,346
2025	24,935	16,541	8,394	30.0	2,518	16,593	2,518	14,075	9,195	9,170
2026	21,767	13,542	8,224	30.0	2,467	21,421	2,467	18,954	28,149	11,247
2027	14,614	9,165	5,449	30.0	1,635	14,614	1,635	12,979	41,129	7,018
2028	11,275	6,761	4,514	30.0	1,354	10,906	1,354	9,552	50,680	4,677
2029	8,847	5,311	4,107	30.0	1,232	8,070	1,232	6,838	57,518	3,049
2030	10,446	5,042	6,728	30.0	2,019	10,049	2,019	8,030	65,549	3,250
2031	5,293	3,607	4,968	30.0	1,490	4,875	1,490	3,385	68,934	1,279
2032	7,019	1,888	5,131	30.0	1,539	6,595	1,539	5,056	73,990	1,684
2033	5,366	1,610	3,756	30.0	1,127	4,918	1,127	3,791	77,781	1,160
2034	4,650	1,430	3,220	30.0	966	4,650	966	3,684	81,465	1,022
2035	4,828	1,657	3,171	30.0	951	3,885	951	2,933	84,398	730
Rem.	12,003	6,618	6,303	30.0	1,891	10,522	1,891	8,631	93,029	1,854
21.00 yr	**184,350**	**95,315**	**95,129**	**30.0**	**28,563**	**121,592**	**28,563**	**93,029**	**93,029**	**41,213**

	Cash Flow NPV (M$US)					
	0.00 %	**5.00 %**	**8.00 %**	**10.00 %**	**15.00 %**	**20.00 %**
Before Tax Cash Flow	121,592	81,475	65,438	56,965	41,188	30,581
Tax Payable	28,563	20,650	17,455	15,752	12,530	10,299
After Tax Cash Flow	93,029	60,825	47,983	41,213	28,657	20,282

Part IV

Historical Financial Information on the Group

Unaudited condensed interim consolidated financial statements on the Group for the three-month and six-month periods ended 30 June 2021

Arrow Exploration Corp.
Interim Condensed Consolidated Financial Statements
June 30, 2021
In United States Dollars
(Unaudited)

Contents

Notice of No Auditor Review of the Interim Condensed Consolidated Financial Statements as at and for the three months ended June 30, 2021

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Arrow Exploration Corp.
Consolidated Statements of Financial Position
In United States Dollars
(Unaudited)

As at	Notes		June 30, 2021		December 31, 2020
Assets					
Current					
Cash		$	**4,559,231**	$	11,473,204
Restricted cash	**3**		**6,376**		262,489
Trade and other receivables	**4**		**2,045,681**		2,456,590
Taxes receivable	**5**		**1,738,219**		1,659,683
Deposits and prepaid expenses			**212,430**		77,382
Inventory			**211,999**		29,304
			8,773.936		15,958,652
Non-current assets					
Restricted cash	**3**		**496,881**		460,283
Exploration and evaluation	**6**		**6,961,667**		6,961,667
Property and equipment	**7**		**9,716,067**		10,151,697
Total Assets		$	**25,948,551**	$	33,532,299

Liabilities					
Current					
Accounts payable and accrued liabilities		$	**5,614,063**	$	12,101,989
Lease obligation	**9**		**18,656**		17,279
Promissory note	**8**		**-**		5,772,324
			5,632,719		17,891,592
Non-current liabilities					
Long-term debt	**10**		**32,272**		31,416
Lease obligation	**9**		**45,461**		53,563
Other liabilities	**11**		**177,500**		177,500
Decommissioning liability	**12**		**2,663,622**		2,584,907
Promissory note	**8**		**6,135,132**		-
Total liabilities			**14,686,706**		20,738,978
Shareholders' equity					
Share capital	**13**		**50,740,292**		50,740,292
Contributed surplus			**971,534**		1,521,845
Deficit			**(40,124,060)**		(38,879,338)
Accumulated other comprehensive loss			**(325,921)**		(589,478)
Total shareholders' equity			**11,261,845**		12,793,321
Total liabilities and shareholders' equity		$	**25,948,551**	$	33.532.299

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 14)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

signed "Gage Jull" Director
Gage Jull

signed "Maria Charash" Director
Maria Charash

Interim Consolidated Statements of Operations and Comprehensive Loss
In United States Dollars
(Unaudited)

	Notes	For the three months ended June 30, 2021	2020	For the six months ended June 30, 2021	2020
Revenue					
Oil and natural gas		**$ 1,058,616**	$ 890,728	**$ 2,047,419**	$ 5,036,108
Royalties		**(116,997)**	5,283	**(258,367)**	(291,617)
		941,619	896,011	**1,789,052**	4,744,491
Expenses					
Operating		**493,028**	1,107,527	**735,173**	3,258,552
Administrative		**913,069**	845,164	**2,291,697**	2,205,064
Share based payments	**14**	**(278,254)**	(33,504)	**(550,311)**	(178,531)
Financing costs:					
Accretion	**13**	**32,906**	153,002	**64,969**	304,884
Interest		**115,883**	246,189	**377,687**	502,096
Other		**716**	60,447	**46,463**	112,795
Risk management activities	**16(a)**	**-**	766,424	**-**	-
Foreign exchange loss		**18,965**	(88,627)	**(40,692)**	(93,490)
Depletion and depreciation		**333,282**	397,082	**603,712**	1,841,936
Impairment of oil and gas properties	**8**	**-**	-	**-**	27,263,110
Other expense (income)		**46,341**	(21,691)	**(494,924)**	(23,793)
		1,675,936	3,432,013	**3,033,774**	35,192,623
Loss before taxes		**(734,317)**	(2,536,002)	**(1,244,722)**	(30,448,132)
Income taxes (recovery)					
Current		**-**	(45,921)	**-**	(8,786)
Deferred		**-**	(5,659,000)	**-**	(7,550,000)
		-	(5,704,921)	**-**	(7,558,786)
Net income (loss) for the period		**(734,317)**	3,168,919	**(1,244,722)**	(22,889,346)
Other comprehensive income (loss)					
Foreign exchange		**277,028**	(8,075)	**263,557**	14,204
Net income (loss) and comprehensive income (loss) for the period		**$ (457,289)**	$ 3,160,844	**$ (981,165)**	$(22,875,142)
Income (loss) per share - basic and diluted		**$ (0.01)**	$ 0.05	**$ (0.02)**	$ (0.33)
Weighted average shares outstanding - basic and diluted (1)		**68,674,602**	68,674,602	**68,674,602**	68,674,602

(1) The options and warrants have been excluded from the diluted loss per share computation as they are anti-dilutive.

The accompanying notes are an integral part of these condensed consolidated financial statements.

In United States Dollars

	Share Capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total Equity
Balance January 1, 2021	$ 50,740,292	$ 1,521,845	$ (589,478)	$ (38,879,338)	$ 12,793,321
Net loss for the period	-	-	-	(1,244,722)	(1,244,722)
Comprehensive income for the period	-	-	263,557	-	263,557
Share based payments	-	(550,311)	-	-	(550,311)
Balance June 30, 2021	$ 50,740,292	$ 971,534	$ (325,921)	$ (40,124,060)	$ 11,261,845

	Share Capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total Equity
Balance January 1, 2020	$ 50,740,292	$ 1,603,788	$ (541,393)	$ (6,646,246)	$ 45,156,441
Net loss for the period	-	-	-	(22,889,346)	(22,889,346)
Comprehensive income for the period	-	-	14,204	-	14,204
Share based payments	-	(178,531)	-	-	(178,531)
Balance June 30, 2020	$ 50,740,292	$ 1,425,257	$ (527,189)	$ (29,535,592)	$ 22,102,768

The accompanying notes are an integral part of these consolidated financial statements.

Arrow Exploration Corp.
Interim Condensed Consolidated Statements of Cash Flows
In United States Dollars
(Unaudited)

For the six months ended June 30,	2021	2020
Cash flows used in operating activities		
Net loss	**$ (1,244,722)**	$ (22,889,346)
Items not involving cash:		
Deferred taxes	**-**	(7,550,000)
Share based payment	**(550,311)**	(178,531)
Depletion and depreciation	**603,712**	1,841,936
Impairment of oil and gas properties	**-**	27,263,110
Interest on leases	**3,440**	11,641
Interest on promissory note, net of forgiveness	**318,099**	-
Accretion	**64,969**	304,884
Foreign exchange loss (gain)	**186,696**	(161,939)
Gain on change in leases	**-**	(17,981)
Changes in non-cash working capital balances:		
Restricted cash	**256,113**	-
Trade and other receivables	**410,909**	1,534,681
Taxes receivable	**(78,537)**	(257,108)
Deposits and prepaid expenses	**(135,047)**	9,193
Inventory	**(182,695)**	100,802
Accounts payable and accrued liabilities	**(4,351,550)**	(1,551,380)
Cash used in operating activities	**(4,698,924)**	(1,540,038)
Cash flows provided by (used in) investing activities		
Additions to exploration and evaluation assets	**-**	(180,795)
Additions to property and equipment	**(81,952)**	-
Changes in non-cash working capital	**(2,136,379)**	983,704
Cash flows (used in) provided by investing activities	**(2,218,331)**	802,909
Cash flows used in financing activities		
Lease payments	**(12,047)**	(47,946)
Increase in long-term debt	**-**	29,352
Cash flows used in financing activities	**(12,047)**	(18,594)
Effect of changes in the exchange rate on cash	**15,329**	(91,685)
Increase (decrease) in cash	**(6,913,973)**	(847,408)
Cash, beginning of period	**11,473,204**	1,085,655
Cash, end of period	**4,559,231**	$ 238,247
Supplemental information		
Interest paid	**$ -**	$ 71,709
Taxes paid	**$ -**	$ -

The accompanying notes are an integral part of these consolidated financial statements.

In United States Dollars

1. Corporate Information

Arrow Exploration Corp. (“Arrow” or “the Company”) is a public junior oil and gas company engaged in the acquisition, exploration and development of oil and gas properties in Colombia and in Western Canada. The Company’s shares trade on the TSX Venture Exchange under the symbol AXL. The head office of Arrow is located at 1430, 333 – 11th Ave SW, Calgary, Alberta, Canada, T2R 1L9 and the registered office is located at Suite 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had a net loss of $32,233,092 for the year 2020 and had a working capital of $3,141,217 as at June 30, 2021. During 2020, oil and gas prices have been significantly depressed and the global impact of the COVID-19 pandemic has fostered a great deal of uncertainty for the future operations of the Company. The Company’s ability to continue as a going concern is dependent on management’s ability to identify additional sources of capital and to raise sufficient resources to fund ongoing operating expenses and commitments. There is no assurance these initiatives will be successful in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These interim condensed consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation

Statement of compliance

These interim condensed consolidated financial statements (the “Financial Statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. These Financial Statements were authorised for issue by the board of directors of the Company on August 27, 2021. They do not contain all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements and, accordingly, should be read in conjunction with the audited consolidated financial statements as at December 31, 2020.

These Financial Statements have been prepared on the historical cost basis, except for financial assets and liabilities recorded in accordance with IFRS 9. The Financial Statements have been prepared using the same accounting policies and methods as the consolidated financial statements for the year ended December 31, 2020. In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2020.

3. Restricted Cash

		June 30, 2021		December 31, 2020
Colombia *(i)*	**$**	**60,102**	$	316,216
Canada *(ii)*		**443,155**		406,556
Sub-total		**503,257**		722,772

In United States Dollars

Long-term portion		**(496,881)**		(460,283)
Current portion of restricted cash	**$**	**6,376**	$	262,489

(i) Restricted cash is comprised by a deposit held as collateral to guarantee abandonment expenditures related to the Mateguafa well and funds in-trust related to resuming production in the Rio Cravo Este-1 well in the Tapir block

(ii) Pursuant to Alberta government regulations, the Company was required to pay a $335,272 (CAD $415,557) deposit with respect to the Company's liability rating management ("LMR"). The deposit is held by a Canadian chartered bank with interest paid to the Company on a monthly basis based on the bank's deposit rate. The remaining $107,883 pertain to lease and other deposits held in Canada.

4. Trade and other receivables

		June 30, 2021		December 31, 2020
Trade receivables, net of advances	**$**	**185,718**	$	99,061
Other accounts receivable		**1,859,963**		2,357,529
Total trade and other receivables	**$**	**2,045,681**	$	2,456,590

As at June 30, 2021, other accounts receivable include $1,593,482 (December 31, 2020 – $2,185,890) receivable from a partner in the Tapir block and corresponds to reimbursable capital expenditures incurred on the Tapir block, which are expected to be recovered through production during 2021.

5. Taxes receivable

		June 30, 2021		December 31, 2020
Value-added tax (VAT) credits recoverable	**$**	**608,740**	$	932,282
Income tax withholdings and advances, net		**1,129,479**		727,401
	$	**1,738,219**	$	1,659,683

The VAT recoverable pertains to non-compensated value-added tax credits originated in Colombia as operational and capital expenditures are incurred. Most of the Company's sales are considered exports, which are not subject to VAT. The Company is entitled to claim for the reimbursement of these VAT credits.

6. Exploration and Evaluation

		June 30, 2021		December 31, 2020
Balance, beginning and end of the period	**$**	**6,961,667**	$	6,961,667

In United States Dollars

7. Property and Equipment

Cost	**Oil and Gas Properties**	**Right of Use and Other Assets**	**Total**
Balance, December 31, 2020	$ 30,436,344	$ 182,105	$ 30,618,449
Additions	83,073	-	83,073
Balance, June 30, 2021	$ 30,519,417	$ 182,105	$ 30,701,522
Accumulated depletion and depreciation and impairment			
Balance, December 31, 2020	$ 20,718,742	$ 83,207	$ 20,801,949
Depletion and depreciation	587,833	15,878	603,711
Balance, June 30, 2021	$ 21,306,575	$ 99,085	$ 21,405,660
Foreign exchange			
Balance December 31, 2020	$ 339,363	$ (4,166)	$ 335,197
Effects of movements in foreign exchange rates	82,835	2,173	85,008
Balance June 30, 2021	$ 422,198	$ (1,993)	$ 420,205
Net Book Value			
Balance December 31, 2020	$ 10,056,965	$ 94,732	$ 10,151,697
Balance June 30, 2021	$ 9,635,040	$ 81,027	$ 9,716,067

As at June 30, 2020, the Company reviewed its cash-generating unit's ("CGU") property and equipment and determined that there were indicators of impairment present related to the decrease in reserves. The company prepared estimates of both the value in use and fair value less costs of disposal of its CGUs and it was determined that carrying value of each CGU exceeded its recoverable amount and, therefore, an impairment provisions of $27,263,110 was required. The following table outlines forecast benchmark prices and exchange rates used in the Company's impairment test as at June 30, 2020:

Year	Exchange rate $US / $Cdn	AECO Spot Gas CDN$/MCF	Brent $US/Bbl
2020	0.71	1.90	32.00
2021	0.72	2.30	42.00
2022	0.73	2.40	51.00
2023	0.75	2.49	58.00
2024	0.75	2.54	62.00
2025	0.75	2.60	63.24
Thereafter (inflation %)	0.80	2.0%/yr	2.0%/yr

These benchmark prices reflect the price forecasts, effective June 30, 2020 from Boury Global Energy Consultants.

The Company used a 15% discount rate in Canada, and 17.5% in Colombia for the June 30, 2020 impairment test, which took into account risks specific to each CGU and inherent in the oil and gas business. As at June 30, 2020, a 0.5% decrease in the discount rate applied or 2% change in the forecast benchmark prices would not have resulted in additional impairment.

In United States Dollars

8. Promissory Note

The promissory note was issued to Canacol Energy Ltd. ("Canacol") as partial consideration in the acquisition of Carrao Energy S.A. from Canacol. The promissory note bears interest at 15% per annum, was initially due on January 28, 2019 and subsequently extended to April 30, 2019, October 1, 2020 and April 1, 2021. Arrow and Canacol entered into a third, fourth and fifth Amended and Restated Promissory Notes in December 2019, March and August 2020, respectively.

In May 2021, a sixth and amended and restated promissory note was agreed with Canacol which includes that the new principal amount of the promissory note is $6,026,166 (including interest and fees), which bares interest at an annual rate of 15%, and includes the following repayment provisions:

- In the event that the Company does not complete a successful equity financing of $12,000,000 or more by September 30, 2021, the payment of the principal plus interest shall be made as follows:
  - Two payments of $1,600,000 in cash due on July 30 and December 30, 2022; and
  - Issuance of common shares of the Company on July 30, 2022 for the remaining balance for an amount of shares resulting from Canacol having less than 19.9%, with any remainder payable in cash

- In the event that the Company completes a successful equity financing of $12,000,000 or more by September 30, 2021, the payment of the principal plus interest shall be made as follows:
  - One payment of $3,200,000 in cash due 15 days from the financing closing date; and
  - At the discretion of the Company, the balance shall be paid either in cash or by issuance of common shares of the Company for an amount of shares resulting from Canacol having less than 19.9%, and any remainder balance payable in cash.

The Company also commits to replace the letters of credit currently guaranteed by Canacol and, Canacol commits to absorb the Company's commitments and balances related to the OBC pipeline dispute. The Company has granted a general security interest to Canacol for the obligations under the Promissory Note which will be subordinated to second position in the event the Company secures additional financing.

9. Lease Obligations

A reconciliation of the discounted lease obligation is set forth below:

	2021
Obligation, beginning of the period	$ 70,842
Changes in existing lease	-
Lease payments	(12,047)
Accretion	3,440
Effects of movements in foreign exchange rates	1,882
Obligation, end of the period	$ 64,117
Current portion	$ 18,656
Long-term portion	45,461
	$ 64,117

As at June 30, 2021, the Company has the following future commitments associated with its office lease obligations:

In United States Dollars

Less than one year	$	24,228
2 – 5 years		50,379
Total lease payments		74,607
Amounts representing interest over the term		(10,490)
Present value of the net obligation	$	64,117

10. Long-term debt

During 2020, the Company owes $32,272 (CAD$40,000) from the Canadian Emergency Business Account (CEBA) program implemented by the government of Canada to provide support to small businesses affected by the COVID-19 pandemic. The loan does not bear any interest until December 2022 and is subject to a 25% forgiveness if the full balance is repaid before that date.

11. Other Liabilities

The other liabilities of the Company relate to an environmental fee in Colombia that is levied on capital projects. The fee is calculated as 1% of the project cost. The program is administered by the Colombian National Authority of Environmental Licences ("ANLA") and is levied on projects that utilize surface water or deep water wells that may have an impact on the environment. The funds are generally used in the affected communities for purposes of land purchases, biomechanical works (e.g. containment walls in rivers), reforestation, research projects and others. At June 30, 2021 the Company had provided for $177,500 (December 31, 2020 - $177,500) for the environmental fee.

12. Decommissioning Liability

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the decommissioning of oil and gas properties.

	June 30, 2021	December 31, 2020
Obligation, beginning of the year	**$ 2,584,907**	$ 8,173,222
Change in estimated cash flows	**-**	(109,864)
Obligations recognized	**-**	-
Liabilities disposed	**-**	(6,016,514)
Accretion expenses	**64,969**	524,477
Effects of movements in foreign exchange rates	**13,746**	13,586
Obligation, end of the year	**$ 2,663,622**	$ 2,584,907

The obligation was calculated using a risk-free discount rate range of 1.0% to 2.0% in Canada (2020: 1.50% to 2.75%) and 5.90% in Colombia (2020: 5.90%) with an inflation rate of 2.0% and 2.5%, respectively (2020: 2.0% and 2.5%). It is expected that the majority of costs are expected to occur between 2022 and 2033. The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $3,779,120 (2020: $4,072,683).

13. Share Capital

(a) <u>Authorized:</u> Unlimited number of common shares without par value

In United States Dollars

(b) Issued:

Common shares	**Shares**		**Amounts**
Balance as at June 30 2021 and December 31, 2020	68,674,602	$	50,740,292

(c) Stock options:
The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase a number of non-transferable common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. The exercise price is based on the closing price of the Company's common shares on the day prior to the day of the grant. A summary of the status of the Company stock option plan as at June 30, 2021 and December 31, 2020 and changes during the respective periods ended on those dates is presented below:

	June 30, 2021		December 31, 2020	
Stock Options	**Number of options**	**Weighted average exercise Price (CAD $)**	Number of options	Weighted average exercise price (CAD $)
Beginning of period	**6,859,000**	**$0.40**	5,470,000	$0.99
Granted	**-**	**-**	4,319,000	$0.05
Exercised	**-**	**-**	-	-
Expired/Forfeited	**(1,145,000)**	**$1.04**	(2,930,000)	$0.96
End of period	**5,714,000**	**$0.27**	6,859,000	$0.40
Exercisable, end of period	**2,369,669**	**$0.40**	1,530,001	$1.06

Date of Grant	**Number Outstanding**	**Exercise Price (CAD $)**	**Weighted Average Remaining Contractual Life**	**Date of Expiry**	**Number Exercisable December 31, 2020**
October 22, 2018	1,050,000	$1.15	7.32 years	Oct. 22, 2028	700,000
May 3, 2019	345,000	$0.31	7.85 years	May 3, 2029	230,002
March 20, 2020	1,200,000	$0.05	8.73 years	March 20, 2030	400,000
April 13, 2020	2,775,000	$0.05	8.79 years	April 13, 2030	925,000
June 18, 2020	344,000	$0.05	8.97 years	June 18, 2030	114,667
Total	**5,714,000**	**$0.27**	**8.46 years**		**2,369,663**

During the three months ended June 30, 2021, the Company recognized $550,310 (2020 – $145,027) as share based payments income, with a corresponding decrease in the contributed surplus account.

(d) Phantom shares:
During 2020, the Company adopted a phantom share program for compensation of its Directors and executives and granted 13,000,000 phantom common shares of the Company which are vested immediately at CAD $0.00 per share. As at June 30, 2021, the Company has accrued $1,258,333 as share based payments, which are included in accounts payable and accrued liabilities at such date.

(e) Phantom stock options:
During 2020, the Company adopted a phantom stock option program for compensation of its executives and granted 1,681,000 phantom stock options of the Company which are vested in equal parts over the three following years after granted. As at June 30, 2021, the Company has accrued $ 84,050 as share based payments, which are included in accounts payable and accrued liabilities at such date.

In United States Dollars

14. Commitments and Contingencies

Exploration and Production Contracts

The Company has entered into a number of exploration contracts in Colombia which require the Company to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Company has outstanding exploration commitments at June 30, 2021 of $17.8 million. The Company, in conjunction with its partners, have made applications to cancel a further $15.5 million ($5.8 million Arrow's share) in commitments on the Macaya and Los Picachos blocks. The remaining commitments are expected to be satisfied by means of seismic work, exploration drilling and farm-outs. Presented below are the Company's exploration and production contractual commitments at June 30, 2021:

Block	Less than 1 year	1-3 years	Thereafter	Total
COR-39	-	12,000,000	-	12,000,000
Los Picachos	-	1,970,000	-	1,970,000
Macaya	-	3,830,000	-	3,830,000
Total	**-**	**17,800,000**	**-**	**17,800,000**

Contingencies

From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations. Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

Oleoducto Bicentenario de Colombia ("OBC") Pipeline

The Company is party to an agreement with Canacol that entitles it to a 0.5% interest in OBC, which owns a pipeline system intended to link Llanos basin oil production to the Caño Limon oil pipeline system in Colombia. Likewise, Canacol is currently in litigation with OBC in relation to ship or pay obligations that were terminated by Canacol in July 2018 under force majeure. On March 27, 2019, the court in charge of the case ruled in favor of the OBC and opined that the obligations under the ship or pay contract remains in force. Subsequently, on May 13, 2019, Canacol filed an appeal at the State Council, a higher-level court in the Colombian judiciary system, requesting annulment of this ruling. Likewise, in July 2019, OBC has also started litigation against Canacol for not honouring its ship or pay obligations under the contract.

During 2020, there has been negotiations between the parties involved in order to settle this case and settlement agreements have been submitted to courts for their approval. Depending on the final outcome of this dispute, Arrow may be required to satisfy past and future ship or pay obligations and has accrued $658,654 accordingly.

Letters of Credit

At June 30, 2021, the Company had obligations under Letters of Credit ("LC's") outstanding totaling $5.2 million to guarantee work commitments on exploration blocks and other contractual commitments. Of the total, approximately $4.1 million has been guaranteed by Canacol. Under an agreement, Canacol will continue to provide security for Arrow's Letters of Credit providing that Arrow uses all reasonable efforts to replace the LC's. In the event the Company fails to secure the renewal of the letters of credit underlying the ANH guarantees, or any of them, the ANH could decide to cancel the underlying exploration and production contract for a particular block, as applicable. In this instance, the Company could risk losing its entire interest in the applicable block, including all capital expended to date and could possibly also incur additional abandonment and reclamation costs if applied by the ANH.

In United States Dollars

Current Outstanding Letters of Credit

Contract	Beneficiary	Issuer	Type	Amount (US $)	Renewal Date
Tapir	ECP	Samaria Llanos	Abandonment	$52,898	Dec. 26, 2021
SANTA	ANH	Carrao Energy	Abandonment	$643,423	April 14, 2022
ISABEL	ANH	Canacol and Carrao	Financial Capacity	$1,672,162	December 31, 2021
CORE - 39	ANH	Canacol	Compliance	$2,400,000	December 31, 2021
OMBU	ANH	Carrao Energy	Financial Capacity	$436,300	April 14, 2022
Total				**$5,204,783**	

15. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to commodity price, credit and foreign exchange risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk through the use of financial derivatives.

i) Financial Derivative Contracts

During 2020, the Company had one financial derivative contract in order to manage commodity price risk. This instrument was not used for trading or speculative purposes. Arrow had not designated its financial derivative contract as effective accounting hedge, even though the Company considered the commodity contract to be an effective economic hedge. As a result, the financial derivative contract was recorded on the statements of financial position at fair value, with the changes in fair value being recognized as an unrealized gain or loss in the statement of operations and comprehensive loss. This contract was terminated during 2020.

The estimated fair value of the derivative financial instrument in Level 2 at each measurement date have been determined based on appropriate internal valuation methodologies and/or third party indications. Level 2 fair values determined using valuation models require the use of assumptions concerning the amount and timing of future cash flows and discount rates. In determining these assumptions, the Company primarily relied on external, readily-observable quoted market inputs as applicable, including crude oil forward benchmark commodity prices and volatility, and discounted to present value as appropriate. The resulting fair value estimates may not necessarily be indicative of the amounts that could be realized or settled in a current market transaction and these differences may be material. The realized gain on risk management activities is included as part of revenues in the consolidated statements of operations and comprehensive loss. The gains on risk management activities for the period are comprised as follows:

	For the three months ended June 30	
	2021	2020
Realized risk management gain on commodity contract settled	$ -	$ 1,288,523
Unrealized gain on commodity contract outstanding	-	-
	$ -	$ 1,288,523

(b) Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Company's account receivable balances relate to petroleum and natural gas sales and balances receivables with partners in areas operated by the Company. The Company's policy is to enter into agreements with customers that are well established and well financed entities in the oil and gas industry such that the level of risk is mitigated. In Colombia, a significant portion of the trade accounts receivable balance is with producing company, which accounts for more than 85% of such balance, under an existing sale/offtake agreement with prepayment provisions and priced using the Brent benchmark. Other accounts receivable include a significant balance with a partner with an existing agreement to use 50% of its production entitlement to repay this balance.

The Company's trade account receivables primarily relate to sales of crude oil and natural gas, which are normally collected within 25 days (in Canada) and 15 days in advance (in Colombia) of the month of production. Other accounts receivable mainly relate to balances owed by the Company's partner in one of its blocks, and are mainly recoverable through production. The Company has historically not experienced any collection issues with its customers and partners.

(c) Market Risk

Market risk is comprised of two components: foreign currency exchange risk and interest rate risk.

i) Foreign Currency Exchange Risk

The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currencies other than the United States dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in exploration and evaluation and administrative costs in foreign currencies. The Company incurs expenditures in Canadian dollars, United States dollars and the Colombian peso and is exposed to fluctuations in exchange rates in these currencies. There are no exchange rate contracts in place.

ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not currently exposed to interest rate risk as it borrows funds at a fixed coupon rate of 15% on the promissory notes.

(d) Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company's approach to managing its liquidity risk is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives.

The Company prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Petroleum and natural gas production is monitored daily to provide current cash flow estimates and the Company utilizes authorizations for expenditures on projects to manage capital expenditures. Any funding shortfall may be met in a number of ways, including, but not limited to, the issuance of new debt or equity instruments, further expenditure reductions and/or the introduction of joint venture partners.

In United States Dollars

(e) Capital Management
The Company's objective is to maintain a capital base sufficient to provide flexibility in the future development of the business and maintain investor, creditor and market confidence. The Company manages its capital structure and makes adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include share capital, bank debt (when available), promissory notes and working capital, defined as current assets less current liabilities. In order to maintain or adjust the capital structure, from time to time the Company may issue common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels. The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding debt, less working capital items. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast crude oil prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

The Company's capital includes the following:

	June 30, 2021	December 31, 2020
Working capital, before promissory note	**3,141,217**	3,839,384
Promissory note	**(6,135,132)**	(5,772,324)
	$ (2,993,915)	$ (1,932,940)

The current challenging economic climate may lead to further adverse changes in cash flows, working capital levels and debt balances, which may also have a direct impact on the Company's operating results and financial position. These and other factors may adversely affect the Company's liquidity and its ability to generate income and cash flows in the future. At June 30, 2021, the Company remains in compliance with all terms of its debt and, based on current available information, management expects to comply with all terms during the subsequent 12 months period. However, in light of the current volatility in commodity prices and uncertainty regarding the timing for recovery in such prices and the effect of the COVID-19 pandemic, the preparation of financial forecast is challenging.

16. Segmented Information

The Company has two reportable operating segments: Colombia and Canada. The Company, through its operating segments, is engaged primarily in oil exploration, development and production, and the acquisition of oil and gas properties. The Canadian segment is also considered the corporate segment. The following tables show information regarding the Company's segments for the three and six months ended and as at June 30:

Three months ended June 30, 2021	**Colombia**	**Canada**	**Total**
Revenue:			
Oil Sales	$ 933,103	$ -	$ 933,103
Natural gas and liquid sales		125,513	125,513
Royalties	107,497	9,500	116,997
Expenses	1,196,850	479,086	1,675,936
Net loss	$ (371,244)	$ (363,073)	$ (734,317)

In United States Dollars

Six months ended June 30, 2021	**Colombia**	**Canada**	**Total**
Revenue:			
Oil Sales	$ 1,799,933	$ -	$ 1,701,009
Natural gas and liquid sales	-	247,486	247,486
Royalties	236,036	22,331	258,367
Expenses	1,734,851	1,298,923	3,033,774
Net income (loss)	$ (170,954)	$ (1,073,768)	$ (1,244,722)

As at June 30, 2021	**Colombia**	**Canada**	**Total**
Current assets	$ 4,797,199	$ 3,976,737	$ 8,773,936
Non-current:			
Restricted cash	53,726	443,155	496,881
Exploration and evaluation	6,961,667	-	6,961,667
Property and equipment	6,568,383	3,147,684	9,716,067
Total Assets	$ 18,380,975	$ 7,567,576	$ 25,948,551
Current liabilities	$ 4,064,824	$ 1,567,895	$ 5,632,719
Non-current liabilities:			
Other liabilities	177,500	-	177,500
Lease obligation	-	45,461	45,461
Decommissioning liability	2,142,865	520,757	2,663,622
Long-term debt	-	32,272	32,272
Promissory note	-	6,135,132	6,135,132
Total liabilities	$ 6,385,189	$ 8,301,517	$ 14,686,706

Three months ended June 30, 2020	**Colombia**	**Canada**	**Total**
Revenue:			
Oil Sales	$ 820,731	$ -	$ 820,731
Natural gas and liquid sales	-	69,997	69,997
Other	3,046	18,645	21,691
Royalties	(13,304)	8,021	(5,283)
Expenses	2,677,906	775,798	3,453,704
Impairment of oil and gas properties	-	-	-
Taxes	(5,704,922)	-	(5,704,922)
Net income (loss)	$ 3,864,096	$ (695,177)	$ 3,168,919

Six months ended June 30, 2020	**Colombia**	**Canada**	**Total**
Revenue:			
Oil Sales	$ 4,887,561	$ -	$ 4,887,561
Natural gas and liquid sales	-	148,547	148,547
Other	3,615	20,177	23,792
Royalties	278,262	13,355	291,617
Expenses	6,177,407	1,775,899	7,953,306
Impairment of oil and gas properties	27,263,110	-	27,263,110
Taxes	(7,558,786)	-	(7,558,786)
Net income (loss)	$ (21,268,816)	$ (1,620,530)	$ (22,889,346)

As at June 30, 2020	**Colombia**	**Canada**	**Total**
Current assets	$ 5,508,874	$ 63,317	$ 5,572,191
Non-current:			
Deferred income taxes	5,726,000	-	5,726,000
Other receivables	788,777	-	788,777
Restricted cash	53,726	383,686	437,412
Exploration and evaluation	7,142,462	-	7,142,462
Property, plant and equipment	24,635,547	3,084,552	27,720,099
Total Assets	$ 43,855,385	$ 3,531,555	$ 43,386,940

In United States Dollars

Current liabilities	$	6,758,930	$	3,303,573	$	10,062,503
Non-current liabilities:						
Derivative liability		-		100		100
Other liabilities		1,007,849		-		1,007,849
Lease obligation		-		58,315		58,315
Decommissioning liability		7,986,914		470,837		8,457,751
Long-term debt		-		29,352		29,352
Promissory note		-		5,668,302		5,668,302
Total liabilities	$	15,753,693	$	9,530,479	$	25,284,172

Audited consolidated historical financial statements on the Group for the years ended 31 December 2020, 31 December 2019 and 31 December 2018

Arrow Exploration Corp.
Consolidated Financial Statements
December 31, 2020
In United States Dollars

Contents

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Independent Auditor's Report

To the Shareholders of Arrow Exploration Corp.

Opinion
We have audited the consolidated financial statements of Arrow Exploration Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $32,233,092 during the year ended December 31, 2020 and had a working capital deficit of $1,932,940. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Langlois.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
April 26, 2021

Arrow Exploration Corp.
Consolidated Statements of Financial Position
In United States Dollars

As at	Notes		December 31, 2020		December 31, 2019
Assets					
Current					
Cash		$	**11,473,204**	$	1,085,655
Restricted cash	4		**262,489**		-
Trade and other receivables	5		**2,456,590**		3,927,724
Taxes receivable	6		**1,659,683**		2,349,543
Deposits and prepaid expenses			**77,382**		271,197
Inventory			**29,304**		177,770
			15,958,652		7,811,889
Non-current assets					
Trade and other receivables	5		**-**		784,056
Restricted cash	4		**460,283**		449,288
Exploration and evaluation	7		**6,961,667**		6,961,667
Property and equipment	8		**10,151,697**		56,743,806
Total Assets		$	**33,532,299**	$	72,750,706

Liabilities					
Current					
Accounts payable and accrued liabilities		$	**12,101,989**	$	10,614,821
Lease obligation	10		**17,279**		60,709
Promissory note	9		**5,772,324**		-
			17,891,592		10,675,530
Non-current liabilities					
Derivative liability			**-**		100
Long-term debt	11		**31,416**		-
Lease obligation	10		**53,563**		199,488
Other liabilities	12		**177,500**		1,007,849
Decommissioning liability	13		**2,584,907**		8,173,222
Promissory note	9		**-**		5,714,076
Deferred income taxes	15		**-**		1,824,000
Total liabilities			**20,738,978**		27,594,265
Shareholders' equity					
Share capital	14		**50,740,292**		50,740,292
Contributed surplus			**1,521,845**		1,603,788
Deficit			**(38,879,338)**		(6,646,246)
Accumulated other comprehensive loss			**(589,478)**		(541,393)
Total shareholders' equity			**12,793,321**		45,156,141
Total liabilities and shareholders' equity		$	**33.532.299**	$	72,750,706

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 16)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

signed "Gage Jull" Director
Gage Jull

signed "Brian Hearst" Director
Brian Hearst

Arrow Exploration Corp.
Consolidated Statements of Operations and Comprehensive Loss
In United States Dollars

For the years ended December 31,	**Notes**	**2020**	2019
Revenue			
Oil and natural gas	**19**	**$ 5,594,503**	$ 28,180,077
Royalties		**(273,938)**	(2,739,707)
		5,320,565	25,440,370
Expenses			
Operating		**4,786,768**	12,821,851
Administrative		**4,321,947**	7,154,630
Share based payments	**14,18**	**1,169,766**	803,001
Financing costs:			
Accretion	**13**	**524,477**	379,064
Interest	**9**	**238,230**	968,162
Other		**903,597**	1,003,700
Foreign exchange (gain) loss		**(248,139)**	301,167
Depletion and depreciation	**8**	**2,049,411**	8,501,983
Impairment of oil and gas properties	**8**	**27,263,110**	1,531,000
Gain on the disposal of oil and gas properties	**8**	**(1,059,474)**	(1,632,174)
Other income		**(636,229)**	(43,844)
		39,313,464	31,788,541
Loss before income tax		**(33,992,899)**	(6,348,170)
Income tax expense (recovery)			
Current	**15**	**64,193**	130,725
Deferred	**15**	**(1,824,000)**	(502,000)
		(1,759,807)	(371,275)
Net loss		**(32,233,092)**	(5,976,895)
Other comprehensive loss			
Foreign exchange		**(48,085)**	(217,816)
Net loss and comprehensive loss		**$ (32,281,177)**	$ (6,194,711)
Loss per share			
- basic and diluted		**$ (0.47)**	$ (0.09)

Weighted average shares outstanding		
- basic and diluted *(1)*	**68,674,602**	68,674,602

(1) The options and warrants have been excluded from the diluted net loss per share computation as they are anti-dilutive.

The accompanying notes are an integral part of these consolidated financial statements.

In United States Dollars

		Share Capital		Contributed Surplus		Accumulated other comprehensive loss		Deficit		Total Equity
Balance January 1, 2020	$	50,740,292	$	1,603,788	$	(541,393)	$	(6,646,246)	$	45,156,441
Net loss for the year		-		-		-		(32,233,092)		(32,233,092)
Comprehensive loss for the year		-		-		(48,085)		-		(48,085)
Share based payments		-		(81,943)		-		-		(81,943)
Balance December 31, 2020	$	50,740,292	$	1,521,845	$	(589,478)	$	(38,879,338)	$	12,793,321

		Share Capital		Contributed Surplus		Accumulated other comprehensive loss		Deficit		Total Equity
Balance January 1, 2019	$	50,740,292	$	800,787	$	(323,577)	$	(669,351)	$	50,548,151
Net loss for the year		-		-		-		(5,976,895)		(5,976,895)
Comprehensive loss for the year		-		-		(217,816)		-		(217,816)
Share based payments		-		803,001		-		-		803,001
Balance December 31, 2019	$	50,740,292	$	1,603,788	$	(541,393)	$	(6,646,246)	$	45,156,441

The accompanying notes are an integral part of these consolidated financial statements.

Arrow Exploration Corp.
Consolidated Statements of Cash Flows
In United States Dollars

For the year ended December 31,	2020	2019
Cash flows (used in) provided by operating activities		
Net loss	**$ (32,233,092)**	$ (5,976,895)
Items not involving cash:		
Deferred taxes	**(1,824,000)**	(502,000)
Share based payment	**1,169,766**	803,001
Depletion and depreciation	**2,049,411**	8,501,983
Impairment of oil and gas properties	**27,263,110**	1,531,000
Interest on leases	**15,435**	-
Interest on promissory note, net of forgiveness	**(69,317)**	806,560
Accretion	**524,477**	379,064
Foreign exchange loss (gain)	**176,166**	(629,323)
Gain on change in leases	**(19,091)**	-
Gain on the disposal of oil and gas properties	**(1,059,474)**	(1,632,174)
Changes in non-cash working capital balances:		
Restricted cash	**(262,489)**	-
Trade and other receivables	**2,255,190**	(769,785)
Taxes receivable	**689,860**	(2,125,945)
Deposits and prepaid expenses	**193,814**	1,613,135
Inventory	**148,467**	377,233
Accounts payable and accrued liabilities	**(1,316,327)**	1,481,596
Cash (used in) provided by operating activities	**(2,298,094)**	3,857,450
Cash flows provided by (used in) investing activities		
Additions to exploration and evaluation assets	**-**	(7,292,514)
Additions to property and equipment	**(889,928)**	(1,501,848)
Proceeds on the sale of property and equipment	**12,113,738**	4,475,706
Changes in restricted cash	**-**	2,705,551
Changes in non-cash working capital	**1,551,785**	(3,024,718)
Cash flows provided by (used in) investing activities	**12,775,595**	(4,637,823)
Cash flows used in financing activities		
Lease payments	**(59,992)**	(71,468)
Increase in short-term loan	**500,000**	-
Payment of short-term loan	**(500,000)**	-
Increase in long-term debt	**30,942**	-
Cash flows used in financing activities	**(29,050)**	(71,468)
Effect of changes in the exchange rate on cash	**(60,902)**	(56,737)
Increase (decrease) in cash	**10,387,549**	(908,578)
Cash, beginning of period	**1,085,655**	1,994,233
Cash, end of period	**11,473,204**	$ 1,085,655

	2020	2019
Supplemental information		
Interest paid	**$ 71,709**	$ 314,384
Taxes paid	**$ -**	$ -

The accompanying notes are an integral part of these consolidated financial statements.

December 31, 2020

1. Corporate Information

Arrow Exploration Corp. ("Arrow" or "the Company") is a public junior oil and gas company engaged in the acquisition, exploration and development of oil and gas properties in Colombia and in Western Canada. The Company's shares trade on the TSX Venture Exchange under the symbol AXL.

The head office of Arrow is located at 1430, 333 – 11th Ave SW, Calgary, Alberta, Canada, T2R 1L9 and the registered office is located at Suite 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had a net loss of $32,233,092 for the year 2020 and had a working capital deficit of $1,932,940 as at December 31, 2020. During 2020, oil and gas prices have been significantly depressed and the global impact of the COVID-19 pandemic has fostered a great deal of uncertainty for the future operations of the Company. The Company's ability to continue as a going concern is dependent on management's ability to identify additional sources of capital and to raise sufficient resources to fund ongoing operating expenses and commitments. There is no assurance these initiatives will be successful in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation

Statement of compliance
The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been approved and authorized for issuance by the Board of Directors ("the Board") on April 26, 2021.

Basis of measurement
These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value and specifically noted within the notes to these consolidated financial statements.

Functional and presentation currency
These consolidated financial statements are presented in United States Dollars. The Canadian Dollar is the functional currency of the Company and its wholly own subsidiary Arrow Holdings Ltd. (AHL). The functional currency of the Company's subsidiaries operating in Colombia and Panama is the United States Dollar.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the period-end exchange rate. Non-monetary assets, liabilities, revenues and expenses are translated at exchange rates at the transaction date. Exchange gains or losses are included in the determination of profit or loss in the consolidated statements of operations and comprehensive loss.

Use of estimates and judgments
The preparation of consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Governments worldwide, including those in Colombia and Canada, have enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic downturn. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not currently determinable. The situation continues to be dynamic and the ultimate duration and magnitude of the impact on the economy is not known at this time.

Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Exploration and evaluation assets
Exploration and evaluation assets require judgment as to whether future economic benefits exist, including the existence of proven or probable reserves and the ability to finance exploration and evaluation projects, where technical feasibility and commercial viability has not yet been determined.

Depletion and depreciation
The amounts recorded for depletion and depreciation are based on estimates of proved and probable reserves. Assumptions that are valid at the time of reserve estimation may change materially as new information becomes available. Changes in forward price estimates, production and future development costs, recovery rates or decommissioning costs may change the economic status of reserves and may ultimately result in reserves used for measurement purposes being removed from similar calculations in future reporting periods.

Cash Generating Unit (“CGU”)
IFRS requires that the Company’s oil and natural gas properties be aggregated into CGUs, based on their ability to generate largely independent cash flows, which are used to assess the properties for impairment. The determination of the Company’s CGUs is subject to management’s judgment.

Impairment of Property, plant and equipment and exploration and evaluation assets
Indicators of impairment are assessed by management using judgment, considering future plans, market conditions and commodity prices. In assessing the recoverability, each CGU’s carrying value is compared to its recoverable amount, defined as the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Decommissioning obligations
Measurement of the Company’s decommissioning liability involves estimates as to the cost and timing of incurrence of future decommissioning programs. It also involves assessment of appropriate discount rates, rates of inflation applicable to future costs and the rate used to measure the accretion charge for each reporting period. Measurement of the liability also reflects current engineering methodologies as well as current and expected future environmental legislation and standards.

Business combinations
Judgement is required when assessing i) whether or not the acquisition of assets meets the criteria of a business combination; ii) the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with business combinations and iii) determining goodwill or bargain purchase gain.

Income taxes
The Company recognises deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and that sufficient taxable income will be generated in the future to recover such deferred tax assets. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Provisions and contingencies
The Company recognizes provisions based on an assessment of its obligations and available information. Any matters not included as provisions are uncertain in nature and cannot be reasonably estimated.

The Company makes assumptions to determine whether obligations exist and to estimate the amount of obligations that we believe exist. In estimating the final outcome of litigation, assumptions are made about factors including experience with similar matters, past history, precedents, relevant financial, scientific, and other evidence and facts specific to the matter. This determines whether a provision or disclosure in the financial statements is needed.

Stock-based compensation, warrants and derivative liability
The amounts recorded in respect of share purchase warrants granted and the derivative liability for warrants issued are based on the Company's estimation of their fair value, calculated using assumptions regarding the life of the option or warrant, interest rates and volatility. By their nature, these estimates and assumptions are subject to uncertainty, and the actual fair value of options or warrants may differ at any time.

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below and have been applied consistently by the Company.

Interests in joint arrangements
Certain of the Company's exploration and production activities are regarded as joint operations and are conducted under joint operating agreements, whereby two or more parties jointly control the assets. These consolidated financial statements reflect only the Company's share of these jointly controlled operations, and the Company's proportionate share of the relevant revenue and costs.

Subsidiaries
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Intra-group balances and transactions are eliminated in preparing the consolidated financial statements.

Business combinations
Business combinations are accounted for at fair value using the acquisition method of accounting. The fair value of the net assets acquired and the consideration transferred is measured at the acquisition date. Transaction costs are expensed when incurred. Any excess of the cost of an acquisition over the net fair value of the net identifiable assets acquired is recognized as goodwill.

If the consideration is less than the fair value of the net identifiable assets acquired, the difference is recognized as a bargain purchase gain in the statement of operations and comprehensive loss. Transaction costs are expensed as incurred. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed annually for impairment. Impairment losses on goodwill are not reversed.

Financial instruments
The Company considers whether a contract contains an embedded derivative when it first becomes a party to it. Embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets
Financial assets are classified as financial assets at fair value through profit or loss or amortized cost, as appropriate. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date. The Company's financial assets are comprised of cash, restricted cash, trade and other receivables and deposits. Cash and restricted cash are classified as financial assets at fair value through profit or loss. Trade and other receivables, and deposits are classified and measured at amortized cost using the effective interest, less any impairment losses.

Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortized cost. The Company's financial liabilities are comprised of accounts payable and accrued liabilities, derivative liability, promissory note and long-term debt. These are classified and measured at amortized cost using the effective interest method.

Derivative liability - Warrants
The non-compensation based warrants entitle the holder to acquire a fixed number of common shares for a fixed United States Dollar price per share. An obligation to issue shares for a price that is not fixed in the Company's functional currency of Canadian Dollars, and that does not qualify as a share-based payment, must be classified as a derivative liability and measured at fair value with changes recognized in the statements of operations and comprehensive loss as they arise. The Company has recorded these changes as derivative gain (loss) in the statement of operations and comprehensive loss. The transaction costs associated with the issuance of the warrants are expensed when incurred.

Fair value hierarchy
The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

Level 2 - Valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and options are recognized as a deduction from share capital, net of any tax effects.

Exploration and evaluation assets
Pre-license costs are recognized in the statement of operations and comprehensive loss as incurred. Exploration and evaluation costs include the costs of acquiring undeveloped land and drilling costs are initially capitalized until the drilling of the well is complete and the results have been evaluated. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. If proved and/or probable reserves are found, the drilling costs and associated undeveloped land are transferred to property and equipment.

When exploration and evaluation assets are determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to the consolidated statements of operations and comprehensive loss as pre-license expense when occurs.

Property and equipment
Items of property and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and accumulated impairment losses. The cost of development and production assets includes; transfers from exploration and evaluation assets, which generally include the cost to drill the well and the cost of the associated land upon determination of technical feasibility and commercial viability; the cost to complete and tie-in the wells; facility costs; the cost of recognizing provisions for future restoration and decommissioning; geological and geophysical costs; and directly attributable overheads. Development and production assets are grouped into CGU's for impairment testing.

Gains and losses on disposal of an item of property and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of operations and comprehensive loss.

Subsequent costs:
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as oil and gas assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are expensed as incurred. Such capitalized oil and natural gas assets generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in operating expenses as incurred.

Depletion and depreciation:
The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Proved plus probable reserves are estimated annually by independent qualified reserve evaluators and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of operations and comprehensive loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of operations and comprehensive loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are also assessed for impairment prior to being transferred to property and equipment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal.

Fair value less cost to dispose is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to dispose of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proved and unproved volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations and comprehensive loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior years are assessed at each reporting date to determine if facts and circumstances indicate that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Share based compensation

The Company has a share based compensation plan for which the compensation cost attributed to stock options granted is measured at the fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options or units that vest. Upon the settlement of the stock options the previously recognized value in contributed surplus is recorded as an increase to share capital.

Share based compensation granted to non-employees is measured based on the fair value of the goods or services received, except in cases where this is not reliably measurable, and then the intrinsic value of the equity instruments granted is used (i.e. the average value of the Company's shares over the service period). Share based compensation subject to performance vesting conditions is recognized based on the Company's estimated probability of achieving those performance vesting conditions determined at each reporting date.

The grant date fair value of phantom shares and phantom stock options granted to officers, employees and directors is recognized as share based payment expense with a corresponding increase in accrued liabilities on a graded vesting basis over the vesting period. Subsequent to initial recognition, the phantom shares and phantom stock options accrued liability is measured at fair value.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion (within finance expense) whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Leases

Lease arrangements which meet the criteria of a lease are recognized as right-of-use assets and lease obligation at the lease commencement date. The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease obligation. The lease obligation is measured at the present value of the lease payments outstanding at the lease commencement date, discounted using the implicit rate, and when not determinable, the

Company's incremental borrowing rate. The lease obligation is re-measured when there is a change in estimated future payments arising from a change in a lease term, index or rate, residual guarantee or purchase option. The assessment of whether a renewal, extension, termination or purchase option is reasonably certain to be exercised was considered, based on facts and circumstances, and has the potential to significantly impact the amount of right-of-use asset and lease obligation recognized. The Company recognizes interest expense incurred under finance leases over the lease term in the consolidated statements of comprehensive loss using the effective interest rate method.

Revenue
The Company's revenues are primarily derived from the production of petroleum and natural gas. Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by physically transferring the product and control to a customer. The Company satisfies its performance obligations at the point of delivery of the product and not over a period of time. Revenue is measured based on the consideration specified in contracts with customers.

Revenue is recorded net of any royalties when the amount of revenue can be reliably measured and the costs incurred in respect of the transaction can be measured reliably.

Finance expenses
Finance expense comprises interest expense on borrowings, fees on letters of credit and accretion of the discount on decommissioning obligations.

Income tax
Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the statement of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share
Basic loss per share is calculated by dividing the net income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the net income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options and warrants granted. The number of shares included with respect to options is computed using the treasury stock method.

Future Changes in Accounting Standards
In 2020, the IASB published phase two of its amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 – Insurance Contracts and IFRS 16 - Leases ("IFRS 16") to assist companies in applying IFRS

In United States Dollars

Standards when changes are made to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate from IBOR reform. These amendments are effective for years beginning on or after January 1, 2021. The Company expects that the amendments will not have a material impact on the Consolidated Financial Statements on adoption.

4. Restricted Cash

		December 31, 2020		December 31, 2019
Colombia *(i)*	**$**	**316,216**	$	53,726
Canada *(ii)*		**406,556**		395,562
Sub-total		**722,772**		449,288
Long-term portion		**(460,283)**		(449,288)
Current portion of restricted cash	**$**	**262,489**	$	-

(i) *Restricted cash is comprised by a deposit held as collateral to guarantee abandonment expenditures related to the Mateguafa well and funds in-trust related to resuming production in the Rio Cravo Este-1 well in the Tapir block*

(ii) *Pursuant to Alberta government regulations, the Company was required to pay a $325,566 (CAD $414,523) deposit with respect to the Company's liability rating management ("LMR"). The deposit is held by a Canadian chartered bank with interest paid to the Company on a monthly basis based on the bank's deposit rate. The remaining $80,990 pertain to lease and other deposits held in Canada.*

5. Trade and other receivables

		December 31, 2020		December 31, 2019
Trade receivables, net of advances	**$**	**99,061**	$	774,740
Other accounts receivable		**2,357,529**		3,937,041
		2,456,590		4,711,781
Long-term portion of trade and other receivables		**-**		(784,057)
Current portion of portion of trade and other receivables	**$**	**2,456,590**	$	3,927,725

As at December 31, 2020, other accounts receivable include $2,185,890 (December 31, 2019 – $3,016,367) receivable from a partner in the Tapir block and corresponds to reimbursable capital expenditures incurred on the Tapir block, of which $1,694,243 is expected to be recovered through production during 2021.

6. Taxes receivable

		December 31, 2020		December 31, 2019
Value-added tax (VAT) credits recoverable	**$**	**932,282**	$	1,776,582
Income tax withholdings and advances, net		**727,401**		572,961
	$	**1,659,683**	$	2,349,543

In United States Dollars

The VAT recoverable pertains to non-compensated value-added tax credits originated in Colombia as operational and capital expenditures are incurred. Most of the Company's sales are considered exports, which are not subject to VAT. The Company is entitled to claim for the reimbursement of these VAT credits.

7. Exploration and Evaluation

		December 31, 2020		December 31, 2019
Balance, beginning of the period	**$**	**6,961,667**	$	10,547,118
Additions, net		**-**		7,062,638
Capitalized administrative costs		**-**		423,750
Transfers to oil and gas properties		**-**		(11,071,839)
Balance, end of the period	**$**	**6,961,667**	$	6,961,667

During 2019, the Company determined the technical feasibility and commercial viability of its Tapir assets related to the RCE-1 discovery and transferred $11,071,839 to its property and equipment.

8. Property and Equipment

Cost		**Oil and Gas Properties**		**Right of Use and Other Assets**		**Total**
Balance, December 31, 2018	$	56,622,566	$	30,443	$	56,653,009
Right of use assets		-		45,377		45,377
Additions		3,382,978		298,606		3,681,584
Transfers from exploration and evaluation assets		11,071,839		-		11,071,839
Oil and gas properties disposed		(3,403,532)		-		(3,403,532)
Balance, December 31, 2019	$	67,673,851	$	374,426	$	68,048,277
Additions		780,588		-		780,588
Oil and gas properties disposed		(38,018,095)		-		(38,018,095)
Change in right-of-use assets (Note 10)		-		(192,321)		(192,321)
Balance, December 31, 2020	$	30,436,344	$	182,105	$	30,618,449
Accumulated depletion and depreciation and impairment						
Balance, December 31, 2018	$	2,041,962	$	2,158	$	2,044,120
Depletion and depreciation		8,410,398		91,584		8,501,983
Impairment of oil and gas properties		1,531,000		-		1,531,000
Accumulated depletion associated with oil and gas properties disposed		(560,000)		-		(560,000)
Balance, December 31, 2019	$	11,423,360	$	93,742	$	11,517,102
Depletion and depreciation		1,995,375		61,893		2,057,268
Change in right-of-use assets (Note 10)		-		(72,428)		(72,428)
Impairment of oil and gas properties		27,263,110		-		27,263,110
Accumulated depletion and impairment associated with disposed oil and gas properties		(19,963,103)		-		(19,963,103)
Balance, December 31, 2020	$	20,718,742	$	83,207	$	20,801,949

In United States Dollars

Foreign exchange	**Oil and Gas Properties**	**Right of Use and Other Assets**	**Total**
Balance December 31, 2018	$ 52,998	$ (689)	$ 52,309
Effects of movements in foreign exchange rates	168,324	(8,001)	160,323
Balance December 31, 2019	$ 221,322	$ (8,690)	$ 212,632
Effects of movements in foreign exchange rates	118,042	4,524	122,566
Balance December 31, 2020	$ 339,364	$ (4,166)	$ 355,198
Net Book Value			
Balance December 31, 2019	$ 56,471,813	$ 271,994	$ 56,743,806
Balance December 31, 2020	$ 10,056,965	$ 94,732	$ 10,151,697

On December 30, 2020, the Company closed its previously announced sale of its LLA-23 block to COG Energy Ltd. for a gross cash consideration of $12.1 million consisted of a firm amount of US$11.75 million plus sale adjustments agreed within the parties. In addition to receiving the proceeds, Arrow has transferred to COG its work obligations under various letters of credit in place to guarantee work commitments on LLA-23, as well as all the related underlying decommissioning and environmental liabilities (see Note 12 and 13).

As at December 31, 2020, the Company reviewed its cash-generating units ("CGU") for property and equipment and determined that there were no indicators of impairment. As at March 31, 2020, the Company reviewed its CGUs and determined that there were indicators of impairment present in its Colombian assets related to the decrease in prices and reserves. The company prepared estimates of both the value in use and fair value less costs of disposal of its CGUs and it was determined that carrying value of each CGU exceeded its recoverable amount and, therefore, an impairment loss of $27,263,110 is included in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2020. The following table outlines forecast benchmark prices and exchange rates used in the Company's impairment test as at March 31, 2020:

Year	Exchange rate $US / $Cdn	Brent US$/Bbl
2020 (nine months)	0.71	32.00
2021	0.72	42.00
2022	0.73	51.00
2023	0.75	58.00
2024	0.75	62.00
2025	0.75	63.24
Thereafter (inflation %)	0.75	2.0%/yr

The recoverable amounts of the Colombian CGUs at March 31, 2020 were estimated at their fair value less costs of disposal, based on the net present value of the future cash flows from oil and gas reserves as estimated by the Company's independent reserve evaluator at December 31, 2019 adjusted for production and future pricing changes during the three months ended March 31, 2020, except for the LLA-23 CGU which used observable market value from bidding offers received from independent third parties. The fair value less costs of disposal used to determine the recoverable amounts are classified as Level 3 fair value measurements as certain key assumptions are not based on observable market data but rather, the Company's best estimate. The Company used a 17.5% discount rate for the March 31, 2020 impairment test, which took into account risks specific to the Colombian CGUs and inherent in the oil and gas business, and provided the following recoverable values:

CGU	**Recoverable Amount**	**Impairment Loss**
LLA-23	11,500,000	12,098,000
Capella / OMBU	-	10,690,000
Tapir	5,390,000	4,475,110
		27,263,110

In United States Dollars

As at June 30, 2019, the Company reviewed its property and equipment Cash-Generating Unit's ("CGU") for indicators of impairment and determined that an indicator related to the decrease in future commodity prices for natural gas in Canada was present. The Company prepared estimates of both the value in use and fair value less costs of disposal of its Canadian CGU. When it is determined that any CGU carrying value exceeds its recoverable amount, that CGU is considered impaired and an impairment expense is reported that equals this excess. The following table outlines forecast benchmark prices and exchange rates used in the Company's impairment test as at June 30, 2019:

Year	Exchange rate $US / $Cdn	AECO Spot Gas CDN$/MCF
2019 (six months)	0.76	1.39
2020	0.78	1.91
2021	0.80	2.37
2022	0.80	2.66
2023	0.80	2.79
2024	0.80	2.92
Thereafter (inflation %)	0.80	2.0%/yr

These benchmark prices reflect the average of three consultant price forecasts, effective July 1, 2019 (McDaniel, GLJ Petroleum Consultants and Sproule Associates Limited). The recoverable amounts of the Canadian CGU at June 30, 2019 were estimated at their fair value less costs of disposal, based on the net present value of the future cash flows from oil and gas reserves as estimated by the Company's independent reserve evaluator at December 31, 2018 adjusted for production and future pricing changes during the six months ended June 30, 2019. The fair value less costs of disposal used to determine the recoverable amounts are classified as Level 3 fair value measurements as certain key assumptions are not based on observable market data but rather, the Company's best estimate.

The Company used a 12.5% discount rate for the June 30, 2019 impairment test which took into account risks specific to the Canadian CGU and inherent in the oil and gas business to arrive at a recoverable value of $3,281,000 and recognize a loss for impairment of its oil and gas properties of $1,531,000 in the statement of operations and comprehensive loss for the year ended December 31, 2019.

9. Promissory Note

The promissory note was issued to Canacol Energy Ltd. ("Canacol") as partial consideration in the acquisition of Carrao Energy S.A. from Canacol. The promissory note bears interest at 15% per annum, was initially due on January 28, 2019 and subsequently extended to April 30, 2019, October 1, 2020 and April 1, 2021. On December 31, 2019, Arrow and Canacol entered into a Third Amended and Restated Promissory Note. The principal amendments are the following:

- On or before April 1, 2021, the Company shall pay in full all accrued and outstanding interest owed until July 31, 2019 of $628,767 (the "Interim Interest") plus interest on such sum at a rate of 15% from December 31, 2019 until the date of payment;
- Commencing September 1, 2019, and on the first day of each month thereafter, the Company shall make interest-only monthly payments equal to the total amount of interest on the principal sum plus interest on the interim interest sum, until paid in full; and
- Commencing April 1, 2021, and on the first day of each of the following six months thereafter, the Company shall make equal monthly payments of the balance of the principal sum outstanding as of April 1, 2021 such that all remaining obligations are paid in full on or before September 1, 2021.

On March 19, 2020, a fourth amended and restated promissory note was agreed by the parties removing the two Canacol Directors requirement and temporarily waiving the change in control provision set forth in the third amendment, leaving all other amendments unchanged.

In United States Dollars

On August 3, 2020, the Company entered into a Fifth Amended and Restated Promissory Note with Canacol. Among other amendments, Canacol has agreed to forgive $918,000 of accrued interest to date, in exchange for the Company providing full and perfected security to the Canacol over the shares of its operating subsidiaries in Panama. The interest forgiven has been recognized as interest in the statement of operations and comprehensive loss for the year ended December 31, 2020.

The Company has granted a general security interest to Canacol for the obligations under the Promissory Note which will be subordinated to second position in the event the Company secures additional financing.

10. Lease Obligations

A reconciliation of the discounted lease obligation is set forth below:

		2020		2019
Obligation, beginning of the period	**$**	**260,197**	$	45,377
Changes in existing lease		**(138,984)**		253,152
Lease payments		**(59,992)**		(71,468)
Accretion		**15,435**		26,526
Effects of movements in foreign exchange rates		**(5,814)**		6,610
Obligation, end of the year	**$**	**70,842**	$	260,197
Current portion	**$**	**17,279**	$	60,709
Long-term portion		**53,563**		199,488
	$	**70,842**	$	260,197

As at December 31, 2020, the Company has the following future commitments associated with its office lease obligations:

Less than one year	$	23,586
2 – 5 years		72,629
Total lease payments		96,215
Amounts representing interest over the term		(25,373)
Present value of the net obligation	$	70,842

During 2020, the Company renegotiated its remaining lease agreement to reduce its leased corporate space and its related future lease obligation. As a result, the Company reduced its right-of-use assets in $119,893 (net) and its lease obligation in $138,984, and it recognized a gain in change of lease for $19,091 in the consolidated statement of operations and comprehensive loss.

11. Long-term debt

During 2020, the Company received $29,988 (CAD$40,000) from the Canadian Emergency Business Account (CEBA) program implemented by the government of Canada to provide support to small businesses affected by the COVID-19 pandemic. The loan does not bear any interest until December 2022 and is subject to a 25% forgiveness if the full balance is repaid before that date.

In United States Dollars

12. Other Liabilities

The other liabilities of the Company relate to an environmental fee in Colombia that is levied on capital projects. The fee is calculated as 1% of the project cost. The program is administered by the Colombian National Authority of Environmental Licences ("ANLA") and is levied on projects that utilize surface water or deep water wells that may have an impact on the environment. The funds are generally used in the affected communities for purposes of land purchases, biomechanical works (e.g. containment walls in rivers), reforestation, research projects and others. At December 31, 2020 the Company had provided for $177,500 (December 31, 2019 - $1,007,849) for the environmental fee.

13. Decommissioning Liability

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the decommissioning of oil and gas properties.

	December 31, 2020	December 31, 2019
Obligation, beginning of the year	**$ 8,173,222**	$ 5,833,563
Change in estimated cash flows	**(109,864)**	1,946,607
Obligations recognized	**-**	104,618
Liabilities disposed	**(6,016,514)**	(116,191)
Accretion expenses	**524,477**	382,997
Effects of movements in foreign exchange rates	**13,586**	21,628
Obligation, end of the year	**$ 2,584,907**	$ 8,173,222

The obligation was calculated using a risk-free discount rate range of 1.50% to 2.75% in Canada (2019: 1.50% to 2.75%) and 5.90% in Colombia (2019: 4.50% to 6.42%) with an inflation rate of 2.0% and 2.5%, respectively (2019: 2.0% and 3.8%). It is expected that the majority of costs are expected to occur between 2022 and 2033. The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $4,072,683 (2019: $18,154,528).

14. Share Capital

(a) Authorized: Unlimited number of common shares without par value

(b) Issued:

Common shares	Shares	Amounts
Balance as at December 31, 2020 and 2019	**68,674,602**	**$ 50,740,292**

(c) Stock options:
The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase a number of non-transferable common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. The exercise price is based on the closing price of the Company's common shares on the day prior to the day of the grant. A summary of the status of the Company stock option plan as at December 31, 2020 and 2019 and changes during the respective periods ended on those dates is presented below:

In United States Dollars

Stock Options	December 31, 2020 Number of options	December 31, 2020 Weighted average exercise Price (CAD $)	December 31, 2019 Number of options	December 31, 2019 Weighted average exercise price (CAD $)
Beginning of period	**5,470,000**	**$0.99**	6,350,000	$1.15
Granted	**4,319,000**	**$0.05**	1,665,000	$0.31
Exercised	**-**	**-**	-	-
Expired/Forfeited	**(2,930,000)**	**$0.96**	(2,545,000)	$1.15
End of period	**6,859,000**	**$0.40**	5,470,000	$0.99
Exercisable, end of period	**1,530,001**	**$1.06**	1,466,667	$1.15

Date of Grant	Number Outstanding	Exercise Price (CAD $)	Weighted Average Remaining Contractual Life	Date of Expiry	Number Exercisable December 31, 2020
October 22, 2018	2,050,000	$1.15	8.07 years	Oct. 22, 2028	1,366,667
May 3, 2019	490,000	$0.31	8.59 years	May 3, 2029	163,334
March 20, 2020	1,200,000	$0.05	9.47 years	March 20, 2030	-
April 13, 2020	2,775,000	$0.05	9.54 years	April 13, 2030	-
June 18, 2020	344,000	$0.05	9.72 years	June 18, 2030	-
Total	**6,859,000**	**$0.40**	**8.78 years**		**1,530,001**

During 2020, the Company recognized an income of $81,943 (2019 – expense of $803,001) as share based payments expense, with a corresponding decrease (increase) in the contributed surplus account.

(d) Phantom shares:
During 2020, the Company adopted a phantom share program for compensation of its Directors and executives and granted 13,000,000 phantom common shares of the Company which are vested immediately at CAD $0.00 per share. As at December 31, 2020, the Company has recognized $1,163,916 as share based payments expense, which are included in accounts payable and accrued liabilities at such date.

(e) Phantom stock options:
During 2020, the Company adopted a phantom stock option program for compensation of its executives and granted 1,681,000 phantom stock options of the Company which are vested in equal parts over the three following years after granted. As at December 31, 2020, the Company has recognized $87,794 as share based payments expense, which are included in accounts payable and accrued liabilities at such date.

15. Income taxes

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to income loss before income taxes. The principal reasons for differences between such expected income tax expense and the amount actually recorded are as follows:

	2020	2019
Loss before income taxes	**$ (33,992,899)**	$ (6,348,170)
Corporate income tax rate	**24%**	26.50%
Computed expected tax expense (recovery)	**$ (8,158,296)**	$ (1,682,265)
Increase (decrease) in income taxes resulting from:		

Share based compensation	**280,744**	212,795
Unrecognized deferred tax benefits	**5,116,588**	2,158,297
Tax rate difference on foreign jurisdictions	**(2,487,409)**	168,958
Other permanent difference	**(363,362)**	(347,474)
True up adjustment from previous periods	**-**	(964,000)
Foreign exchange and others	**3,851,928**	82,414
Income tax recovery	**$ (1,759,807)**	$ (371,275)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Company's deferred income tax assets and liabilities are as follows:

As at December 31,	**2020**	**2019**
Property and equipment	**$ (624,325)**	$ (4,377,158)
Decommissioning liabilities and other provisions	**624,325**	2,553,158
Deferred tax liability	**$ -**	$ 1,824,000

At December 31, 2020, the Company had non-capital losses carried forward of approximately $48,492,000 (2019 - $18,755,000) available to reduce future years taxable income. These losses commence expiring in 2029. At December 31, 2020, the Company had income tax credits and benefits of approximately $47,527,000 (2019 - $44,677,000) related to Canada and Colombia that were not recognized in the financial statements due to uncertainties associated with its ability to utilize these balances in the future.

16. Commitments and Contingencies

Exploration and Production Contracts

The Company has entered into a number of exploration contracts in Colombia which require the Company to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Company has outstanding exploration commitments at December 31, 2020 of $17.8 million. The Company, in conjunction with its partners, have made applications to cancel a further $15.5 million ($5.8 million Arrow's share) in commitments on the Macaya and Los Picachos blocks. The remaining commitments are expected to be satisfied by means of seismic work, exploration drilling and farm-outs. Presented below are the Company's exploration and production contractual commitments at December 31, 2020:

Block	Less than 1 year	1-3 years	Thereafter	Total
COR-39	-	12,000,000	-	12,000,000
Los Picachos	-	1,970,000	-	1,970,000
Macaya	-	3,830,000	-	3,830,000
Total	**-**	**17,800,000**	**-**	**17,800,000**

Contingencies

From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations. Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

In United States Dollars

Oleoducto Bicentenario de Colombia (“OBC”) Pipeline

The Company is party to an agreement with Canacol that entitles it to a 0.5% interest in OBC, which owns a pipeline system intended to link Llanos basin oil production to the Caño Limon oil pipeline system in Colombia. Likewise, Canacol is currently in litigation with OBC in relation to ship or pay obligations that were terminated by Canacol in July 2018 under force majeure. On March 27, 2019, the court in charge of the case ruled in favor of the OBC and opined that the obligations under the ship or pay contract remains in force. Subsequently, on May 13, 2019, Canacol filed an appeal at the State Council, a higher-level court in the Colombian judiciary system, requesting annulment of this ruling. Likewise, in July 2019, OBC has also started litigation against Canacol for not honouring its ship or pay obligations under the contract.

During 2020, there has been negotiations between the parties involved in order to settle this case and settlement agreements have been submitted to courts for their approval. Depending on the final outcome of this dispute, Arrow may be required to satisfy past and future ship or pay obligations and has accrued $658,654 accordingly.

Letters of Credit

At December 31, 2020, the Company had obligations under Letters of Credit (“LC’s”) outstanding totaling $12.3 million to guarantee work commitments on exploration blocks and other contractual commitments. Of the total, approximately $11.9 million has been guaranteed by Canacol. Under an agreement, Canacol will continue to provide security for Arrow’s Letters of Credit providing that Arrow uses all reasonable efforts to replace the LC’s. In the case of the abandonment LC’s on LLA-23, if the LC’s have not been replaced by December 31, 2020, then Arrow will pay a 1% per annum fee, payable monthly until the LC’s have been replaced. In the event the Company fails to secure the renewal of the letters of credit underlying the ANH guarantees, or any of them, the ANH could decide to cancel the underlying exploration and production contract for a particular block, as applicable. In this instance, the Company could risk losing its entire interest in the applicable block, including all capital expended to date and could possibly also incur additional abandonment and reclamation costs if applied by the ANH.

Current Outstanding Letters of Credit

Contract	Beneficiary	Issuer	Type	Amount (US $)	Renewal Date
LLA - 23	ANH	Canacol	Abandonment	$3,489,495	June 30, 2021
	ANH	Canacol and Carrao	Abandonment	$3,176,625	June 30, 2021
	ANH	Canacol and Carrao	Compliance	$600,000	June 30, 2021
Tapir	ECP	Samaria Llanos	Abandonment	$52,898	Dec. 26, 2021
SANTA	ANH	Carrao Energy	Abandonment	$482,451	April 14, 2021
ISABEL	ANH	Canacol and Carrao	Financial Capacity	$1,672,162	June 30, 2021
CORE - 39	ANH	Canacol	Compliance	$2,400,000	June 30, 2021
OMBU	ANH	Carrao Energy	Financial Capacity	$436,300	April 14, 2021
Total				**$12,309,931**	

Subsequent to December 2020, and as part of the LLA-23 sale, the Company cancelled the LC’s related to its LLA-23 asset, reducing the outstanding total amount of LC’s to $5.0 million.

In United States Dollars

17. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to commodity price, credit and foreign exchange risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk through the use of financial derivatives.

i) Financial Derivative Contracts

During 2020, the Company had one financial derivative contract in order to manage commodity price risk. This instrument was not used for trading or speculative purposes. Arrow had not designated its financial derivative contract as effective accounting hedge, even though the Company considered the commodity contract to be an effective economic hedge. As a result, the financial derivative contract was recorded on the statements of financial position at fair value, with the changes in fair value being recognized as an unrealized gain or loss in the statement of operations and comprehensive loss. This contract was terminated during 2020.

The estimated fair value of the derivative financial instrument in Level 2 at each measurement date have been determined based on appropriate internal valuation methodologies and/or third party indications. Level 2 fair values determined using valuation models require the use of assumptions concerning the amount and timing of future cash flows and discount rates. In determining these assumptions, the Company primarily relied on external, readily-observable quoted market inputs as applicable, including crude oil forward benchmark commodity prices and volatility, and discounted to present value as appropriate. The resulting fair value estimates may not necessarily be indicative of the amounts that could be realized or settled in a current market transaction and these differences may be material. The realized gain on risk management activities is included as part of revenues in the consolidated statements of operations and comprehensive loss. The gains on risk management activities for the period are comprised as follows:

	For the years ended December 31	
	2020	2019
Realized risk management gain on commodity contract settled	**$ 1,288,523**	$ 92,977
Unrealized gain on commodity contract outstanding	**-**	409,860
	$ 1,288,523	$ 502,837

(b) Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Company's account receivable balances relate to petroleum and natural gas sales and balances receivables with partners in areas operated by the Company. The Company's policy is to enter into agreements with customers that are well established and well financed entities in the oil and gas industry such that the level of risk is mitigated. In Colombia, a significant portion of the trade accounts receivable balance is with producing company, which accounts for more than 85% of such balance, under an existing sale/offtake agreement with prepayment provisions and priced using the Brent benchmark. Other accounts receivable include a significant balance with a partner with an existing agreement to use 50% of its production entitlement to repay this balance.

The Company's trade account receivables primarily relate to sales of crude oil and natural gas, which are normally collected within 25 days (in Canada) and 15 days in advance (in Colombia) of the month of production. Other accounts receivable mainly relate to balances owed by the Company's partner in one of its blocks, and are mainly recoverable through production. The Company has historically not experienced any collection issues with its customers and partners.

(c) Market Risk
Market risk is comprised of two components: foreign currency exchange risk and interest rate risk.

i) Foreign Currency Exchange Risk
The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currencies other than the United States dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in exploration and evaluation and administrative costs in foreign currencies. The Company incurs expenditures in Canadian dollars, United States dollars and the Colombian peso and is exposed to fluctuations in exchange rates in these currencies. There are no exchange rate contracts in place.

ii) Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not currently exposed to interest rate risk as it borrows funds at a fixed coupon rate of 15% on the promissory notes.

(d) Liquidity Risk
Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company's approach to managing its liquidity risk is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives.

During 2020, one of the Company's subsidiary secured a bridge loan with CEDCO (a subsidiary of COG Energy Ltd., the LLA-23 purchaser) for $500,000 which assisted the Company in meeting its near-term financial obligations. The loan had an annual interest rate of 6% and was repayable upon the earliest of: (i) the closing of the LLA-23 sale, or (ii) the receipt of certain Value-Added Tax ("VAT") refunds in Colombia, or (iii) where the closing of the LLA-23 sale is delayed after December 31, 2020 or does not occur, or where is terminated, either in cash or through the delivery of an equivalent value of crude oil produced from the LLA-23 Block and the Tapir Block. The balance of this bridge loan and interest was fully paid in November 2020.

The Company prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Petroleum and natural gas production is monitored daily to provide current cash flow estimates and the Company utilizes authorizations for expenditures on projects to manage capital expenditures. Any funding shortfall may be met in a number of ways, including, but not limited to, the issuance of new debt or equity instruments, further expenditure reductions and/or the introduction of joint venture partners.

(e) Capital Management
The Company's objective is to maintain a capital base sufficient to provide flexibility in the future development of the business and maintain investor, creditor and market confidence. The Company manages its capital structure and makes adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include share capital, bank debt (when available), promissory

In United States Dollars

notes and working capital, defined as current assets less current liabilities. In order to maintain or adjust the capital structure, from time to time the Company may issue common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels. The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding debt, less working capital items. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast crude oil prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

The Company's capital includes the following:

	December 31, 2020	December 31, 2019
Working capital (deficit), before promissory note	**3,839,384**	(2,863,641)
Promissory note	**(5,772,324)**	(5,714,076)
	$ (1,932,940)	$ (8,577,717)

The current challenging economic climate may lead to further adverse changes in cash flows, working capital levels and debt balances, which may also have a direct impact on the Company's operating results and financial position. These and other factors may adversely affect the Company's liquidity and its ability to generate income and cash flows in the future. At December 31, 2020, the Company remains in compliance with all terms of its debt and, based on current available information, management expects to comply with all terms during the subsequent 12 months period. However, in light of the current volatility in commodity prices and uncertainty regarding the timing for recovery in such prices and the effect of the COVID-19 pandemic, the preparation of financial forecast is challenging.

18. Key Management Personnel

The Company has determined that key management personnel consists of its executive management and its Board of Directors. In addition to the salaries and fees paid to key management, the Company also provides compensation to both groups under its share-based compensation plans. Compensation expenses paid to key management personnel were as follows:

	Years ended December 31	
	2020	2019
Salaries, severances and director fees	**$ 447,152**	$ 1,816,005
Share based payments	**1,169,766**	803,001
	$ 1,616,918	$ 2,619,006

19. Segmented Information

The Company has two reportable operating segments: Colombia and Canada. The Company, through its operating segments, is engaged primarily in oil exploration, development and production, and the acquisition of oil and gas properties. The Canadian segment is also considered the corporate segment. The following tables show information regarding the Company's segments for the years ended and as at December 31:

In United States Dollars

Year ended December 31, 2020	**Colombia**	**Canada**	**Total**
Revenue:			
Oil Sales	$ 5,179,819	$ -	$ 5,179,819
Natural gas and liquid sales	-	414,684	414,684
Royalties	(236,816)	(37,122)	(273,938)
Expenses	(9,831,878)	(3,277,950)	(13,109,828)
Impairment of oil and gas properties	(27,263,110)	-	(27,263,110)
Gain on sale of oil and gas properties	1,059,474	-	1,059,474
Taxes	1,759,807	-	1,759,807
Net loss	$ (29,332,704)	$ (2,900,388)	$ (32,233,092)

As at December 31, 2020	**Colombia**	**Canada**	**Total**
Current assets	$ 14,859,186	$ 1,099,466	$ 15,958,652
Non-current:			
Restricted cash	53,727	406,556	460,283
Exploration and evaluation	6,961,667	-	6,961,667
Property and equipment	7,016,982	3,134,715	10,151,697
Total Assets	$ 28,891,562	$ 4,640,737	$ 33,532,299
Current liabilities	$ 8,622,577	$ 9,269,015	$ 17,891,592
Non-current liabilities:			
Other liabilities	177,500	-	177,500
Lease obligation	-	53,563	53,563
Decommissioning liability	2,081,083	503,824	2,584,907
Long-term debt	-	31,416	31,416
Total liabilities	$ 10,881,160	$ 9,857,818	$ 20,738,978

Year ended December 31, 2019	Colombia	Canada	Total
Revenue:			
Oil Sales	$ 27,773,161	$ -	$ 27,773,161
Natural gas and liquid sales	-	409,916	409,916
Other	35,987	7,857	43,844
Royalties	2,708,681	31,026	2,739,707
Expenses	24,133,977	7,799,581	31,933,558
Gain on disposition of oil and gas properties	(1,632,174)	-	(1,632,174)
Impairment of oil and gas properties	-	1,531,000	1,531,000
Taxes	(371,275)	-	(371,275)
Net income (loss)	$ 2,969,939	$ (8,946,834)	$ (5,976,895)

As at December 31, 2019	Colombia	Canada	Total
Current assets	$ 7,620,811	$ 191,078	$ 7,811,889
Non-current:			
Other receivables	784,056	-	784,056
Restricted cash	53,726	395,562	449,288
Exploration and evaluation	6,961,667	-	6,961,667
Property, plant and equipment	53,303,103	3,440,703	56,743,806
Total Assets	$ 68,723,363	$ 4,027,343	$ 72,750,706
Current liabilities	$ 7,623,708	$ 3,051,822	$ 10,675,530
Non-current liabilities:			
Derivative liability	-	100	100
Other liabilities	1,007,849	-	1,007,849
Lease obligation	-	199,488	199,488
Decommissioning liability	7,738,147	435,075	8,173,222
Promissory note	-	5,714,076	5,714,076
Deferred income taxes	1,824,000	-	1,824,000
Total liabilities	$ 18,193,704	$ 9,400,561	$ 27,594,265

Arrow Exploration Corp.
Consolidated Financial Statements
December 31, 2019
In United States Dollars

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Independent Auditor's Report

To the Shareholders of Arrow Exploration Corp.

Opinion
We have audited the consolidated financial statements of Arrow Exploration Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $5,976,895 during the year ended December 31, 2019 and had a working capital deficit of $2,863,641. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is David Langlois.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
June 1, 2020

Arrow Exploration Corp.
Consolidated Statements of Financial Position
In United States Dollars

As at	Notes	December 31, 2019	December 31, 2018
Assets			
Current			
Cash		$ 1,085,655	$ 1,994,233
Trade and other receivables	6	3,927,724	3,941,995
Taxes receivable	7	2,349,543	223,598
Deposits and prepaid expenses		271,197	1,884,331
Inventory		177,770	555,003
		7,811,889	8,599,160
Non-current assets			
Trade and other receivables	6	784,056	-
Restricted cash	5	449,288	3,154,839
Exploration and evaluation	8	6,961,667	10,547,118
Property and equipment	9	56,743,806	54,661,198
Total Assets		$ 72,750,706	$ 76,962,315

Liabilities			
Current			
Accounts payable and accrued liabilities		$ 10,614,821	$ 12,157,942
Promissory note	10	-	5,000,000
Lease obligation	11	60,709	-
		10,675,530	17,157,942
Non-current liabilities			
Derivative liability	12	100	100
Lease obligation	11	199,488	-
Other liabilities	13	1,007,849	1,096,559
Decommissioning liability	14	8,173,222	5,833,563
Promissory note	10	5,714,076	-
Deferred income taxes	16	1,824,000	2,326,000
Total liabilities		27,594,265	26,414,164
Shareholders' equity			
Share capital	15	50,740,292	50,740,292
Contributed surplus		1,603,788	800,787
Deficit		(6,646,246)	(669,351)
Accumulated other comprehensive loss		(541,393)	(323,577)
		45,156,141	50,548,151
Total liabilities and shareholders' equity		$ 72,750,706	$ 76,962,315

Nature of operations and going concern (Note1)

Commitments and contingencies (Note 17)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

signed "Gage Jull" Director
Gage Jull

signed "Brian Hearst" Director
Brian Hearst

Consolidated Statements of Operations and Comprehensive Loss

In United States Dollars

For the years ended December 31,	Notes	2019	2018
Revenue			
Oil and natural gas	21	$ 28,180,077	$ 6,791,778
Other		43,844	10,877
Royalties		(2,739,707)	(725,232)
		25,484,214	6,077,423
Expenses			
Operating		12,821,851	3,510,757
Administrative		7,154,630	3,832,430
Share based payments	15	803,001	256,987
Financing costs:			
Accretion	14	379,064	86,621
Interest		968,162	252,508
Other		1,003,700	-
Transaction costs		-	1,073,656
Derivative gain	12	-	(1,612,800)
Foreign exchange (gain) loss		301,167	54,267
Depletion and depreciation		8,501,983	2,044,120
Impairment of oil and gas properties	9	1,531,000	-
Bargain purchase gain	4	-	(1,700,000)
Gain on the disposal of oil and gas properties	9	(1,632,174)	(1,131,000)
		31,832,385	6,667,546
Loss before income tax		(6,348,170)	(590,123)
Income tax expense (recovery)	16		
Current		130,725	1,126,307
Deferred		(502,000)	(1,051,307)
		(371,275)	75,000
Net loss for the period		(5,976,895)	(665,123)
Other comprehensive loss			
Foreign exchange		(217,816)	(323,818)
Net loss and comprehensive loss for the period		$ (6,194,711)	$ (988,941)
Loss per share			
- basic and diluted		$ (0.09)	$ (0.01)
Weighted average shares outstanding			
- basic and diluted (1)		68,674,602	64,056,032

(1) The options and warrants have been excluded from the diluted net income per share computation as they are anti-dilutive.

The accompanying notes are an integral part of these consolidated financial statements.

In United States Dollars

	Share Capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total Equity
Balance January 1, 2019	$ 50,740,292	$ 800,787	$ (323,577)	$ (669,351)	$ 50,548,151
Net loss for the year	-	-	-	(5,976,895)	(5,976,895)
Comprehensive loss for the year	-	-	(217,816)	-	(217,816)
Share based payments	-	803,001	-	-	803,001
Balance December 31, 2019	$ 50,740,292	$ 1,603,788	$ (541,393)	$ (6,646,246)	$ 45,156,441

	Share Capital	Contributed Surplus	Accumulated other comprehensive income (loss)	Deficit	Total Equity
Balance January 1, 2018	$ 7,585	$ -	$ 241	$ (4,228)	$ 3,598
Net loss for the year	-	-		(665,123)	(665,123)
Comprehensive income (loss) for the year			(323,818)		(323,818)
Share based payments	-	256,987	-	-	256,987
Issuance of common shares net of issue costs	14,393,277	171,800	-	-	14,565,077
Shares issued in the reverse acquisition of Front Range	6,268,930	-	-	-	6,268,930
Shares issued in the acquisition of Carrao	20,000,000	-	-	-	20,000,000
Shares issued in the acquisition of Samaria	10,442,500	-	-	-	10,442,500
Cancellation of common shares	(372,000)	372,000	-	-	-
Balance December 31, 2018	$ 50,740,292	$ 800,787	$ (323,577)	$ (669,351)	$ 50,548,151

The accompanying notes are an integral part of these consolidated financial statements.

Arrow Exploration Corp.
Consolidated Statements of Cash Flows
In United States Dollars

For the year ended December 31,		2019		2018
Cash flows from (used in) operating activities				
Net loss for the period	$	**(5,976,895)**	$	(665,123)
Items not involving cash:				
Deferred taxes		**(502,000)**		75,000
Share based payment		**803,001**		256,987
Bargain purchase gain		**-**		(1,700,000)
Depletion and depreciation		**8,501,983**		2,044,120
Impairment of oil and gas properties		**1,531,000**		-
Interest		**806,560**		-
Accretion		**379,064**		86,621
Foreign exchange		**(629,323)**		(25,791)
Risk management activities		**-**		(1,612,800)
Gain on the disposal of oil and gas properties		**(1,632,174)**		(1,131,000)
Changes in non-cash working capital balances:				
Trade and other receivables		**(769,785)**		(1,277,750)
Taxes receivable		**(2,125,945)**		740,402
Deposits and prepaid expenses		**1,613,135**		(1,152,502)
Inventory		**377,233**		(419,860)
Accounts payable and accrued liabilities		**1,481,597**		7,636,835
Cash provided by operating activities		**3,857,450**		2,855,139
Cash flows provided by (used in) investing activities				
Additions to exploration and evaluation assets		**(7,292,514)**		-
Additions to property and equipment		**(1,501,848)**		(7,007,580)
Business acquisitions		**-**		(11,993,461)
Proceeds on the sale of property and equipment		**4,475,706**		4,875,106
Changes in restricted cash		**2,705,551**		(2,848,514)
Changes in non-cash working capital		**(3,024,718)**		-
Cash flows used in investing activities		**(4,637,823)**		(16,974,449)
Cash flows used in financing activities				
Lease payments		**(71,468)**		-
Issue of common shares and warrants, net of issue costs		**-**		16,105,577
Cash flows (used in) provided by financing activities		**(71,468)**		16,105,577
Effect of changes in the exchange rate on cash and cash equivalents		**(56,737)**		-
(Decrease) increase in cash		**(908,578)**		1,986,267
Cash, beginning of period		**1,994,233**		7,966
Cash, end of period	**$**	**1,085,655**	$	1,994,233

Supplemental information				
Interest paid	**$**	**314,384**	$	-
Taxes paid	**$**	**-**	$	-

The accompanying notes are an integral part of these consolidated financial statements.

December 31, 2019

1. Corporate Information

Arrow Exploration Corp. (formerly Front Range Resources Ltd.) ("Arrow" or "the Company") is a public junior oil and gas company engaged in the acquisition, exploration and development of oil and gas properties in Colombia and in Western Canada. The Company's shares trade on the TSX Venture Exchange under the symbol AXL.

The Company and Arrow Exploration Ltd. entered into an arrangement agreement dated June 1, 2018, as amended, whereby the parties completed a business combination pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) ("ABCA") on September 28, 2018. Arrow Exploration Ltd. was incorporated under the ABCA on December 12, 2016 as 2010461 Alberta Ltd. and on January 24, 2018 changed its name to Arrow Exploration Ltd. by way of articles and a certificate of amendment. Arrow Exploration Ltd. and Front Range Resources Ltd.'s then wholly owned subsidiary, 2118295 Alberta Ltd., were amalgamated on September 28, 2018 pursuant to the arrangement agreement to form Arrow Holdings Ltd., a wholly owned subsidiary of the Company (the "Arrangement").

For accounting and presentation purposes, the consolidated financial statements reflect the results of operations of Arrow Exploration Ltd., the accounting acquirer, with the exception of the number of shares which were retroactively adjusted to reflect the legal capital of the Company.

The head office of Arrow is located at 920, 150 – 9th Avenue SW, Calgary, Alberta, Canada, T2P 3H9 and the registered office is located at Suite 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had a net loss of $5,976,895 for the year ended December 31, 2019 and had a working capital deficit of $2,863,641 as at December 31, 2019. Subsequent to December 31, 2019, oil and gas prices have been significantly depressed and the global impact of the COVID-19 pandemic has fostered a great deal of uncertainty for the future operations of the Company. The Company's ability to continue as a going concern is dependent on management's ability to identify additional sources of capital and to raise sufficient resources to fund ongoing operating expenses and commitments. There is no assurance these initiatives will be successful in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation

Statement of compliance
The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been approved and authorized for issuance by the Board of Directors ("the Board") on June 1, 2020.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value and specifically noted within the notes to these consolidated financial statements.

Functional and presentation currency

These consolidated financial statements are presented in United States Dollars. The Canadian Dollar is the functional currency of the Company and its wholly own subsidiary Arrow Holdings Ltd. (AHL). The functional currency of the Company's subsidiaries operating in Colombia and Panama is the United States Dollar.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the period-end exchange rate. Non-monetary assets, liabilities, revenues and expenses are translated at exchange rates at the transaction date. Exchange gains or losses are included in the determination of profit or loss in the consolidated statements of operations and comprehensive loss.

Use of estimates and judgments

The preparation of consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Exploration and evaluation assets

Exploration and evaluation assets require judgment as to whether future economic benefits exist, including the existence of proven or probable reserves and the ability to finance exploration and evaluation projects, where technical feasibility and commercial viability has not yet been determined.

Depletion and depreciation

The amounts recorded for depletion and depreciation are based on estimates of proved and probable reserves. Assumptions that are valid at the time of reserve estimation may change materially as new information becomes available. Changes in forward price estimates, production and future development costs, recovery rates or decommissioning costs may change the economic status of reserves and may ultimately result in reserves used for measurement purposes being removed from similar calculations in future reporting periods.

Cash Generating Unit ("CGU")

IFRS requires that the Company's oil and natural gas properties be aggregated into CGUs, based on their ability to generate largely independent cash flows, which are used to assess the properties for impairment. The determination of the Company's CGUs is subject to management's judgment.

Impairment of Property, plant and equipment and exploration and evaluation assets

Indicators of impairment are assessed by management using judgement, considering future plans, market conditions and commodity prices. In assessing the recoverability, each CGU's carrying value is compared to its recoverable amount, defined as the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Decommissioning obligations
Measurement of the Company's decommissioning liability involves estimates as to the cost and timing of incurrence of future decommissioning programs. It also involves assessment of appropriate discount rates, rates of inflation applicable to future costs and the rate used to measure the accretion charge for each reporting period. Measurement of the liability also reflects current engineering methodologies as well as current and expected future environmental legislation and standards.

Share-based compensation and warrants
Grants of stock options and warrants require an estimate of the fair value of those instruments at time of issue. The estimate involves assumptions regarding the life of the option or warrant, dividend yields, interest rates, and volatility of the Company's common shares. The charge is measured using the Black-Scholes option pricing model.

Business combinations
Judgement is required when assessing i) whether or not the acquisition of assets meets the criteria of a business combination; ii) the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with business combinations and iii) determining goodwill or bargain purchase gain.

Income taxes
The Company recognises deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and that sufficient taxable income will be generated in the future to recover such deferred tax assets. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Provisions and contingencies
The Company recognizes provisions based on an assessment of its obligations and available information. Any matters not included as provisions are uncertain in nature and cannot be reasonably estimated.

The Company makes assumptions to determine whether obligations exist and to estimate the amount of obligations that we believe exist. In estimating the final outcome of litigation, assumptions are made about factors including experience with similar matters, past history, precedents, relevant financial, scientific, and other evidence and facts specific to the matter. This determines whether a provision or disclosure in the financial statements is needed.

Stock-based compensation, warrants and derivative liability
The amounts recorded in respect of share purchase warrants granted and the derivative liability for warrants issued are based on the Company's estimation of their fair value, calculated using assumptions regarding the life of the option or warrant, interest rates and volatility. By their nature, these estimates and assumptions are subject to uncertainty, and the actual fair value of options or warrants may differ at any time.

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below and have been applied consistently by the Company.

Interests in joint arrangements
Certain of the Company's exploration and production activities are regarded as joint operations and are conducted under joint operating agreements, whereby two or more parties jointly control the assets. These consolidated financial statements reflect only the Company's share of these jointly controlled operations, and the Company's proportionate share of the relevant revenue and related costs.

Subsidiaries
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Intra-group balances and transactions are eliminated in preparing the Consolidated Financial Statements.

Business combinations
Business combinations are accounted for at fair value using the acquisition method of accounting. The fair value of the net assets acquired and the consideration transferred is measured at the acquisition date. Transaction costs are expensed when incurred. Any excess of the cost of an acquisition over the net fair value of the net identifiable assets acquired is recognized as goodwill.

If the consideration is less than the fair value of the net identifiable assets acquired, the difference is recognized as a bargain purchase gain in the statement of operations and comprehensive loss. Transaction costs are expensed as incurred.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed annually for impairment. Impairment losses on goodwill are not reversed.

Financial instruments
The Company considers whether a contract contains an embedded derivative when it first becomes a party to it. Embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets
Financial assets are classified as financial assets at fair value through profit or loss or amortized cost, as appropriate. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date. The Company's financial assets are comprised of cash, restricted cash, trade and other receivables, taxes receivable, and deposits. Cash and restricted cash are classified as financial assets at fair value through profit or loss. Trade and other receivables, and deposits are classified and measured at amortized cost using the effective interest, less any impairment losses.

Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortized cost. The Company's financial liabilities are comprised of accounts payable and accrued liabilities, derivative liability, lease obligation and promissory note. Accounts payable and accrued liabilities, lease obligation and promissory note are classified and measured at amortized cost using the effective interest method.

Derivative liability - Warrants
The non-compensation based warrants entitle the holder to acquire a fixed number of common shares for a fixed United States Dollar price per share. An obligation to issue shares for a price that is not fixed in the Company's functional currency of Canadian Dollars, and that does not qualify as a share-based payment, must be classified as a derivative liability and measured at fair value with changes recognized in the statements of operations and comprehensive loss as they arise. The Company has recorded these changes as derivative gain (loss) in the statement of operations and comprehensive loss. The transaction costs associated with the issuance of the warrants are expensed when incurred.

Fair value hierarchy
The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

  Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from share capital, net of any tax effects.

Exploration and evaluation assets
Pre-license costs are recognized in the statement of operations and comprehensive loss as incurred. Exploration and evaluation costs include the costs of acquiring undeveloped land and drilling costs are initially capitalized until the drilling of the well is complete and the results have been evaluated. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. If proved and/or probable reserves are found, the drilling costs and associated undeveloped land are transferred to property and equipment.

When exploration and evaluation assets are determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to the consolidated statements of operations and comprehensive loss as pre-license expense when occurs.

Property and equipment
Items of property and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and accumulated impairment losses. The cost of development and production assets includes; transfers from exploration and evaluation assets, which generally include the cost to drill the well and the cost of the associated land upon determination of technical feasibility and commercial viability; the cost to complete and tie-in the wells; facility costs; the cost of recognizing provisions for future restoration and decommissioning; geological and geophysical costs; and directly attributable overheads.

Development and production assets are grouped into CGU's for impairment testing.

Gains and losses on disposal of an item of property and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of operations and comprehensive loss.

Subsequent costs:
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as oil and gas assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are expensed as incurred. Such capitalized oil and natural gas assets generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in operating expenses as incurred.

Depletion and depreciation:
The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Proved plus probable reserves are estimated annually by independent qualified reserve evaluators and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment
Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of operations and comprehensive loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of operations and comprehensive loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are also assessed for impairment prior to being transferred to property and equipment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal.

Fair value less cost to dispose is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to dispose of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proved and unproved volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations and comprehensive loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior years are assessed at each reporting date to determine if facts and circumstances indicate that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Share based compensation
The Company has a share based compensation plan for which the compensation cost attributed to stock options granted is measured at the fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options or units that vest. Upon the settlement of the stock options the previously recognized value in contributed surplus is recorded as an increase to share capital.

Share based compensation granted to non-employees is measured based on the fair value of the goods or services received, except in cases where this is not reliably measurable, and then the intrinsic value of the equity instruments granted is used (i.e. the average value of the Company's shares over the service period). Share based compensation subject to performance vesting conditions is recognized based on the Company's estimated probability of achieving those performance vesting conditions determined at each reporting date.

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion (within finance expense) whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Leases
The Company holds leases related to office leases. The lease arrangements are assessed based on whether they meet the following definition of a lease under IFRS 16:

i) Identified asset - The Company has access to the use of a physically distinct asset and the counterparty does not hold the right to substitute an alternative asset for use;

ii) Right to direct the use of an asset - The Company has relevant operational decision-making rights for the use and purpose of the underlying asset; and
iii) Substantially all of the economic rights and benefits - The Company obtains sole and exclusive benefit from the use of the asset throughout the duration of the lease term.

Lease arrangements which meet the criteria of a lease are recognized as right-of-use assets and lease obligation at the lease commencement date. The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease obligation. The lease obligation is measured at the present value of the lease payments outstanding at the lease commencement date, discounted using the implicit rate, and when not determinable, the Company's incremental borrowing rate. The lease obligation is re-measured when there is a change in estimated future payments arising from a change in a lease term, index or rate, residual guarantee or purchase option. The assessment of whether a renewal, extension, termination or purchase option is reasonably certain to be exercised was considered, based on facts and circumstances, and has the potential to significantly impact the amount of right-of-use asset and lease obligation recognized. The Company recognizes interest expense incurred under finance leases over the lease term in the consolidated statements of comprehensive loss using the effective interest rate method.

Revenue
The Company's revenues are primarily derived from the production of petroleum and natural gas. Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by physically transferring the product and control to a customer. The Company satisfies its performance obligations at the point of delivery of the product and not over a period of time. Revenue is measured based on the consideration specified in contracts with customers.

Revenue is recorded net of any royalties when the amount of revenue can be reliably measured and the costs incurred in respect of the transaction can be measured reliably.

Finance expenses
Finance expense comprises interest expense on borrowings and accretion of the discount on decommissioning obligations.

Income tax
Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the statement of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share
Basic loss per share is calculated by dividing the net income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the net income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options and warrants granted. The number of shares included with respect to options is computed using the treasury stock method.

Accounting Pronouncements Adopted
On January 1, 2019, Arrow adopted IFRS 16: Leases (“IFRS 16”) to replace IAS 17: Leases and IFRIC 4: Determining whether an Arrangement contains a Lease. IFRS 16 requires the recognition of a right-of-use asset and a lease obligation on the statements of financial position for all leases, where Arrow is acting as a lessee. For lessees applying IFRS 16, the dual classification model of leases as either operating leases or finance leases no longer exists, effectively treating all leases as finance leases. IFRS 16 allows lessors to continue with the dual classification model for recognized leases as either a finance or an operating lease. Arrow is the lessee in all of its lease arrangements effective January 1, 2019. The Company adopted IFRS 16 using the modified retrospective approach, which does not require restatement of prior period financial information and applies the standard prospectively.

On initial adoption, Arrow had the following optional practical expedients available under IFRS 16: certain short-term leases and leases of low value assets that have been identified as a lease under IFRS 16 at January 1, 2019 have been excluded from recognition on the statements of financial position. Arrow has excluded certain low value leases such as information technology, office equipment and other minor operating and capital assets used in its operations. Short-term and low value leases are expensed in profit or loss in the period incurred. Certain classes of lease arrangements that transfer a separate good or service under the same contract that have been identified for recognition at January 1, 2019 can be recognized as a single lease component rather than separating between their lease and non-lease components. Arrow did not apply this practical expedient on initial adoption of IFRS 16. Non-lease components such as operating costs and payment for services were separated from their lease component under the same contract and expensed in profit or loss in the period incurred. For leases having similar characteristics, a portfolio approach can be used by applying a single discount rate. Arrow has applied this practical expedient for leases having similar characteristic on recognition.

In United States Dollars

On initial adoption of IFRS 16, Arrow recognized a lease liability, herein referred to as a “lease obligation”, and corresponding right-of-use asset, herein referred to as a “lease asset”, for each identified lease effective January 1, 2019. The effect of initially applying the standard was recognized as a $45,377 increase to right-of-use assets (included in "Property and Equipment") with a corresponding increase to lease obligations (the non-current portion of $15,885 is recorded in "Lease Obligation" and the current portion of the lease obligation is $29,492). The lease obligation was determined by discounting the remaining lease term payments using the interest rate implicit in the lease, or the Company’s incremental borrowing rate. The lease obligation is reduced by actual cash lease payments made during the period. Lease obligations are presented on the statements of financial position and the lease assets are included in “Property and Equipment” on the statements of financial position. Lease assets are depreciated over the remaining term of the lease and included in depreciation expense the statement of operations and comprehensive income. The unwinding of the present value of the lease obligation is recorded as accretion (interest) and included in finance expense in the statement of operations. Cash lease payments are classified as a financing activity and accretion expense classified as an operating activity in the statements of cash flows. Any remeasurements based on changes in lease term, payment or discount rate will increase or decrease the present value of the lease obligation and corresponding lease asset. Such changes will be accounted for through statement of operations. See Note 11 to these Financial Statements for further details on the financial effects of IFRS 16 on initial adoption.

Management applies judgment in reviewing each of its contractual arrangements to determine whether the arrangement contains a lease within the scope of IFRS 16 and the application of an incremental borrowing rate. Leases that are recognized are subject to further management judgment and estimation in various areas specific to the arrangement. In determining the lease term to be recognized, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Lease obligations that are recognized have been estimated using a discount rate equal to Arrow’s incremental borrowing rate. This rate represents the rate that Arrow would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

The following reconciliation of the Company’s commitments as at December 31, 2018 to the Company’s opening lease liability as at January 1, 2019:

Commitments disclosed on December 31, 2018	$ 549,996
Relief for short term and low value lease	(151,943)
Lease obligation that commenced in 2019	(326,385)
Other	(22,614)
Gross lease liabilities as at January 1, 2019	49,054
Discounting	(3,677)
Present value of lease liabilities as at January 1, 2019	$ 45,377

4. Acquisitions

(a) On September 28, 2018, Arrow Exploration Ltd. completed the reverse takeover acquisition of all outstanding shares of the Company, then called Front Range Resources Ltd. ("Front Range"), by way of a Plan of Arrangement for a purchase price of $6,268,930. Front Range was an oil and gas company engaged in the evaluation, acquisition, exploration and development of oil and gas properties in Western Canada and considered a business in accordance with IFRS.

In United States Dollars

As a result of the terms of the agreement: i) the former shareholders of Arrow Exploration Ltd. owned the majority of shares (90%) and control the majority of votes of the Company; and ii) Board of Directors and Management of Arrow Exploration Ltd. took over the governance and Management of the Company. Therefore, for accounting purposes, Arrow Exploration Ltd., was identified as the accounting acquirer in the transaction, and as such, the fair values of the identifiable assets acquired and liabilities assumed from Front Range, as well as the purchase consideration transferred, are presented below:

Net assets acquired:	
Cash	$ 1,979,296
Working capital deficiency	(630,071)
Restricted cash	322,096
Property and equipment	5,154,587
Derivative liability	(72,400)
Decommissioning obligations	(484,578)
Fair value of the net assets acquired	$ 6,268,930

The consideration transferred has been measured based on the fair value of the notional number of shares that Arrow Exploration Ltd., would have had to issue to Front Range to give the owners of Front Range the same percentage ownership in the combined entity, resulting in a notional amount of 7,083,537 shares at a fair value of $0.885/share. The transaction is accounted for using the acquisition method. Allocation of the purchase price is based on the assessment of the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date.

The acquisition contributed revenue of $122,200 and $104,123 of a loss before tax from the date of acquisition to December 31, 2018. The Company estimates that had the acquisition occurred on January 1, 2018, the increase in revenue would be approximately $431,238 and the operating profit would have increased by approximately $175,122 for the year ended December 31, 2018.

(b) On September 27, 2018, Arrow Exploration Ltd. completed the acquisition of all outstanding shares of Carrao Energy S.A. (“Carrao”) for a purchase price of $38,000,000, plus subsequent working capital adjustments of approximately $2,017,000. Carrao is an oil and gas company engaged in the evaluation, acquisition, exploration and development of oil and gas properties in Colombia. The fair values of the identifiable assets acquired and liabilities assumed as well as the purchase consideration transferred are presented below.

Net assets acquired:	
Cash	$ 1,029,985
Working capital	676,223
Property and equipment	47,020,686
Other liabilities	(1,093,713)
Decommissioning obligations	(3,664,471)
Deferred income taxes	(2,251,000)
Fair value of the net assets acquired	$ 41,717,710
Consideration:	
22,598,870 Common Shares issued	$ 20,000,000
Cash	15,017,710
Promissory Note	5,000,000
	$ 40,017,710

The acquisition of this business resulted in a gain on acquisition of $1,700,000 as a consequence of buying the business from a seller intending to leave the oil space. The gain on bargain purchase was separately presented in the consolidated statement of comprehensive income for the year ended December 31, 2018.

In United States Dollars

In the event the Company doubles the proved plus probable reserves from approximately 9.0 million barrels equivalent on the assets acquired within five years, a further $5,000,000 payment will have to be made to the vendor. The contingent consideration has been estimated to be $Nil based on the information and current independent reserve report.

The transaction is accounted for using the acquisition method. Allocation of the purchase price is based on the assessment of the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date.

The acquisition contributed revenue of $6,669,791 and $863,000 in net income before tax from the date of acquisition to December 31, 2018. The Company estimates that had the acquisition occurred on January 1, 2018, the increase in revenue would be approximately $23,393,000 and operating profit would have increased by approximately $4,900,000 for the year ended December 31, 2018.

(c) On September 27, 2018, pursuant to the purchase and sale agreement between Arrow Exploration Ltd. and Samaria Exploration and Production S.A. ("Samaria") dated May 31, 2018, Arrow Exploration Ltd. closed on its purchase of a fifty percent working interest in the Tapir Association Contract by the purchase of Samaria Llanos Exploration S.A. in exchange for 11,799,435 Common Shares. The assets acquired were non-producing therefore the acquisition is not considered a business acquisition. The Company allocated $10,547,118 to the exploration and evaluation assets and recorded a decommissioning obligation of $104,618.

5. Restricted Cash

		December 31, 2019		December 31, 2018
Colombia *(i)*	**$**	**53,726**	$	2,848,514
Canada *(ii)*		**395,562**		306,325
	$	**449,288**	$	3,154,839

(i) *As part of the purchase and sale agreement with Samaria Exploration and Production S.A. ("Samaria"), Arrow agreed to reimburse $3,200,000 for funds historically contributed by Samaria and held in trust in respect of certain obligations. The funds advanced were held in trust for the purpose of funding Ecopetrol (the Colombian National Oil Company) approved expenditures on the Tapir Block. As of December 31, 2019, the trust have been fully released. Current restricted cash is comprised by a deposit held as collateral to guarantee abandonment expenditures related to the Mateguafa well in the Tapir block.*

(ii) *At December 31, 2019, pursuant to Alberta government regulations, the Company was required to pay a $316,149 (CAD $410,637) deposit with respect to the Company's liability rating management ("LMR"). The deposit is held by a Canadian chartered bank with interest paid to the Company on a monthly basis based on the bank's deposit rate. The remaining $79,412 pertain to lease and other deposits held in Canada.*

6. Trade and other receivables

		December 31, 2019		December 31, 2018
Trade receivables, net of advances	**$**	**774,740**	$	3,799,995
Other accounts receivable		**3,937,041**		142,000
		4,711,781		3,941,995
Long-term portion of trade and other receivables		**(784,057)**		-
	$	**3,927,725**	$	3,941,995

In United States Dollars

As at December 31, 2019, other accounts receivable include $3,016,367 (2018 – nil) receivable from a partner in the Tapir block and corresponds to technical services, overhead, and reimbursable capital expenditures incurred by the Company on the Tapir block, of which $2,287,449 million will be recovered through future production. The Company estimates that $1,503,392 will be recovered in the next 12 months, therefore $784,057 were classified as non-current. The remaining $728,918 will be collected in cash within the next 12 months.

7. Taxes receivable

		December 31, 2019		December 31, 2018
Value-added tax (VAT) credits recoverable	$	1,776,582	$	223,598
Income tax withholdings and advances, net		572,961		-
	$	2,349,543	$	223,598

The VAT recoverable pertains to non-compensated value-added tax credits originated in Colombia as operational and capital expenditures are incurred. Most of the Company's sales are considered exports, which are not subject to VAT. The Company is entitled to claim for the reimbursement of these VAT credits.

8. Exploration and Evaluation

		December 31, 2019		December 31, 2018
Balance, beginning of the period	$	10,547,118	$	-
Acquisition of Samaria assets		-		10,547,118
Additions, net		7,062,638		-
Capitalized administrative costs		423,750		-
Transfers to oil and gas properties		(11,071,839)		
Balance, end of the period	$	6,961,667	$	10,547,118

In 2019, the Company capitalized $423,750 of general and administrative costs inclusive of costs related to technical personnel directly related to exploration and evaluation activities on the Tapir block. The exploration and evaluation assets additions, net include $500,000 of success fee payable to the former owner of the Tapir block and a credit of $3 million recoverable from its partner in the same block (see Note 6).

During 2019, the Company determined the technical feasibility and commercial viability of its Tapir assets related to the Rio Cravo Este-1 discovery and transfered $11,071,839 to its property and equipment.

In United States Dollars

9. Property and Equipment

Cost	Oil and Gas Properties	Right of Use and Other Assets	Total
Balance, December 31, 2018	$ 56,622,566	$ 30,443	$ 56,653,009
Right of use assets (Note 3)	-	45,377	45,377
Additions	3,382,978	298,606	3,681,584
Transfers from exploration and evaluation assets	11,071,839	-	11,071,839
Oil and gas properties disposed	(3,403,532)	-	(3,403,532)
Balance, December 31, 2019	$ 67,673,851	$ 374,426	$ 68,048,277

Accumulated depletion and depreciation and impairment	Oil and Gas Properties	Right of Use and Other Assets	Total
Balance, December 31, 2018	$ 2,041,962	$ 2,158	$ 2,044,120
Depletion and depreciation	8,410,398	91,854	8,501,983
Impairment of oil and gas properties	1,531,000	-	1,531,000
Accumulated depletion associated with oil and gas properties disposed	(560,000)	-	(560,000)
Balance, December 31, 2019	$ 11,423,360	$ 93,742	$ 11,517,103
Foreign exchange			
Balance December 31, 2018	$ 52,998	$ (689)	$ 52,309
Effects of movements in foreign exchange rates	168,324	(8,001)	160,323
Balance December 31, 2019	$ 221,322	$ (8,690)	$ 212,632
Net Book Value			
Balance December 31, 2018	$ 54,633,602	$ 27,596	$ 54,661,198
Balance December 31, 2019	$ 56,471,813	$ 271,994	$ 56,743,806

Right of use and other assets include $45,377 related to right of use additions on initial adoption of IFRS 16 as at January 1, 2019 and $298,606 in current period additions (see Notes 3 and 11). The net carrying amount of right of use assets at December 31, 2019 is $271,994.

In March 2019, the Company decided to dispose of two non-core properties in Colombia (VMM-2 and Coati) and on April 26, 2019, the Company entered into definitive agreements to sell the two non-core interests for an aggregate sale price of $5 million. The first sale, for $3.5 million, closed on April 29, 2019, with the formal legal transfer of ownership of working interests subject to ultimate approval by the Agencia Nacional de Hidrocarburos ("ANH"). The second transaction, for $1.5 million, closed on May 22, 2019. These transactions eliminated approximately $6.95 million from Arrow's future commitments (see Note 17). The purchaser assumed the decommissioning obligations (Note 14). As a result of these transactions, the Company recognized a gain in the disposal of its oil and gas properties for $1,632,174 in its consolidated statements of operations and comprehensive loss for the year ended December 31, 2019.

As at December 31, 2019, the Company reviewed its cash-generating unit's ("CGU") property and equipment and determined that there were indicators of impairment present related to the decline in reserves. The company prepared estimates of both the value in use and fair value less costs of disposal of its CGUs and it was determined that carrying value of each CGU did not exceed its recoverable amount and, therefore, no additional impairment provisions were required. The following table outlines forecast benchmark prices and exchange rates used in the Company's impairment test as at December 31, 2019:

In United States Dollars

Year	Exchange rate $US / $Cdn	AECO Spot Gas CDN$/MCF	Brent $US/Bbl
2020	0.76	2.04	66.00
2021	0.77	2.30	68.00
2022	0.78	2.70	70.00
2023	0.78	2.80	73.00
2024	0.78	2.90	73.00
2025	0.80	3.00	75.00
Thereafter (inflation %)	0.80	2.0%/yr	2.0%/yr

These benchmark prices reflect the average of three consultant price forecasts, effective December 31, 2019 (McDaniel, GLJ Petroleum Consultants and Sproule Associates Limited).

The Company used a 12.5% discount rate in Canada, and 14% in Colombia for the December 31, 2019 impairment test, which took into account risks specific to each CGU and inherent in the oil and gas business. As a result of the impairment tests performed, no further impairments were required. As at December 31, 2019, a 0.5% decrease in the discount rate applied or 2% change in the forecast benchmark prices would not have resulted in additional impairment.

As at June 30, 2019, the Company reviewed its property and equipment Cash-Generating Unit's ("CGU") for indicators of impairment and determined that an indicator related to the decrease in future commodity prices for natural gas in Canada was present. The Company prepared estimates of both the value in use and fair value less costs of disposal of its Canadian CGU. When it is determined that any CGU carrying value exceeds its recoverable amount, that CGU is considered impaired and an impairment expense is reported that equals this excess.

The following table outlines forecast benchmark prices and exchange rates used in the Company's impairment test as at June 30, 2019:

Year	Exchange rate $US / $Cdn	AECO Spot Gas CDN$/MCF
2019 (six months)	0.76	1.39
2020	0.78	1.91
2021	0.80	2.37
2022	0.80	2.66
2023	0.80	2.79
2024	0.80	2.92
Thereafter (inflation %)	0.80	2.0%/yr

These benchmark prices reflect the average of three consultant price forecasts, effective July 1, 2019 (McDaniel, GLJ Petroleum Consultants and Sproule Associates Limited). The recoverable amounts of the Canadian CGU at June 30, 2019 were estimated at their fair value less costs of disposal, based on the net present value of the future cash flows from oil and gas reserves as estimated by the Company's independent reserve evaluator at December 31, 2018 adjusted for production and future pricing changes during the six months ended June 30, 2019. The fair value less costs of disposal used to determine the recoverable amounts are classified as Level 3 fair value measurements as certain key assumptions are not based on observable market data but rather, the Company's best estimate.

The Company used a 12.5% discount rate for the June 30, 2019 impairment test which took into account risks specific to the Canadian CGU and inherent in the oil and gas business to arrive at a recoverable value of $3,281,000 and recognize a loss for impairment of its oil and gas properties of $1,531,000.

In United States Dollars

10. Promissory Note

The promissory note was issued to Canacol Energy Ltd. (“Canacol”) as partial consideration in the acquisition of Carrao Energy S.A. from Canacol. The promissory note bears interest at 15% per annum, was initially due on January 28, 2019 and subsequently extended to April 30, 2019 and October 1, 2020. On July 31, 2019, Arrow and Canacol entered into a second amended and restated promissory note (the “Note”) to revise the terms of the April 29, 2019 note. The amendments provide a deferral of principal payments to commence on October 1, 2020, and which shall be paid in six monthly instalments such that all note obligations are paid in full on or before March 1, 2021. The amendments also provide that Arrow will repay all interest accrued to July 31, 2019, by December 31, 2019, and that commencing on September 1, 2019, the company will make monthly interest-only payments on the principal sum then outstanding plus the outstanding accrued interest balance. The interest payable on the Note remains unchanged at 15%, and the Note continues to be repayable at any time without penalty.

On December 31, 2019, Arrow and Canacol entered into a Third Amended and Restated Promissory note to revise the terms of the July 31, 2019, Amended and Restated Promissory Note. The principal amendments are the following:

- On or before April 1, 2021, the Company shall pay in full all accrued and outstanding interest owed until July 31, 2019 of $628,767 (the “Interim Interest”) plus interest on such sum at a rate of 15% from December 31, 2019 until the date of payment;
- Commencing September 1, 2019, and on the first day of each month thereafter, the Company shall make interest-only monthly payments equal to the total amount of interest on the principal sum plus interest on the interim interest sum, until paid in full; and
- Commencing April 1, 2021, and on the first day of each of the following six months thereafter, the Company shall make equal monthly payments of the balance of the principal sum outstanding as of April 1, 2021 such that all remaining obligations are paid in full on or before September 1, 2021.

As at December 31, 2019, the Company is in compliance with the provisions of the amended and restated promissory note. The amendments also provide that all obligation related to the restated and amended promissory note shall be due immediately in case of a change in control, as defined therein, and the Arrow shall arrange to appoint two Canacol employees to sit in the Company’s Board of Directors.

Subsequently, on March 19, 2020, a fourth amended and restated promissory note was agreed by the parties removing the two Canacol Directors requirement and temporarily waiving the change in control provision set forth in the third amendment, leaving all other amendments unchanged.

The Company has granted a general security interest to Canacol for the obligations under the Note which will be subordinated to second position in the event the Company secures additional financing.

11. Lease Obligations

Effective January 1, 2019, Arrow recognized a discounted lease obligation of $45,377 on initial adoption of IFRS 16. The Corporation’s total undiscounted (inflated) amount of cash flow required to settle its lease obligations is approximately $409,400 at December 31, 2019. A reconciliation of the discounted lease obligation is set forth below:

		2019
Obligation, beginning of the period	$	45,377
Additions		253,152
Lease payments		(71,468)
Accretion		26,526

In United States Dollars

December 31, 2019

Effects of movements in foreign exchange rates		6,610
Obligation, end of the period	$	260,197
Current portion	$	60,709
Long-term portion		199,488
	$	260,197

As at December 31, 2019, the Company has the following future commitments associated with its office lease obligations:

Less than one year	$	118,642
2 – 5 years		184,847
Total lease payments		303,489
Amounts representing interest over the term		(43,292)
Present value of the net obligation	$	260,197

The Corporation utilized certain IFRS 16 exemptions to exclude low-value right-of-use assets and short-term lease arrangements as leases. There were no lease arrangements subject to variable lease payments. These types of lease arrangements were recognized as operating leases payments totalling $165,611 and were recognized in the general and administrative expenses in the consolidated statement of operations and comprehensive loss on a straight-line basis during the year ended December 31, 2019.

12. Derivative liability

(a) Warrants issued and outstanding

	2019			2018		
Warrants	**Number**	**Amounts**		Number	Amounts	
Balance beginning of the year	**18,322,760**	**$**	**100**	-	$	-
Issued in financing (Note 15)	**-**		**-**	17,692,760		1,540,500
Issued in the Front Range acquisition (Note 4)	**-**		**-**	630,000		72,400
Fair value adjustment	**-**		**-**	-		(1,612,800)
Balance end of the year	**18,322,760**	**$**	**100**	18,322,760	$	100

Only values related to non-compensatory warrants have been included in this table and do not include compensatory warrants included in equity. There were no compensatory warrants outstanding at December 31, 2019. Each non-compensatory warrant is measured at fair value quarterly using the Black-Scholes options pricing model. The fair value of warrants at December 31, 2019 and 2018 was estimated using the following assumptions:

	December 31, 2019	December 31, 2018
Number outstanding re-valued warrants, end of period	**18,322,760**	18,322,760
Fair value of warrants outstanding	**CAD$0.00**	CAD$0.00
Risk free interest rate	**1.73%**	1.73%
Expected life	**0.75 years**	1.74 years
Expected volatility	**35%**	35%

In United States Dollars

The following table summarizes the warrants outstanding and exercisable at December 31, 2019:

Number of warrants	Warrant Type	Exercise price (USD $)	Expiry date
17,692,760	Non-compensatory	$1.30	September 28, 2020
630,000	Non-compensatory	$1.30	September 24, 2020
18,322,760			

13. Other Liabilities

The other liabilities of the Company relate to an environmental fee in Colombia that is levied on capital projects such as the costs associated with wellsite preparation and drilling of a well. The fee is calculated as 1% of the project cost. The program is administered by the Colombian National Authority of Environmental Licences ("ANLA") and is levied on projects that utilize surface water or deep water wells that may have an impact on the environment. The funds are generally used in the affected communities for purposes of land purchases, biomechanic works (e.g. containment walls in rivers), reforestation, research projects and others. At December 31, 2019 the Company had provided for $1,007,849 (December 31, 2018 - $1,096,559) for the environmental fee.

14. Decommissioning Liability

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the decommissioning of oil and gas properties.

	December 31, 2019	December 31, 2018
Obligation, beginning of the period	**$ 5,833,563**	$ -
Additions as a result of corporate acquisitions	**-**	4,030,456
Change in estimated cash flows	**1,946,607**	1,203,980
Obligations recognized	**104,618**	729,995
Liabilities disposed	**(116,191)**	(194,657)
Accretion expenses	**382,997**	86,621
Effects of movements in foreign exchange rates	**21,628**	(22,832)
Obligation, end of the period	**$ 8,173,222**	$ 5,833,563

The obligation was calculated using a risk-free discount rate range of 1.50% to 2.75% in Canada and 4.50% to 6.42% in Colombia with an inflation rate of 2.0% and 3.8%, respectively. It is expected that the majority of costs are expected to occur between 2021 and 2033. The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $18,154,528.

15. Share Capital

(a) Authorized: Unlimited number of common shares without par value

(b) Issued:

Common shares	Shares	Amounts
Balance as at January 1, 2018	6,453,537	$ 7,585
Private placement	17,692,760	16,152,260
Shares issued in the reverse takeover transaction of Front Range	10,630,000	6,268,930
Shares issued in the acquisition of Carrao	22,598,870	20,000,000
Shares issued in the Samaria acquisition	11,799,435	10,442,500

In United States Dollars

December 31, 2019

Shares returned to treasury	(500,000)		(372,000)
Share issue costs	-		(1,758,983)
Balance as at December 31, 2019 and 2018	**68,674,602**	**$**	**50,740,292**

Pursuant to the arrangement agreement with Arrow Exploration Ltd. and Front Range, the opening number of shares are reflective of the Front Range capital and have been consolidated on a 8.5-to-1 basis retroactively.

On September 17, 2018, Arrow Exploration Ltd. closed a private placement of 17,692,760 subscription receipts at $1.00 per subscription receipt. On September 28, 2018 each subscription receipt converted into a unit of Arrow Exploration Ltd. which consisted of one common share and one share purchase warrant with each warrant being exercisable at $1.30, expiring two years from the date of issuance. These warrants are considered non-compensatory warrants and are required to be fair valued at each reporting date (Note 12).

The Shares issued in the reverse takeover (RTO) transaction of Front Range includes 630,000 shares (on a post-consolidation basis) that were issued as part of the Company's private placement unit financing completed on September 24, 2018 following the private placement financing in Arrow Exploration Ltd. referred to above and in advance of closing the RTO. Each unit placed in Front Range consisted of, on a subsequent and post-consolidation basis, one common share and one share purchase warrant with each warrant being exercisable at $1.30, expiring two years from the date of issuance.

In order to consummate the acquisitions as disclosed in Note 4, certain Arrow Exploration Ltd. founders returned an aggregate of 500,000 shares to treasury. The value assigned to the shares returned was based on the Company's post transaction equity value.

Included in share issue costs is the value of $171,800 assigned to the 634,638 agents options Arrow Exploration Ltd. granted in conjunction with the private placement financing referred to above. Each agents option is exercisable for a period of 12 months at $1.00 into one common share and one share purchase warrant with each warrant exercisable at $1.30 for two years from the date of issuance. The fair value of the agents options was determined using the Black-Scholes option pricing model with the following assumptions dividend yield – Nil, expected volatility 35%, risk free rate of return 1.73%, weighted average life – 1.0 to 2.0 years.

(c) Stock options:

The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase a number of non-transferable common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. The exercise price is based on the closing price of the Company's common shares on the day prior to the day of the grant. A summary of the status of the Company stock option plan as at December 31, 2019 and December 31, 2018 and changes during the respective periods ended on those dates is presented below:

	December 31, 2019		December 31, 2018	
Stock Options	**Number of options**	**Weighted average exercise Price (CAD $)**	Number of options	Weighted average exercise price (CAD $)
Beginning of period	**6,350,000**	**$1.15**	480,659	$8.42
Granted	**1,665,000**	**$0.31**	6,350,000	1.15
Exercised	**-**	**-**	-	-
Expired/Forfeited	**(2,545,000)**	**$1.15**	(480,659)	(8.42)
End of period	**5,470,000**	**$0.99**	6,350,000	$1.15
Exercisable, end of period	**1,466,667**	**$1.15**	-	$ -

In United States Dollars

December 31, 2019

Date of Grant	Number Outstanding	Exercise Price (CAD $)	Weighted Average Remaining Contractual Life	Date of Expiry	Number Exercisable December 31, 2019
October 22, 2018	4,400,000	$1.15	8.82 years	Oct. 22, 2028	1,466,667
May 3, 2019	1,070,000	$0.31	9.35 years	May 3, 2029	-
	5,470,000	$0.99	8.92 years		1,466,667

The weighted average fair market value per option granted in 2019 and 2018 was approximately CAD $0.21 and $0.45,respectively, and were estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield – nil, expected volatility 65%, risk free rate – 2.0%, expected life - 10 years, an estimated forfeiture rate – 5% and utilizing the graded option method. During the years ended December 31, 2019 and 2018, the Company recognized $803,001 and $256,987, respectively, as share based payments expense, with a corresponding increase in the contributed surplus account.

16. Income taxes

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to income loss before income taxes. The principal reasons for differences between such expected income tax expense and the amount actually recorded are as follows:

	2019	2018
Loss before income taxes	**$ (6,348,170)**	$ (590,123)
Corporate income tax rate	**26.50%**	27.00%
Computed expected tax expense (recovery)	**$ (1,682,265)**	$ (159,333)
Increase (decrease) in income taxes resulting from:		
Share based compensation	**212,795**	69,386
Unrecognized deferred tax benefits	**2,158,297**	1,051,307
Tax rate difference on foreign jurisdictions	**168,958**	68,018
Other permanent difference	**(347,474)**	(954,378)
True up adjustment from previous periods	**(964,000)**	-
Foreign exchange	**82,414**	-
Income tax (recovery) expense	**$ (371,275)**	$ 75,000

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Company's deferred income tax assets and liabilities are as follows:

As at December 31,	**2019**	2018
Property and equipment	**$ (4,377,158)**	$ (4,426,205)
Non-capital losses	**-**	316,391
Decommissioning liabilities and other provisions	**2,553,158**	1,783,814
Deferred tax liability	**$ 1,824,000**	$ 2,326,000

At December 31, 2019, the Company had non-capital losses carried forward of approximately $18,755,000 (2018 - $12,300,000) available to reduce future years taxable income. These losses commence expiring in 2029. At December 31, 2019, the Company had income tax credits and benefits of approximately $44.677,000 (2018 - $37,476,000) related to Canada that were not recognized in the financial statements due to uncertainties associated with its ability to utilize these balances in the future.

In United States Dollars

17. Commitments and Contingencies

Exploration and Production Contracts

The Company has entered into a number of exploration contracts in Colombia which require the Company to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Company has outstanding exploration commitments at December 31, 2019 of $23.8 million. During 2019, the Company completed its earning commitment on the Tapir block by drilling the Rio Cravo Este-1 ("RCE-1) well and with the sale of non-core assets (Note 9), the Company transferred to the purchaser $6.95 million in commitments on the Coati block that were scheduled for 2020. During the second quarter of this year the Company, in conjunction with its partners, made application to cancel a further $15.5 million ($5.79 million Arrow's share) in commitments on the Macaya and Los Picachos blocks. This request was subsequently denied by the ANH. The remaining commitments are expected to be satisfied by means of seismic work, exploration drilling and farm-outs. Presented below are the Company's exploration and production contractual commitments at December 31, 2019:

	Less than 1 year	1-3 years	Thereafter	Total
Exploration and production contracts	-	23,790,000	-	23,790,000
	$ -	**$ 23,790,000**	**$ -**	**$ 23,790,000**

Contingencies

From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations.

Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

Letters of Credit

At December 31, 2019, the Company had obligations under Letters of Credit ("LC's") outstanding totaling $12.3 million to guarantee work commitments on exploration blocks and other contractual commitments. Of the total, approximately $11.3 million has been guaranteed by Canacol. Under an agreement with Canacol, Canacol will continue to provide security for Arrow's Letters of Credit providing that Arrow uses all reasonable efforts to replace the LC's. In the case of the abandonment LC's on LLA-23, if the LC's have not been replaced by December 31, 2020, then Arrow will pay a 1% per annum fee, payable monthly until the LC's have been replaced. In the event the Company fails to secure the renewal of the letters of credit underlying the ANH guarantees, or any of them, the ANH could decide to cancel the underlying exploration and production contract for a particular block, as applicable. In this instance, the Company could risk losing its entire interest in the applicable block, including all capital expended to date and could possibly also incur additional abandonment and reclamation costs if applied by the ANH.

In United States Dollars

Current Outstanding Letters of Credit

Contract	Beneficiary	Issuer	Type	Amount (US $)	Renewal Date
LLA - 23	ANH	Canacol	Abandonment	$3,489,495	January 31, 2020
	ANH	Canacol and Carrao	Abandonment	$3,176,625	January 31, 2020
	ANH	Canacol and Carrao	Compliance	$600,000	January 31, 2020
Tapir	ECP	Samaria Llanos	Abandonment	$53,000	December 26, 2020
SANTA ISABEL	ANH	Carrao Energy SA Suc Col	Abandonment	$482,451	April 14, 2020
	ANH	Canacol and Carrao	Financial Capacity	$1,672,162	January 31, 2020
CORE - 39	ANH	Canacol	Compliance	$2,400,000	January 31, 2020
OMBU	ANH	Carrao Energy SA Suc Col	Financial Capacity	$436,300	April 14, 2020
Total				**$12,310,033**	

18. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to commodity price, credit and foreign exchange risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk through the use of financial derivatives.

i) Financial Derivative Contracts

During 2019, the Company had one financial derivative contract in order to manage commodity price risk. This instrument is not used for trading or speculative purposes. Arrow has not designated its financial derivative contract as effective accounting hedge, even though the Company considers the commodity contract to be an effective economic hedge. As a result, the financial derivative contract has been recorded on the statements of financial position at fair value, with the changes in fair value being recognized as an unrealized gain or loss in the statement of operations and comprehensive loss.

The estimated fair value of the derivative financial instrument in Level 2 at each measurement date have been determined based on appropriate internal valuation methodologies and/or third party indications. Level 2 fair values determined using valuation models require the use of assumptions concerning the amount and timing of future cash flows and discount rates. In determining these assumptions, the Company primarily relied on external, readily-observable quoted market inputs as applicable, including crude oil forward benchmark commodity prices and volatility, and discounted to present value as appropriate. The resulting fair value estimates may not necessarily be indicative of the amounts that could be realized or settled in a current market transaction and these differences may be material.

The gains on risk management activities for years ended December 31, 2019 are comprised as follows:

	For the year ended December 31	
	2019	2018
Realized risk management gain on commodity contract settled	**$ 192,420**	-
Unrealized gain on commodity contract outstanding	**-**	-
	$ 192,420	-

(b) Credit Risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Company's account receivable balances relate to petroleum and natural gas sales and balances receivables with partners in areas operated by the Company. The Company's policy is to enter into agreements with customers that are well established and well financed entities in the oil and gas industry such that the level of risk is mitigated. In Colombia, a significant portion of the trade accounts receivable balance is with one commodity trader, which accounts for more than 65% of such balance, under an existing sale/offtake agreement with prepayment provisions and priced using the Brent benchmark. Other accounts receivable include a significant balance with a partner with an existing agreement to use 50% of its production entitlement to repay this balance.

The Company's trade account receivables primarily relate to sales of crude oil and natural gas, which are normally collected within 25 days (in Canada) and 45 days (in Colombia) of the month of production. Other accounts receivable mainly relate to balances owed by the Company's partner in one of its blocks, and are mainly recoverable through production. The Company has historically not experienced any collection issues with its customers and partners.

(c) Market Risk

Market risk is comprised of two components: foreign currency exchange risk and interest rate risk.

i) Foreign Currency Exchange Risk

The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currencies other than the United States dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in exploration and evaluation and administrative costs in foreign currencies. The Company incurs expenditures in Canadian dollars, United States dollars and the Colombian peso and is exposed to fluctuations in exchange rates in these currencies. There are no exchange rate contracts in place at December 31, 2019 and December 31, 2018.

ii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not currently exposed to interest rate risk as it borrows funds at a fixed coupon rate of 15% on the promissory notes.

(d) Liquidity Risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company's approach to managing its liquidity risk is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives. The Company prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Petroleum and natural gas production is monitored daily to provide current cash flow estimates and the Company utilizes authorizations for expenditures on projects to manage capital expenditures. Any funding shortfall may be met in a number of ways, including, but not limited to, the issuance of new debt or equity instruments, further expenditure reductions and/or the introduction of joint venture partners.

In United States Dollars

(e) Capital Management

The Company's objective is to maintain a capital base sufficient to provide flexibility in the future development of the business and maintain investor, creditor and market confidence. The Company manages its capital structure and makes adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include share capital, bank debt (when available), promissory notes and working capital, defined as current assets less current liabilities. In order to maintain or adjust the capital structure, from time to time the Company may issue common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels. The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding debt, less working capital items. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast crude oil prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

The Company's capital includes the following:

	December 31, 2019	December 31, 2018
Working capital (deficit)	**(2,863,641)**	$ (3,558,782)
Promissory note	**(5,714,076)**	(5,000,000)
	$ (8,577,717)	$ (8,558,782)

The current challenging economic climate may lead to further adverse changes in cash flows, working capital levels and debt balances, which may also have a direct impact on the Company's operating results and financial position. These and other factors may adversely affect the Company's liquidity and its ability to generate income and cash flows in the future. At December 31, 2019, the Company remains in compliance with all terms of its debt and, based on current available information, management expects to comply with all terms during the subsequent 12 months period. However, in light of the current volatility in commodity prices and uncertainty regarding the timing for recovery in such prices and the effect of the Covid-19 pandemic, the preparation of financial forecast is challenging.

19. Related parties

The Company paid legal and professional fees and reimbursements for year ended December 31, 2019 amounting to $84,000 (2018 - nil) to a law firm of which a director of the Company is a partner. As at December 31, 2019, the amount payable to the law firm were $7,200 (December 31, 2018 - nil).

In United States Dollars

20. Key Management Personnel

The Company has determined that key management personnel consists of its executive management and its Board of Directors. In addition to the salaries and fees paid to key management, the Company also provides compensation to both groups under its share-based compensation plans. Compensation expenses paid to key management personnel were as follows:

	Years ended December 31 2019	2018
Salaries, severances and director fees	**$ 1,816,005**	$ 405,654
Share based payments	**803,001**	256,987
	$ 2,619,006	$ 662,641

21. Segmented Information

The Company has two reportable operating segments: Colombia and Canada. The Company, through its operating segments, is engaged primarily in oil exploration, development and production, and the acquisition of oil and gas properties. Previous to the September 27, 2018 acquisition of assets in Colombia, the Company had no active operations other than incurred costs to consummate the transactions and complete the equity financing. Arrow management will regularly review funds flow from operations generated by each of Arrow's operating segments. Funds flow from operations is a non-GAAP measure of profit or loss that provides Arrow's management with the ability to assess the operating segments' profitability and, correspondingly, the ability of each operating segment to sustain capital, enable future growth through capital investment and to repay debt. The funds flow from operations is computed prior to any changes in working capital balances. The Canadian segment is also considered the corporate segment.

The following tables show information regarding the Company's segments for the years ended and as at December 31, 2019 and 2018.

Year ended December 31, 2019	**Colombia**	**Canada**	**Total**
Revenue:			
Oil Sales	$ 27,773,161	$ -	$ 27,773,161
Natural gas and liquid sales	-	409,916	409,916
Other	35,987	7,857	43,844
Royalties	2,708,681	31,026	2,739,707
Expenses	24,133,977	7,799,581	31,933,558
Gain on disposition of oil and gas properties	(1,632,174)	-	(1,632,174)
Impairment of oil and gas properties	-	1,531,000	1,531,000
Taxes	(371,275)	-	(371,275)
Net income (loss)	$ 2,969,939	$ (8,946,834)	$ (5,976,895)

As at December 31, 2019	**Colombia**	**Canada**	**Total**
Current assets	$ 7,620,811	$ 191,078	$ 7,811,889
Non-current:			
Other receivables	784,056	-	784,056
Restricted cash	53,726	395,562	449,288
Exploration and evaluation	6,961,667	-	6,961,667
Property, plant and equipment	53,303,103	3,440,703	56,743,806
Total Assets	$ 68,723,363	$ 4,027,343	$ 72,750,706

In United States Dollars

December 31, 2019

Current liabilities	$ 7,623,708	$ 3,051,822	$ 10,675,530
Non-current liabilities:			
Derivative liability	-	100	100
Other liabilities	1,007,849	-	1,007,849
Lease obligation	-	199,488	199,488
Decommissioning liability	7,738,147	435,075	8,173,222
Promissory note	-	5,714,076	5,714,076
Deferred income taxes	1,824,000	-	1,824,000
Total liabilities	$ 18,193,704	$ 9,400,561	$ 27,594,265

Year ended December 31, 2018	**Colombia**	**Canada**	**Total**
Revenues			
Oil Sales	$ 6,669,558	$ -	$ 6,669,558
Natural gas and liquid sales		122,220	122,220
Other	-	10,877	10,877
Royalties	719,298	5,934	725,232
Expenses	4,207,099	2,460,447	6,667,546
Taxes	75,000	-	75,000
Net income (loss)	$ 1,668,161	$ (2,333,284)	$ (665,123)

As at December 31, 2018	**Colombia**	**Canada**	**Total**
Current assets	$ 6,157,407	$ 2,441,753	$ 8,599,160
Non-current	-		-
Restricted cash	2,851,514	303,325	3,154,839
Exploration and evaluation	10,547,118	-	10,547,118
Property, plant and equipment	49,913,099	4,720,503	54,633,602
Total Assets	$ 69,469,138	$ 7,465,581	$ 76,934,719

Current liabilities	$ 14,996,317	$ 2,161,625	$ 17,157,942
Non-current liabilities			
Deferred income taxes	2,326,000	-	2,326,000
Derivative liability	-	100	100
Other liabilities	1,096,559	-	1,096,559
Decommissioning liability	5,405,528	428,035	5,833,563
Total liabilities	$ 23,824,404	$ 2,589,760	$ 26,414,164

The Canadian segment is also considered the corporate segment.

22. Subsequent events

Subsequent to the year-end, on March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

Subsequent to December 31, 2019, the Company reviewed its property and equipment Cash-Generating Unit's ("CGU") for indicators of impairment and determined that an indicator related to the decrease in future commodity prices due to the COVID-19 pandemic was present. The future price deck to be used for the March 31, 2020 balance sheet is 50% lower in 2020, 36% lower in 2021 and 20% to 25% lower in remaining years than the future price deck used for the December 31, 2020 balance sheet. The Company has prepared some preliminary estimates of both the value in use of its CGUs and has determined that it is likely that impairment charges will be recorded in the first quarter 2020.

On May 23, 2020, the Company announced the completion of a proposed non-brokered 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. The private placement will be subscribed for by certain insiders of the Company in an amount of $100,000 each, and a consultant to the Company in an amount of $25,000. The Company has agreed to provide a loan of $100,000 to each of the insiders and a loan of $25,000 to the consultant, pursuant to promissory notes secured by the shares issued in this private placement. The Company has also issued an aggregate 4,875,000 stock options to a director, officers and a consultant of the Company as part of Arrow's compensation arrangements.

Arrow Exploration Corp.
Consolidated Financial Statements
December 31, 2018
In United States Dollars
(Unaudited)

Contents

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To the Shareholders of Arrow Exploration Corp.

Opinion
We have audited the consolidated financial statements of Arrow Exploration Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of operations and comprehensive income (loss), changes in shareholder's equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Langlois.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
April 30, 2019

Arrow Exploration Corp.
Consolidated Statements of Financial Position
In United States Dollars

As at	Notes		December 31, 2018		December 31, 2017
Assets					(Note 16)
Current					
Cash		$	**1,994,233**	$	7,966
Accounts receivable and other receivables			**3,941,995**		-
Taxes receivable			**223,598**		-
Deposits and prepaid expenses			**1,884,331**		-
Inventory			**555,003**		-
			8,599,160		7,966
Non-current assets					
Restricted cash	**5**		**3,154,839**		-
Exploration and evaluation	**6**		**10,547,118**		-
Property and equipment	**7**		**54,661,198**		-
		$	**76,962,315**	$	7,966
Liabilities					
Current					
Accounts payable and accrued liabilities		$	**12,157,942**	$	4,368
Promissory note	**8**		**5,000,000**		-
			17,157,942		4,368
Non-current liabilities					
Deferred income taxes	**13**		**2,326,000**		-
Derivative liability	**9**		**100**		-
Other liabilities	**10**		**1,096,559**		-
Decommissioning liability	**11**		**5,833,563**		-
Total liabilities			**26,414,164**		4,368
Shareholders' equity					
Share capital	**12**		**50,740,292**		7,585
Contributed surplus			**800,787**		-
Deficit			**(669,351)**		(4,228)
Accumulated other comprehensive income (loss)			**(323,577)**		241
			50,548,151		3,598
Total liabilities and shareholders' equity		$	**76,962,315**	$	7,966

Commitments and contingencies (Note 14)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

"signed R. Steven Smith" Director
R. Steven Smith

"signed James McFarland" Director
James McFarland

Arrow Exploration Corp.
Consolidated Statements of Operations and Comprehensive Income (Loss)
In United States Dollars

For the year ended December 31,	**Notes**	**2018**	2017
Revenue			
Oil and natural gas		**$ 6,791,778**	$ -
Other		**10,877**	-
Royalties		**(725,232)**	-
		6,077,423	-
Expenses			
Operating		**3,510,757**	-
Administrative		**3,832,430**	4,228
Transaction costs	**4**	**1,073,656**	-
Share based payments	**12**	**256,987**	-
Financing costs:			
Accretion	**11**	**86,621**	-
Interest		**252,508**	-
Foreign exchange		**54,267**	-
Bargain purchase gain	**4(b)**	**(1,700,000)**	-
Derivative gain	**9**	**(1,612,800)**	-
Gain on sale of properties	**7**	**(1,131,000)**	-
Depletion and depreciation	**7**	**2,044,120**	-
		6,667,546	4,228
Loss before income taxes		**(590,123)**	(4,228)
Income taxes (Note 13)		**75,000**	-
Net loss for the year		**(665,123)**	(4,228)
Other comprehensive (loss) income			
Foreign exchange		**(323,818)**	241
Comprehensive loss for the year		**$ (988,941)**	(3,987)
Net loss per share			
- basic and diluted		**$ (0.01)**	$ (0.00)
Weighted average shares outstanding			
- basic and diluted *(1)*		**64,056,032**	61,591,065

(1) As of December 31, 2018, the options and warrants have been excluded from the diluted net income per share computation as they are anti-dilutive.

The accompanying notes are an integral part of these consolidated financial statements.

In United States Dollars

	Share Capital	Contributed Surplus	Accumulated other comprehensive income (loss)	Deficit	Total Equity
Balance January 1, 2018	$ 7,585	$ -	$ 241	$ (4,228)	$ 3,598
Net loss for the year	-	-		(665,123)	(665,123)
Comprehensive income (loss) for the year	-	-	(323,818)	-	(323,818)
Share based payments	-	256,987	-	-	256,987
Issuance of common shares net of issue costs	14,393,277	171,800	-	-	14,565,077
Shares issued in the reverse acquisition of Front Range	6,268,930	-	-	-	6,268,930
Shares issued in the acquisition of Carrao	20,000,000	-	-	-	20,000,000
Shares issued in the acquisition of Samaria	10,442,500	-	-	-	10,442,500
Cancellation of common shares	(372,000)	372,000	-	-	-
Balance December 31, 2018	$ 50,740,292	$ 800,787	$ (323,577)	$ (669,351)	$ 50,548,151

	Share Capital	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total Equity
Balance January 1, 2017	$ -	$ -	$ -	$ -	$ -
Net income (loss) for the year	-	-	-	(4,228)	(4,228)
Comprehensive income (loss) for the year	-	-	241	-	241
Issuance of common shares	7,585	-	-	-	7,585
Balance December 31, 2017	$ 7,585	$ -	$ 241	$ (4,228)	$ 3,598

The accompanying notes are an integral part of these consolidated financial statements.

Arrow Exploration Corp.
Consolidated Statements of Cash Flows
In United States Dollars

For the year ended December 31,	2018	2017
Cash flows from (used in) operating activities		
Net loss for the year	$ (665,123)	$ (4,228)
Items not involving cash:		
Deferred taxes	75,000	-
Share based payment	256,987	-
Bargain purchase gain	(1,700,000)	
Derivative gain	(1,612,800)	-
Gain on sale of properties	(1,131,000)	-
Depletion and depreciation	2,044,120	-
Accretion	86,621	-
Foreign exchange	(25,791)	241
Changes in non-cash working capital balances:		
Accounts receivable and other receivables	(1,277,750)	-
Taxes receivable	740,402	-
Prepaid expenses	(1,152,502)	-
Inventory	(419,860)	-
Accounts payable and accrued liabilities	7,636,835	4,368
Cash flow from operating activities	2,855,139	381
Cash flows from (used in) investing activities		
Acquisition of Front Range (Note 4(a))	1,979,296	-
Acquisition of Carrao (Note 4(b))	(13,987,725)	-
Acquisition of Samaria (Note 4(c))	14,968	-
Additions to property and equipment	(7,007,580)	-
Proceeds on disposal of oil and gas properties	4,875,106	-
Restricted cash	(2,848,514)	-
Cash flow used in investing activities	(16,974,449)	-
Cash flows (used in) from financing activities		
Issue of common shares and warrants	17,692,760	7,585
Share issue costs	(1,587,183)	-
Cash flow from financing activities	16,105,577	7,585
Increase in cash	1,986,267	7,966
Cash, beginning of year	7,966	-
Cash, end of year	$ 1,994,233	$ 7,966

Supplemental information		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. Corporate Information

Arrow Exploration Corp. (formerly Front Range Resources Ltd.) ("Arrow" or "the Company") is a public junior oil and gas company engaged in the acquisition, exploration and development of oil and gas properties in Colombia and in Western Canada. The Company's shares trade on the TSX Venture Exchange under the symbol AXL.

The Company and Arrow Exploration Ltd. entered into an arrangement agreement dated June 1, 2018, as amended, whereby the parties completed a business combination pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) on September 28, 2018. Arrow Exploration Ltd. was incorporated under the *Business Corporations Act* (Alberta) on December 12, 2016 as 2010461 Alberta Ltd. and on January 24, 2018 changed its name to Arrow Exploration Ltd. by way of articles and a certificate of amendment. Arrow Exploration Ltd. and Front Range Resources Ltd.'s (Note 4(a)) then wholly owned subsidiary, 2118295 Alberta Ltd., were amalgamated on September 28, 2018 in accordance with the arrangement agreement to form Arrow Holdings Ltd. ("AHL") a wholly owned subsidiary of the Company.

For accounting and presentation purposes, the consolidated financial statements reflect the results of operations of Arrow Exploration Ltd., the accounting acquirer, with the exception of the number of shares which were retroactively adjusted to reflect the legal capital of the Company.

The head office of Arrow is located at 920, 150 – 9th Avenue SW, Calgary, Alberta, Canada, T2P 3H9 and the registered office is located at Suite 3400, 350 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 3N9.

2. Basis of Presentation

Statement of compliance

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of April 29, 2019, the date they were approved and authorized for issuance by the Board of Directors ("the Board").

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value and specifically noted within the notes to these consolidated financial statements.

Functional and presentation currency

These consolidated financial statements are presented in United States Dollars. The Canadian Dollar is the functional currency of the Company and its wholly own subsidiary AHL. The functional currency of the Company's subsidiaries operating in Colombia and Panama is the United States Dollar. The Company changed its reporting currency to United States Dollars with an effect from January 1, 2017. This change was triggered by the completion of the acquisitions in Note 4(b) and (c) and the completion of the $17,692,760 United States Dollar equity financing.

In making this change to the United States dollar presentation currency, the Company followed the guidance in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and have applied the change retrospectively as if the new presentation currency had always been the Company's presentation currency. In accordance with IAS 21, the financial statements for all years presented have been translated using the new United States dollar as the presentation currency. For the 2017 comparative balances, assets and liabilities have been translated into the presentation currency of United States dollars at the rate of exchange prevailing at the reporting date (Note 16). The statements of operations and comprehensive income (loss) were translated at the average exchange rates for the reporting period, or at the exchange rates prevailing at the date of transactions. Exchange differences arising on translation were recorded in the foreign currency translation reserve in shareholders' equity.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the period-end exchange rate. Non-monetary assets, liabilities, revenues and expenses are translated at exchange rates at the transaction date. Exchange gains or losses are included in the determination of profit or loss in the consolidated statements of operations and comprehensive income (loss).

For reporting purposes, the assets and liabilities of Arrow and AHL are translated into United Sates Dollars at the closing rate at the date of the balance sheets, and revenue and expenses are translated at the average rate for the period. Foreign currency translation adjustments are recorded in other comprehensive income (loss).

Use of estimates and judgments

The preparation of consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Exploration and evaluation assets
Exploration and evaluation assets require judgment as to whether future economic benefits exist, including the existence of proven or probable reserves and the ability to finance exploration and evaluation projects, where technical feasibility and commercial viability has not yet been determined.

Depletion and depreciation
The amounts recorded for depletion and depreciation are based on estimates of proved and probable reserves. Assumptions that are valid at the time of reserve estimation may change materially as new information becomes available. Changes in forward price estimates, production and future development costs, recovery rates or decommissioning costs may change the economic status of reserves and may ultimately result in reserves used for measurement purposes being removed from similar calculations in future reporting periods.

Cash Generating Unit ("CGU")
IFRS requires that the Company's oil and natural gas properties be aggregated into CGUs, based on their ability to generate largely independent cash flows, which are used to assess the properties for impairment. The determination of the Company's CGUs is subject to management's judgment.

Impairment of Property, plant and equipment and exploration and evaluation assets
Indicators of impairment are assessed by management using judgement, considering future plans, market conditions and commodity prices. In assessing the recoverability, each CGU's carrying value is compared to its recoverable amount, defined as the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Decommissioning obligations
Measurement of the Company's decommissioning liability involves estimates as to the cost and timing of incurrence of future decommissioning programs. It also involves assessment of appropriate discount rates, rates of inflation applicable to future costs and the rate used to measure the accretion charge for each reporting period. Measurement of the liability also reflects current engineering methodologies as well as current and expected future environmental legislation and standards.

Share-based compensation and warrants
Grants of stock options and warrants require an estimate of the fair value of those instruments at time of issue. The estimate involves assumptions regarding the life of the option or warrant, dividend yields, interest rates, and volatility of the Company's common shares. The charge is measured using the Black-Scholes option pricing model.

Business combinations
Judgement is required when assessing i) whether or not the acquisition of assets meets the criteria of a business combination; ii) the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with business combinations and iii) determining goodwill or bargain purchase gain.

Income taxes
The Company recognises deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and that sufficient taxable income will be generated in the future to recover such deferred tax assets. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Provisions and contingencies
The Company recognizes provisions based on an assessment of its obligations and available information. Any matters not included as provisions are uncertain in nature and cannot be reasonably estimated.

The Company makes assumptions to determine whether obligations exist and to estimate the amount of obligations that we believe exist. In estimating the final outcome of litigation, assumptions are made about factors including experience with similar matters, past history, precedents, relevant financial, scientific, and other evidence and facts specific to the matter. This determines whether a provision or disclosure in the financial statements is needed.

Stock-based compensation, warrants and derivative liability
The amounts recorded in respect of share purchase warrants granted and the derivative liability for warrants issued are based on the Company's estimation of their fair value, calculated using assumptions regarding the life of the option or warrant, interest rates and volatility. By their nature, these estimates and assumptions are subject to uncertainty, and the actual fair value of options or warrants may differ at any time.

Functional currency
Management judgement is required in determining the functional currency that represents the economic environment of underlying transactions, events and conditions.

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below and have been applied consistently by the Group entities

Interests in joint arrangements:

Certain of the Company's exploration and production activities are regarded as joint operations and are conducted under joint operating agreements, whereby two or more parties jointly control the assets. These consolidated financial statements reflect only the Company's share of these jointly controlled operations and, once production commences, the Company's proportionate share of the relevant revenue and related costs.

Subsidiaries:
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Intra-group balances and transactions are eliminated in preparing the Consolidated Financial Statements.

Business combinations:

Business combinations are accounted for at fair value using the acquisition method of accounting. The fair value of the net assets acquired and the consideration transferred is measured at the acquisition date. Transaction costs are expensed when incurred. Any excess of the cost of an acquisition over the net fair value of the net identifiable assets acquired is recognized as goodwill. If the consideration is less than the fair value of the net identifiable assets acquired, the difference is recognized as a bargain purchase gain in the statement of operations and comprehensive loss. Transaction costs are expensed as incurred.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed annually for impairment. Impairment losses on goodwill are not reversed.

Financial instruments:

The Company considers whether a contract contains an embedded derivative when it first becomes a party to it. Embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets
Financial assets are classified as financial assets at fair value through profit or loss or amortized cost, as appropriate.

The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date. The Company's financial assets are comprised of cash, restricted cash, accounts receivable and other receivable and deposits. Cash and restricted cash are classified as financial assets at fair value through profit or loss. Accounts receivable and other receivable and deposits are classified and measured at amortized cost using the effective interest, less any impairment losses.

Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortized cost. The Company's financial liabilities are comprised of accounts payable and accrued liabilities, derivative liability and promissory note. Accounts payable and accrued liabilities and promissory note are classified and measured at amortized cost using the effective interest method.

Derivative liability - Warrants
The non-compensation based warrants entitle the holder to acquire a fixed number of common shares for a fixed United States Dollar price per share. An obligation to issue shares for a price that is not fixed in the Company's functional currency of Canadian Dollars, and that does not qualify as a share-based payment, must be classified as a derivative liability and measured at fair value with changes recognized in the statements of operations and comprehensive loss as they arise. The Company has recorded these changes as derivative gain (loss) in the statement of operations and comprehensive loss. The transaction costs associated with the issuance of the warrants are expensed when incurred.

Fair value hierarchy
The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from share capital, net of any tax effects.

Exploration and evaluation assets:

Pre-license costs are recognized in the statement of operations and comprehensive loss as incurred. Exploration and evaluation costs include the costs of acquiring undeveloped land and drilling costs are initially capitalized until the drilling of the well is complete and the results have been evaluated. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. If proved and/or probable reserves are found, the drilling costs and associated undeveloped land are transferred to property and equipment.

When Exploration and evaluation assets are determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to the consolidated statements of operations and comprehensive income (loss) as as pre-license expense when occurs.

Property, Plant and equipment:

Items of property, plant and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and accumulated impairment losses. The cost of development and production assets includes; transfers from exploration and evaluation assets, which generally include the cost to drill the well and the cost of the associated land upon determination of technical feasibility and commercial viability; the cost to complete and tie-in the wells; facility costs; the cost of recognizing provisions for future restoration and decommissioning; geological and geophysical costs; and directly attributable overheads.

Development and production assets are grouped into CGU's for impairment testing.

Gains and losses on disposal of an item of property and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in the statement of operations and comprehensive loss.

Subsequent costs:
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in earnings as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in operating expenses as incurred.

Depletion and depreciation:
The net carrying value of development and production assets is depleted using the unit of production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production and the estimated salvage value of the assets at the end of their useful lives. Future development costs are estimated taking into account the level of development required to produce the reserves.

Proved plus probable reserves are estimated annually by independent qualified reserve evaluators and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment:

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of operations and comprehensive loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of operations and comprehensive loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are also assessed for impairment prior to being transferred to property and equipment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal.

Fair value less cost to dispose is determined as the amount that would be obtained from the sale of a CGU in an arm's length transaction between knowledgeable and willing parties. The fair value less cost to dispose of oil and gas assets is generally determined as the net present value of the estimated future cash flows expected to arise from the continued use of the CGU, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate which would be applied by such a market participant to arrive at a net present value of the CGU.

Value in use is determined as the net present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and can only take into account approved future development costs. Estimates of future cash flows used in the evaluation of impairment of assets are made using management's forecasts of commodity prices and expected production volumes. The latter takes into account assessments of field reservoir performance and includes expectations about proved and unproved volumes, which are risk-weighted utilizing geological, production, recovery and economic projections.

An impairment loss is recognized if the carrying amount of a CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of operations and comprehensive loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior years are assessed at each reporting date to determine if facts and circumstances indicate that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

Share based compensation:

The Company has a share based compensation plan for which the compensation cost attributed to stock options granted is measured at the fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options or units that vest. Upon the settlement of the stock options the previously recognized value in contributed surplus is recorded as an increase to share capital.

Share based compensation granted to non-employees is measured based on the fair value of the goods or services received, except in cases where this is not reliably measurable, and then the intrinsic value of the equity instruments granted is used (i.e. the average value of the Company's shares over the service period). Share based compensation subject to performance vesting conditions is recognized based on the Company's estimated probability of achieving those performance vesting conditions determined at each reporting date.

Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning obligations
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of abandonment and site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation as at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion (within finance expense) whereas increases/decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Revenue:

The Company's revenues are primarily derived from the production of petroleum and natural gas. Revenue from contracts with customers is recognized when the Company satisfies a performance obligation by physically transferring the product and control to a customer. The Company satisfies its performance obligations at the point of delivery of the product and not over a period of time. Revenue is measured based on the consideration specified in contracts with customers.

Revenue is recorded net of any royalties when the amount of revenue can be reliably measured and the costs incurred in respect of the transaction can be measured reliably.

Finance expenses:

Finance expense comprises interest expense on borrowings and accretion of the discount on decommissioning obligations.

Income tax:

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the statement of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (loss) per share:

Basic income (loss) per share is calculated by dividing the net income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is determined by adjusting the net income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options and warrants granted. The number of shares included with respect to options is computed using the treasury stock method.

Leases:

Leases are classified as either finance or operating. The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date of the contract. Finance leases are those that transfer to the Company substantially all the risks and benefits of ownership. Assets acquired under finance leases are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, and are depleted on a unit-of-production basis over the proved plus probable developed reserves, or if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, over the shorter of the useful life of the asset or the lease term. All other leases are classified as operating leases and the payments are amortized on a straight-line basis over the lease term.

Recent Accounting Pronouncements

On January 1, 2018, the Corporation adopted new IFRS pronouncements which have the below impact to the financial statements.

(i) IFRS 15: Revenue from Contracts with Customers

IFRS 15 “Revenue from Contracts with Customers” replaces IAS 11 “Construction Contracts”, IAS 18 “Revenue Recognition”, IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfers of Assets from Customers” and SIC-31 “Revenue – Barter Transactions Involving Advertising Services”. The standard provides a single, principle-based five-step model that applies to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17 and financial instruments and other contractual rights or obligations within the scope of IFRS 9 “Financial Instruments”, IFRS 10 “Consolidated Financial Statements” and IFRS 11 “Joint Arrangements”. In addition to providing a new five step revenue recognition model, the standard specifies how to account for the incremental costs of obtaining a contract and costs directly related to fulfilling a contract. The standard’s requirements also apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not part of the Corporation’s ordinary activities. The adoption of the new standard did not have a material impact to the financial statements and the required disclosures have been included in the notes to the financial statements.

(ii) IFRS 9: Financial Instruments

IFRS 9 “Financial Instruments”, which is the result of the first phase of the International Accounting Standards Board (“IASB”) project to replace IAS 39 “Financial Instruments: Recognition and Measurement” and IFRIC 9 “Reassessment of Embedded Derivatives”. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has two classification categories: amortized cost and fair value. The standard also requires entities to recognize a loss allowance for expected credit losses on financial assets with the objective to recognize lifetime expected credit losses for all financial instruments. Amendments to IFRS 7 "Financial Instruments: Disclosures" was also adopted simultaneously with IFRS 9. There is no material impact to the financial statements due to the adoption of the new standards.

In United States Dollars

Future Accounting Changes:

IFRS 16 – Leases
IFRS 16 effectively removes the classification of leases as either finance or operating and treats all leases as finance leases for lessees with exemptions for short-term leases where the lease term is twelve months or less and for leases of low value items. The standard supersedes IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted.

Management is currently accumulating the information required and developing the framework to capture the impacts of the new standard. The Company has a detailed plan to implement the new standard and, through a cross-functional team, is assessing contractual arrangements that may qualify as leases under the new standard. The Company is also finalizing procedures to validate the completeness of its inventory of arrangements that meet the new definition of a lease, in parallel to documenting internal policy decisions and permitted elections. The Company is also currently evaluating the new disclosure requirements which will be disclosed in the first quarter 2019 financial statements.

4. Acquisitions

(a) On September 28, 2018, Arrow Exploration Ltd. completed the reverse takeover acquisition of all outstanding shares of the Company, then called Front Range Resources Ltd. ("Front Range"), by way of a Plan of Arrangement for a purchase price of $6,268,930. Front Range was an oil and gas company engaged in the evaluation, acquisition, exploration and development of oil and gas properties in Western Canada and considered a business in accordance with IFRS.

As a result of the terms of the agreement: i) the former shareholders of Arrow Exploration Ltd. owned the majority of shares (90%) and control the majority of votes of the Company; and ii) Board of Directors and Management of Arrow Exploration Ltd. took over the governance and Management of the Company. Therefore, for accounting purposes, Arrow Exploration Ltd., was identified as the accounting acquirer in the transaction, and as such, the fair values of the identifiable assets acquired and liabilities assumed from Front Range, as well as the purchase consideration transferred, are presented below:

Net assets acquired:	
Cash	$ 1,979,296
Working capital deficiency	(630,071)
Restricted cash	322,096
Property and equipment	5,154,587
Derivative liability	(72,400)
Decommissioning obligations	(484,578)
Fair value of the net assets acquired	$ 6,268,930

The consideration transferred has been measured based on the fair value of the notional number of shares that Arrow Exploration Ltd., would have had to issue to Front Range to give the owners of Front Range the same percentage ownership in the combined entity, resulting in a notional amount of 7,083,537 shares at a fair value of $0.885/share.

The transaction is accounted for using the acquisition method. Allocation of the purchase price is based on the assessment of the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date.

In United States Dollars

The acquisition contributed revenue of $122,200 and $104,123 of a loss before tax from the date of acquisition to December 31, 2018. The Company estimates that had the acquisition occurred on January 1, 2018, the increase in revenue would be approximately $431,238 and the operating profit would have increased by approximately $175,122 for the year ended December 31, 2018.

(b) On September 27, 2018, Arrow Exploration Ltd. completed the acquisition of all outstanding shares of Carrao Energy S.A. ("Carrao") for a purchase price of $38,000,000, plus subsequent working capital adjustments of approximately $2,017,000. Carrao is an oil and gas company engaged in the evaluation, acquisition, exploration and development of oil and gas properties in Colombia. The fair values of the identifiable assets acquired and liabilities assumed as well as the purchase consideration transferred are presented below.

Net assets acquired:	
Cash	$ 1,029,985
Working capital	676,223
Property and equipment	47,020,686
Other liabilities	(1,093,713)
Decommissioning obligations	(3,664,471)
Deferred income taxes	(2,251,000)
Fair value of the net assets acquired	$ 41,717,710
Consideration:	
22,598,870 Common Shares issued	$ 20,000,000
Cash	15,017,710
Promissory Note	5,000,000
	$ 40,017,710
Bargain purchase gain	$ 1,700,000

The acquisition of this business resulted in a gain on acquisition of $1,700,000 as a consequence of buying the business from a seller intending to leave the oil space. The gain on bargain purchase was separately presented in the consolidated statement of comprehensive income (loss) for the year ended December 31, 2018.

In the event the Company doubles the proved plus probable reserves from approximately 9.0 million barrels equivalent on the assets acquired within five years, a further $5,000,000 payment will have to be made to the vendor. The contingent consideration has been estimated to be $Nil based on the information and current independent reserve report.

The transaction is accounted for using the acquisition method. Allocation of the purchase price is based on the assessment of the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date.

The acquisition contributed revenue of $6,669,791 and $863,000 in net income before tax from the date of acquisition to December 31, 2018. The Company estimates that had the acquisition occurred on January 1, 2018, the increase in revenue would be approximately $23,393,000 and operating profit would have increased by approximately $4,900,000 for the year ended December 31, 2018.

(c) On September 27, 2018, pursuant to the purchase and sale agreement between Arrow Exploration Ltd. and Samaria Exploration and Production S.A. ("Samaria") dated May 31, 2018, Arrow Exploration Ltd. closed on its purchase of a fifty percent working interest in the Tapir Association Contract by the purchase of Samaria Llanos Exploration S.A. in exchange for 11,799,435 Common Shares. The assets acquired are non-producing therefore the acquisition is not considered a business acquisition. The Company allocated $10,547,118 to the exploration and evaluation assets and recorded a decommissioning obligation of $104,618.

In United States Dollars

5. Restricted Cash

		2018		2017
Colombia *(i)*	$	**2,848,514**	$	-
Canada *(ii)*		**306,325**		-
	$	**3,154,839**	$	-

(i) As part of the purchase and sale agreement, Arrow Exploration Ltd. agreed to reimburse the vendors of Samaria $3,200,000 for funds historically contributed by Samaria and held in trust in respect of certain obligations. The funds advanced totaling $3,200,000 less $351,486 expended and adjusted for foreign exchange, receive interest at 4.0276% and held in trust for the purpose of funding Ecopetrol (the Colombian National Oil Company) approved expenditures on the Tapir Block. Disbursements from the trust can only be made upon approval of Ecopetrol. Arrow anticipates funding part of the cost of drilling an upcoming well from the trust by the end of the first half of 2019 at which point the trust account will be closed.

(ii) At December 31, 2018, pursuant to Alberta government regulations, the Company was required to pay a $306,325 (CAD $417,905) deposit with respect to the Company's Liability Rating Management ("LMR"). The deposit is held by a Canadian Chartered Bank with interest paid to the Company on a monthly basis based on the bank's deposit rate.

6. Exploration and Evaluation

		2018		2017
Balance, beginning of the year	$	**-**	$	-
Acquisition of Samaria assets (Note 4(c))		**10,547,118**		-
Balance, end of the year	$	**10,547,118**	$	-

7. Property and Equipment

Cost		Oil and Gas Properties		Other Assets		Total
Balance, December 31, 2017	$	-	$	-	$	-
Acquisition of Front Range (Note 4(a))		5,154,587		-		5,154,587
Acquisition of Carrao (Note 4(b))		47,020,686		-		47,020,686
Additions		7,182,076		30,443		7,212,519
Sale of assets		(3,938,763)		-		(3,938,763)
Change in estimates - decommissioning obligations (Note 10)		1,203,980		-		1,203,980
Balance, December 31, 2018	$	56,622,566		30,443		$56,653,009
Accumulated depletion and depreciation						
Balance, December 31, 2017	$	-	$	-	$	-
Depletion and depreciation		2,041,962		2,158		2,044,120
Balance, December 31, 2018	$	2,041,962	$	2,158	$	2,044,120

In United States Dollars

Foreign exchange			
Balance December 31, 2017	$ -	$ -	$ -
Effects of movements in foreign exchange rates	52,998	(689)	52,309
Balance December 31, 2018	$ 52,998	$ (689)	$ 52,309
Net Book Value			
Balance December 31, 2017	$ -	$ -	$ -
Balance December 31, 2018	$ 54,633,602	$ 27,596	$ 54,661,198

For the year ended December 31, 2018, Arrow closed the sale of a 20% working interest in the shallow section and a 46.9% working interest in the deeper section in the VMM2 CGU for gross proceeds of $5,000,000 subject to minor adjustments. As a result of the sale Arrow recognized a gain on working interest dispositions of $1,131,000.

At December 31, 2018, and considering the recent acquisitions of oil and gas property, the Company did not identify any indicator of impairment.

8. Promissory Note

The promissory note was issued as partial consideration in the Carrao acquisition (Note 4(b)). The promissory note is unsecured, bears interest at 15% per annum and was due on January 28, 2019 and subsequently extended to April 30, 2019. On April 29, 2019, the terms of the promissory note were amended to whereby principal repayments of $500,000 commence on July 1, 2019. The amending agreement also contains acceleration features whereby if the Rio Cravo Este-1 well is successful, Arrow will increase the base payment by 50% of the working interest cash flow, calculated on a two month trailing basis up to a maximum payment of $500,000.The combined monthly payment shall be no more than $1,000,000. In the event the Company, closes a debt facility, asset sale or other financing structure of a minimum of $5,000,000 any portion of the outstanding obligation may be paid in whole or part.

9. Derivative liability

(a) Warrants issued and outstanding

	2018		2017	
Warrants *(i)*	**Number**	**Amounts**	Number	Amounts
Balance beginning of the year	**-**	**$ -**	-	$ -
Issued in financing (Note 11(b)(i))	**17,692,760**	**1,540,500**	-	-
Issued in the Front Range acquisition (Note 4(a))	**630,000**	**72,400**	-	-
Fair value adjustment	**-**	**(1,612,800)**	-	-
Balance end of the year	**18,322,760**	**$ 100**	-	$ -

(i) Only values related to non-compensatory warrants have been included in this table and do not include compensatory warrants included in equity.

There were no non-compensatory warrants outstanding at December 31, 2017.

In United States Dollars

(b) Each non-compensatory warrant is measured at fair value quarterly using the Black-Scholes options pricing model. The fair value of warrants at September 28, 2018 and December 31, 2018 was estimated using the following assumptions:

	September 28, 2018	December 31, 2018
Number outstanding re-valued warrants, end of period	18,322,760	18,322,760
Fair value of warrants outstanding	CAD$0.088	CAD$0.00
Risk free interest rate	1.73%	1.73%
Expected life	2.00 years	1.74 years
Expected volatility	35%	35%

(c) The following table summarizes the warrants outstanding and exercisable at December 31, 2018:

Number of warrants	Warrant Type	Exercise price (USD $)	Expiry date
17,692,760	Non-compensatory	$1.30	September 28, 2020
630,000	Non-compensatory	$1.30	September 24, 2020
18,322,760			

10. Other Liabilities

The other liabilities of the Company relate to an environmental fee in Colombia that is levied on capital projects such as the costs associated with wellsite preparation and drilling of a well. The fee is calculated as 1% of the project cost. The program is administered by ANLA, the Colombian National Authority of Environmental Licences and is levied on projects that utilize surface water or deep water wells that may have an impact on the environment. The funds are generally used in the affected communities for purposes of land purchases, biomechanic works (e.g. containment walls in rivers), reforestation, research projects and others.

At December 31, 2018 the Company had provided for $1,096,569 (December 31, 2017 - $Nil) for the environmental fee.

11. Decommissioning Liability

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the decommissioning of oil and gas properties.

	2018	2017
Obligation, beginning of the year	$ -	$ -
Additions as a result of corporate acquisitions (Note 4)	4,030,456	-
Change in estimated cash flows	1,203,980	-
Obligations recognized	729,995	-
Liabilities disposed	(194,657)	-
Accretion expenses	86,621	-
Effects of movements in foreign exchange rates	(22,832)	-
Obligation, end of the year	$ 5,833,563	$ -

Subsequent to the reverse takeover transaction (Note 4(a)) and acquisition of Carrao (Note 4(b)), the obligation was calculated using a risk free discount rate of 2.25% in Canada and 5.87% to 7.13% in Colombia with an inflation rate of 2.0% to 3.3%. The result was a $1,203,980 increase in decommissioning obligations and property plant and equipment.

In United States Dollars

It is expected that the majority of costs are expected to occur between 2021 and 2033. The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $14,714,000.

12. Share Capital

(a) Authorized
Unlimited number of:
Common shares without par value

(b) Issued

	2018		2017	
Common shares	**Shares**	**Amounts**	Shares	Amounts
				$
Balance beginning of the year *(i)*	**6,453,537**	**$ 7,585**	6,453,537	7,585
Private placement *(ii)*	**17,692,760**	**16,152,260**	-	-
Shares issued in the reverse takeover transaction of Front Range (Note 4(a)) *(iii)*	**10,630,000**	**6,268,930**	-	-
Shares issued in the acquisition of Carrao (Note 4(b))	**22,598,870**	**20,000,000**	-	-
Shares issued in the Samaria acquisition (Note 4(c))	**11,799,435**	**10,442,500**	-	-
Shares returned to treasury *(iv)*	**(500,000)**	**(372,000)**		
Share issue costs *(v)*	**-**	**(1,758,983)**	-	-
	68,674,602	**$ 50,740,292**	6,453,537	$ 7,585

(i) Pursuant to the arrangement agreement with Arrow Exploration Ltd. and Front Range the opening number of shares are reflective of the Front Range capital and have been consolidated on a 8.5-to-1 basis retroactively.

(ii) On September 17, 2018, Arrow Exploration Ltd. closed a private placement of 17,692,760 subscription receipts at $1.00 per subscription receipt. On September 28, 2018 each subscription receipt converted into a unit of Arrow Exploration Ltd. which consisted of one common share and one share purchase warrant with each warrant being exercisable at $1.30, expiring two years from the date of issuance. These warrants are considered non-compensatory warrants and are required to be fair valued at each quarter (Note 9).

(iii) This includes 630,000 shares (on a post-consolidation basis) that were issued as part of the Company's private placement unit financing completed on September 24, 2018 following the private placement financing in Arrow Exploration Ltd. referred to in note (ii) and in advance of closing the RTO. Each unit placed in Front Range consisted of, on a subsequent and post-consolidation basis, one common share and one share purchase warrant with each warrant being exercisable at $1.30, expiring two years from the date of issuance.

(iv) In order to consummate the acquisitions as disclosed in Note 4, certain Arrow Exploration Ltd. founders returned an aggregate of 500,000 shares to treasury. The value assigned to the shares returned was based on the Company's post transaction equity value.

(v) Included in share issue costs is the value of $171,800 assigned to the 634,638 agents options Arrow Exploration Ltd. granted in conjunction with the private placement financing referred to in note (ii). Each agents option is exercisable for a period of 12 months at $1.00 into one common share and one share purchase warrant with each warrant exercisable at $1.30 for two years from the date of issuance. The fair value of the agents options was determined using the Black-Scholes option pricing model with the following assumptions dividend yield – Nil, expected volatility 35%, risk free rate of return 1.73%, weighted average life – 1.0 to 2.0 years.

(c) Stock options
The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. The options are non-transferable if not exercised. The exercise price is based on the closing price of the Company's common shares on the day prior to the day of the grant, which may be different from the closing price of such

In United States Dollars

shares on the day of grant. A summary of the status of the Company stock option plan as at December 31, 2018 and December 31, 2017 and changes during the respective years ended on those dates is presented below:

	2018		2017	
Stock Options	**Number of options**	**Weighted average Exercise Price (CAD $)**	Number of options	Weighted average exercise price (CAD $)
Beginning of year	**480,659**	**$8.42**	480,659	$8.42
Granted	**6,350,000**	**1.15**	-	-
Exercised	**-**	**-**	-	-
Expired/Forfeited	**(480,659)**	**(8.42)**	-	-
End of year	**6,350,000**	**$1.15**	480,659	$8.42
Exercisable, end of year	**-**	**$ -**	480,659	$8.42

Date of Grant	**Number Outstanding**	**Exercise Price (CAD $)**	**Weighted Average Remaining Contractual Life**	**Date of Expiry**	**Number Exercisable December 31, 2018**
October 22, 2018	6,350,000	$1.15	9.82 years	October 22, 2028	6,350,000

The weighted average fair market value per option granted in 2018 was approximately $0.45 (CAD) was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield – nil, expected volatility 65%, risk free rate – 2.0%, expected life - 10 years, an estimated forfeiture rate – 5% and utilizing the graded option method.

13. Income taxes

(a) The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to income (loss) before income taxes. The principal reasons for differences between such expected income tax expense and the amount actually recorded are as follows:

	2018	2017
Loss before income taxes	**$ (590,123)**	$ (4,228)
Corporate income tax rate	**27.00%**	27.00%
Computed expected tax expense (recovery)	**$ (159,333)**	$ (1,142)
Increase (decrease) in income taxes resulting from:		
Share based compensation	**69,386**	-
Tax rate difference on foreign jurisdictions	**68,018**	
Other permanent difference	**(954,378)**	-
Change in deferred tax benefits deemed not probable to be recovered	**1,051,307**	1,142
Income tax recovery	**$ 75,000**	$ -

In United States Dollars

(b) Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The components of the Company's deferred income tax assets and liabilities are as follows:

As at December 31,	2018	2017
Property and equipment	$ (4,426,205)	$ -
Non-capital losses	316,391	-
Decommissioning liabilities and other provisions	1,783,814	-
Deferred tax liability	$ 2,326,000	$ -

(c) At December 31, 2018, the Company had non-capital losses carried forward of approximately $12,300,000 (2017 - $4,000) available to reduce future years taxable income. These losses commence expiring in 2029. At December 31, 2018, the Company had deferred income tax assets of approximately $7,110,000 (2017 - $1,142) related to Canada that were not recognized in the financial statements due to uncertainties associated with its ability to utilize these balances in the future.

14. Commitments and Contingencies

Presented below are the Corporation's contractual commitments at December 31, 2018:

	Less than 1 year	1-3 years	Thereafter	Total
Exploration and production contracts	$ 6,500,000	40,500,000	$ -	$ 47,000,000
Office leases	149,759	154,041	171,871	475,671
Equipment leases	26,950	47,375	-	74,325
Total Commitments	**$ 6,676,709**	**40,701,416**	**$ 171,871**	**$ 47,549,996**

Exploration and Production Contracts

As a result of the acquisitions (Notes 4(b) and (c)), the Company has assumed a number of exploration contracts in Colombia which require the Company to fulfill work program commitments and issue financial guarantees related thereto. In aggregate, the Company has outstanding exploration commitments at December 31, 2018 of $47.0 million. Commitments less than one year relate to the commitment to earn a 50% interest in the Tapir Block. This commitment is expected to be fulfilled by May 2019 with the drilling of the Rio Cravo Este well. Additionally, with the sale of non-core assets as disclosed in subsequent events (Note 19), the Company expects to transfer to the purchaser another $6.95 million in commitments that were scheduled for 2020. The remaining commitments of $33.55 million are currently suspended due to community or environmental issues.

Contingencies

From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations.

Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

15. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to, credit and foreign exchange risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Commodity price risk
Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Company's ability to raise capital. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Company may attempt to mitigate commodity price risk through the use of financial derivatives. The Company currently has no commodity contracts in place.

(b) Credit Risk
Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The majority of the Company's account receivable balances relate to petroleum and natural gas sales. The Company's policy is to enter into agreements with customers that are well established and well financed entities in the oil and gas industry such that the level of risk is mitigated. In Colombia, a significant portion of crude oil and natural gas sales are with customers that are directly or indirectly controlled by the government. The Company has also entered into sales agreements with certain Colombian private sector companies.

The Company's account receivables primarily relate to sales of petroleum and natural gas, which are normally collected within 25 days (in Canada) and 45 days (in Colombia) of the month of production. The Company has historically not experienced any collection issues with its customers.

(c) Market Risk
Market risk is comprised of two components: currency risk and interest rate risk.

i) Foreign Currency Exchange Risk
The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currencies other than the United States Dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in exploration and evaluation and administrative costs in foreign currencies. The Company incurs expenditures in Canadian Dollars, United States Dollars and the Colombian Peso and is exposed to fluctuations in exchange rates in these currencies. There are no exchange rate contracts in place at December 31, 2018 and December 31, 2017.

ii) Interest Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not currently exposed to interest rate risk as it borrows funds at a fixed coupon rate of 15% on the promissory notes.

(d) Liquidity Risk
Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives. The Company prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Petroleum and natural gas production is monitored daily to provide current cash flow estimates and the Company utilizes authorizations for expenditures on projects to manage capital expenditures. Any funding shortfall may be met in a number of ways, including, but not limited to, the issuance of new debt or equity instruments, further expenditure reductions and/or the introduction of joint venture partners.

(e) Capital Management

The Company's policy is to maintain a strong capital base in order to provide flexibility in the future development of the business and maintain investor, creditor and market confidence. The Company manages its capital structure and makes adjustments in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include share capital, bank debt (when available), promissory notes and working capital, defined as current assets less current liabilities. In order to maintain or adjust the capital structure, from time to time the Company may issue common shares or other securities, sell assets or adjust its capital spending to manage current and projected debt levels. The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding bank debt (when available), promissory notes and working capital, as defined above. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast crude oil prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

The Company's capital includes the following:

	December 31, 2018	December 31, 2017
Working capital (deficiency)	**$ (3,558,782)**	$ 3,598
Promissory notes	**(5,000,000)**	-
	$ (8,558,782)	$ 3,598

16. Adjustment of previously reported financial information due to change in presentation currency

For comparative purposes, the statement of financial position as at December 31 2017 includes adjustments to reflect the change in the reporting currency to United States dollars. The amounts previously reported in Canadian Dollars as shown below have been translated into United States dollars at the December 31, 2017 of 0.7966 CAD:USD.

As at December 31, 2017	**As previously reported CAD**	As translated at a rate of 0.7966
Current assets	$ 10,000	$ 7,966
Non-current	-	-
Total Assets	$ 10,000	$ 7,966
Current liabilities	$ 5,483	$ 4,368
Non-current liabilities	-	-
Total liabilities	$ 5,483	$ 4,368

For comparative purposes, the Consolidated Statements of Operations and Comprehensive Loss for the twelve-month period ended December 31, 2017 includes adjustments reflect the change in the reporting currency to United States dollars. The amounts previously reported in Canadian Dollars of $5,483 have been translated into US dollars at the average 2017 exchange rate of 0.7711 CAD:USD.

17. Segmented Information

The Company has two reportable operating segments for the year ended December 31, 2018: Colombia and Canada. In 2017, the Company only had the Canadian reporting segment. The Company, through its operating segments, is engaged primarily in oil exploration, development and production, and the acquisition of oil and gas properties. Previous to the Acquisitions described in Note 4, the Company had no active operations other than incurred costs to consummate the transactions and complete the equity financing. Arrow management will regularly review funds flow from operations generated by each of Arrow's operating segments. Funds flow from operations is a non-GAAP measure of profit or loss that provides Arrow's management with the ability to assess the operating segments' profitability and, correspondingly, the ability of each operating segment to sustain capital, enable future growth through capital investment and to repay debt. The funds flow from operations is computed prior to any changes in working capital balances.

The following tables show information regarding the Company's segments for the year ended and as at December 31, 2018.

	Colombia	Canada	Total
Revenues			
Oil Sales	$ 6,669,558	$ -	$ 6,669,558
Natural gas and liquid sales		122,220	122,220
Other	-	10,877	10,877
Royalties	719,298	5,934	725,232
Expenses	4,207,099	2,460,447	6,667,546
Taxes	75,000	-	75,000
Net income (loss)	$ 1,668,161	$ (2,333,284)	$ (665,123)
Funds flow from (used in) operations	$ 969,233	$ (3,641,219)	$ (2,671,986)

As at December 31, 2018	Colombia	Canada	Total
Current assets	$ 6,157,407	$ 2,441,753	$ 8,599,160
Non-current	-		-
Restricted cash	2,851,514	303,325	3,154,839
Exploration and evaluation	10,547,118	-	10,547,118
Property, plant and equipment	49,927,784	4,733,414	54,661,198
Total Assets	$ 69,484,823	$ 7,478,492	$ 76,962,315
Current liabilities	$ 14,996,317	$ 2,161,625	$ 17,157,942
Non-current liabilities			
Deferred income taxes	2,326,000	-	2,326,000
Derivative liability	-	100	100
Other liabilities	1,096,559	-	1,096,559
Decommissioning liability	5,405,528	428,035	5,833,563
Total liabilities	$ 23,824,404	$ 2,589,760	$ 26,414,164

The Canadian segment is also considered the corporate segment.

In United States Dollars

18. Compensation to Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's key management personnel are its directors and executive officers. Key management personnel compensation is comprised of the following:

		December 31, 2018		December 31, 2017
Executives and Executive Directors	**$**	**882,111**	$	-
Non-Executive Directors		**49,754**		-
Share based compensation		**238,775**		-
Total remuneration	**$**	**1,170,640**	$	-

Personnel expenses are recorded in general and administrative expenses.

19. Subsequent Events

Except as disclosed elsewhere in these consolidated financial statements the Company has the following subsequent events:

On April 26, 2019 the Company announced that it had entered into Definitive Agreements to sell two non-core interests in Colombia for an aggregate sale price of $5.0 million US, subject to adjustments. The first sale, for $3.5 million US, subject to adjustments, is expected to close on April 29, 2019, with the formal legal transfer of ownership of working interests subject to ultimate approval by the Agencia Nacional de Hidrocarburos (ANH). The second transaction, for $1.5 million US, subject to adjustments, is anticipated to close this fiscal quarter, subject to satisfaction of certain conditions precedent. Combined production for the disposed assets averaged approximately 75 bbl/d in the first quarter which equates to a sale metric of $66,000 US per flowing barrel. Transaction proceeds, in combination with cash set aside for drilling, are expected to fully fund drilling RCE1. Furthermore, these transactions are expected to eliminate approximately $6.95 million US from Arrow's future commitments.

Part V

Terms and Conditions of the Placing

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY. MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS DOCUMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS PART V ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) PERSONS IN THE UNITED KINGDOM, WHO ARE "QUALIFIED INVESTORS", WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION 2017/1129/EU AS AMENDED BY THE PROSPECTUS (AMENDMENT ETC.) (EU EXIT) REGULATIONS 2019, AND WHICH IS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "UK PROSPECTUS REGULATION") AND PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"), (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER, OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED OR (B) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") (ALL SUCH PERSONS IN (A) AND (B) TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND DO NOT THEMSELVES CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THE PLACING SHARES (WHICH SHALL INCLUDE ANY PLACING SHARES AS REPRESENTED BY DEPOSITARY INTERESTS) AND THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NO PUBLIC OFFERING OF THE PLACING SHARES AND WARRANTS IS BEING MADE IN THE UNITED STATES. PERSONS RECEIVING THIS DOCUMENT (INCLUDING CUSTODIANS, NOMINEES AND TRUSTEES) MUST NOT FORWARD, DISTRIBUTE, MAIL OR OTHERWISE TRANSMIT IT IN OR INTO THE UNITED STATES.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES OR PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS DOCUMENT (INCLUDING THIS PART V). ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED BY THIS DOCUMENT AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS DOCUMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO THE LEGAL, TAX, REGULATORY, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES AND WARRANTS THE PRICE OF COMMON SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF THE PLACING SHARES. THE DISTRIBUTION OF THIS DOCUMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY

LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON WHO COMES INTO POSSESSION OF THIS DOCUMENT OR ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

There will be no public offering of the Placing Shares or Warrants in Canada. This Document does not contain all of the information that would normally appear in a prospectus under applicable Canadian securities laws. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Document or the merits of the Placing Shares or Warrants. Any representation to the contrary is an offence. This Document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the Placing Shares or Warrants in Canada.

Any resale of the Placing Shares into Canada must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Placing Shares outside of Canada.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Document (including this Part V) should seek appropriate advice before taking any action.

Any indication in this Document of the price at which the Common Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser.

Arden Partners plc, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Placing. Arden will not regard any other person (whether or not a recipient of this Document) as its customer in relation to the Placing and will not be responsible to any other person for providing the protections afforded to customers of Arden or for providing advice in relation to the Placing and/or Admission or any transaction or arrangement referred to in this Document.

Persons who are invited to and who choose to participate in the Placing, by making (or on whose behalf there is made) an oral or written offer to subscribe for Placing Shares including any individuals, funds or others on whose behalf a commitment to take up Placing Shares and Warrants is given (the “Placees”), will be deemed to have read and understood this Document (including this Part V) in its entirety and to be making or accepting such offer on the terms and conditions, and to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements, and undertakings contained in this Part V.

All times and dates in this Part V are reference to times and dates in London (United Kingdom).

Save for any terms expressly defined in this Part V, all capitalised and defined terms contained in this Part V shall have the same meaning as set out in the Document.

In particular, each such prospective Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares and Warrants that are allocated to it for the purposes of its business;

2. in the case of any Placing Shares and Warrants acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, (i) the Placing Shares and Warrants acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK or in any Member State of the European Economic Area (“EEA”) other than Qualified Investors or in circumstances in which the prior consent of the Broker has been given to the offer or resale; or (ii) where Placing Shares and Warrants have been

acquired by it on behalf of persons in the UK or any Member State of the EEA other than Qualified Investors, the offer of those Placing Shares and Warrants to it is not treated under the UK Prospectus Regulation or the Prospectus Regulation as having been made to such persons; and

3. it is located outside the United States, it is not a US Person, is subscribing for Placing Shares and Warrants in an "offshore transaction" (within the meaning of Regulation S) and is purchasing the Placing Shares and Warrants for its own account or is purchasing the Placing Shares and Warrants for an account with respect to which it exercises sole investment discretion and that it (and any such account) is located outside the United States and is not a US Person or it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust), in reliance upon Regulation S.

The Company and Arden (the "Broker") will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

This Document does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares and Warrants in any jurisdiction in which such offer or solicitation is or may be unlawful. This Document and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, New Zealand, Japan or South Africa or in any jurisdiction in which such publication or distribution is unlawful. Persons into whose possession this Document may come are required by the Company to inform themselves about and to observe any restrictions of transfer of this Document. No public offer of securities of the Company is being made in the United Kingdom, the United States or elsewhere.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares and Warrants have not been, nor will they be, qualified by a prospectus in any province or territory of Canada nor registered under or offered in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Japan or South Africa. Accordingly, the Placing Shares and Warrants may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Canada, Australia, New Zealand, Japan or South Africa or any other jurisdiction outside the United Kingdom.

Details of the Placing Agreement and the Placing Shares

The Broker has entered into the Placing Agreement with the Company and the Directors under which the Broker has agreed, on the terms and subject to the conditions set out therein, to use its reasonable endeavours to procure, as the Company's agent for the purpose of the Placing, subscribers for the Placing Shares at the Issue Price. A Warrant will be granted for every two Placing Shares subscribed.

The Placing Agreement contains customary undertakings and warranties given by the Company and the Directors to the Broker including as to the accuracy of information contained in this Document, to matters relating to the Company and its business and a customary indemnity given by the Company to the Broker in respect of liabilities arising out of or in connection with the Placing and/or Admission.

The Placing is conditional upon, amongst other things, the Placing Agreement being entered into by the Broker, the Directors and the Company, Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms prior thereto.

The Placing will not be underwritten.

The Placing Shares will, when issued, be subject to the articles of association of the Company and will rank *pari passu* in all respects with the existing issued Common Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of the Common Shares after the relevant date of issue of the Placing Shares. The Placing Shares will be issued free of any encumbrance, lien or other security interest other than certain restrictions on transferability described herein.

Application for admission to trading

Application will be made to the London Stock Exchange for Admission of the Placing Shares to trading on AIM.

Subject to the conditions for the Placing being met, it is expected that Admission will take place on or before 8.00 a.m. on 25 October 2021 (or such later date as the Broker and the Company may agree in writing being not later than 8.00 a.m. (GMT) on 19 November 2021) and that dealings in the Placing Shares on AIM will commence thereafter.

The Company will apply for conditional approval of the TSX Venture Exchange (the "TSX-V"), with respect to the Placing Shares, subject only to the satisfaction by the Company of customary post-closing conditions imposed by the TSX-V in similar circumstances. It is expected that admission of the Placing Shares on the TSX-V will become effective on or around 9.00 a.m. (EST) on 25 October 2021(or such other date as Arden may agree).

Bookbuild

The Broker is undertaking the bookbuilding process in respect of the Placing (the "**Bookbuild**") to determine both demand by Placees for participation in the Placing and the price per Placing Share. This Part V gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Broker and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their absolute discretion, determine.

Participation in, and principal terms of, the Placing

1. The Broker (whether itself or through any of its affiliates) is arranging the Placing as placing agent of the Company and will agree to use its reasonable endeavours to procure Placees at the Issue Price for the Placing Shares.

2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Broker. The Broker and its affiliates may participate in the Placing as principals (and are each entitled to enter bids as principal in the Bookbuild).

3. The Bookbuild will establish the number of Placing Shares to be issued at the Issue Price, payable to the Broker as agent for the Company by all Placees whose bids are successful, and the number of Warrants to be granted to Placees. The number of Placing Shares to be issued and Warrants granted will be determined by the Broker following completion of the Bookbuild.

4. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Part V and, to the extent accepted, will be legally binding on the Placee on behalf of which it is made and, except with the Broker's consent, will not be capable of variation or revocation after the time at which it is submitted.

5. The Broker may, in agreement with the Company, accept bids, either in whole or in part, that are received after the Bookbuild has closed.

6. The Broker is each acting exclusively for the Company and no one else in connection with the matters referred to in this Document and will not be responsible to anyone other than the Company for protections afforded to their respective customers nor for providing advice in relation to the matters described in this Document or any matter, transaction or arrangement referred to in it.

7. Each prospective Placee's allocation of Placing Shares and Warrants will be confirmed to Placees either orally or in writing by the Broker as soon as practicable following the close of the Bookbuild, and a trade confirmation will be dispatched as soon as possible thereafter. The terms

and conditions of this Part V will be deemed incorporated therein. The Broker's oral confirmation to such prospective Placee of the size of allocations will constitute an irrevocable legally binding commitment upon such prospective Placee (who will at that point become a Placee) in favour of the Broker and the Company, to subscribe for the number of Placing Shares and Warrants allocated to it on the terms and subject to the conditions set out in this Part V and in accordance with the Company's articles of incorporation and the Warrant respectively. Each such Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Company and to the Broker, to pay to them (or as the Broker may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to subscribe for and the Company has agreed to allot and issue to that Placee. Each prospective Placee's obligations will be owed to the Company and to the Broker.

8. The Broker may choose to accept bids, either in whole or in part, based on its allocation policy and may scale back any bids for this purpose on such basis as they may determine. The Broker may also, notwithstanding paragraphs 3 and 4 above, and subject to prior agreement with the Company, (a) allocate Placing Shares and Warrants after the time of any initial allocation to any person submitting a bid after that time and (b) allocate Placing Shares and Warrants after the Bookbuild has closed to any person submitting a bid after that time.

9. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made on the basis explained below under "Registration and Settlement".

10. All obligations of the Broker under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

11. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

12. To the fullest extent permissible by law, none of the Company, the Broker, or any of their respective affiliates shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise) under these terms and conditions. In particular, none of the Company, the Broker, or any of their respective affiliates shall have any responsibility or liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Broker's conduct of the Bookbuild or of such alternative method of effecting the Placing as the Broker and the Company may agree or of the allocation of Placing Shares and Warrants. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares or the grant of the Warrants to the Placees and the Broker shall have no liability to the Placees for any failure by the Company to fulfil those obligations.

13. The Placing Shares will be issued subject to the terms and conditions of this Part V and each Placee's commitment to subscribe for Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Broker's conduct of the Placing.

14. All times and dates in this Document may be subject to amendment. The Broker shall notify the Placees and any person acting on behalf of the Placees of any changes.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement having been entered into and becoming unconditional and not having been terminated in accordance with its terms.

The Broker's obligations under the Placing Agreement in respect of the Placing Shares and Warrants are conditional on, inter alia:

- each of the agreements regulating the subscriptions (the "**Subscription Agreements**") being executed by each of the Subscribers and accepted by the Company and remaining in full force and effect;
- the Company having received all subscription funds in cleared funds from the Subscribers pursuant to the Subscription Agreements, and from certain of the Placees who are settling funds directly with the Company;
- the Company having received all requisite approvals from the TSX-V in relation to the Placing, the Subscription, the grant of the Warrants, and the issue of the New Common Shares;
- Admission occurring not later than 8.00 a.m. on 25 October 2021 or such later date as the Company and Arden may agree, but in any event not later than 8.00 a.m. (GMT) on 19 November 2021 (the "**Final Date**").

If (i) any of the conditions contained in the Placing Agreement in relation to the Placing Shares and Warrants is not fulfilled or waived by the Broker by the respective time or date where specified (or such later time or date as the Company and the Broker may agree not being later than the Final Date), or (ii) the Broker's obligations (and consequently Placees' obligations) in respect of the Placing Shares and Warrants only under the Placing Agreement are terminated as described below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares and Warrants shall cease and terminate at such time.

The Broker may, in its absolute discretions, waive, or extend the period (up to the Final Date) for compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the conditions relating to Admission taking place may not be waived and the period for compliance with such conditions may not be extended beyond the Final Date. Any such extension or waiver will not affect Placees' commitments as set out in this Document.

Neither the Broker nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Broker.

Right to terminate under the Placing Agreement

The Broker may, in its absolute discretion, at any time before Admission and after such consultation with the Company as the circumstances may allow, terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia:

- the Broker is of the opinion that there has been a material breach of any of the Warranties, any other obligations on the part of the Company or the Directors or any other provision of the Placing Agreement, or there is a fact or matter which would constitute a breach of a warranty in the Placing Agreement (by reference to the facts or circumstances existing at that time) or there is a fact or matter which could give rise to a claim under the indemnity in the Placing Agreement; or
- the Broker is of the opinion that there is a material adverse change in or affecting the operations, the condition (financial, operational, legal or otherwise), prospects, management, financial position or business of the Group whether or not foreseeable and whether or not arising in the ordinary course of business; or

- the Broker is of the opinion that the Company or any of the Directors has failed to comply with any of their respective obligations under the Placing Agreement or the Subscription Agreements or otherwise relating to the Transaction; or
- any of the Subscription Agreements are terminated or rescinded by any of the parties;
- any government regulation or other occurrence of any nature whatsoever which in the reasonable opinion of the Broker in its absolute discretion seriously and adversely affects or is likely to seriously and adversely affect the business of the Group taken as a whole or the successful outcome of the Placing; or
- any outbreak or escalation of hostilities, any attack on or act of terrorism involving the United Kingdom, any EU Member State, Canada or Colombia or elsewhere or any declaration of a national emergency or war by the United Kingdom, any EU Member State, the United States of America, Canada or Colombia or elsewhere or a deterioration of, or escalation in the United Kingdom's or Canada's or Colombia's response to, the COVID-19 pandemic which in the opinion of the Broker in its absolute discretion makes it impractical or inadvisable to proceed with the Placing; or
- any other calamity, crisis or material change in the financial, political, economic or market conditions in the United Kingdom, any EU Member State, Canada or Colombia or elsewhere or in currency exchange rates or controls which in the opinion of the Broker in its absolute discretion makes it impractical or inadvisable to proceed with the Placing or Admission; or
- the suspension or cancellation of trading in the Company's Common Shares on TSX-V;
- a cease trade order is made by the Alberta Securities Commission or any other Canadian Securities Regulatory Authority in relation to the Company's securities (including for the avoidance of doubt the Common Shares); or
- any other crisis of international or national effect which in the opinion of the Broker in its absolute discretion makes it impractical or inadvisable to proceed with the Placing or Admission or renders the creation of a market in the share capital of the Company temporarily or permanently impracticable.

The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by any Placee or any prospective Placee at any time or in any circumstances and the Placees participation will not be capable of rescission or termination by it after oral confirmation by the Broker of the allocation and commitments following the close of the Bookbuild. By participating in the Placing, Placees agree that the exercise by the Broker of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Broker, that they need not make any reference to Placees and that the Broker shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise.

Placees will have no rights against the Broker, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

No prospectus

The Placing Shares and Warrants are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require a prospectus in the United Kingdom, the EEA or in any other jurisdiction. No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange or any Canadian regulator in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in this Document (including this Part V) and subject to any further terms set forth in the form of confirmation to be sent to individual Placees. Each Placee, by accepting a participation in the Placing, agrees that the content of this Document (including this Part V) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than any supplementary admission document published by the Company subsequent to the date of this Document), representation, warranty, or statement made by or on behalf of the Company, the Broker, or any other person (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), and neither the Broker, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Broker, the Company, or their respective officers, directors, employees or agents.

Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor the Broker are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares and Warrants by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Document to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares and Warrants. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the Placing Shares (ISIN: CA04274P1053) following Admission will take place within CREST on a delivery versus payment basis with Placing Shares allocated to Placees being allotted and issued to Computershare Investor Services PLC (the "Depositary") and the Company procuring that dematerialised depositary interests ("Depositary Interests") representing those shares are so delivered, subject to limited exceptions. The Broker reserves the right to require settlement for, and delivery of the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Document or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Following the closing of the Bookbuild, each Placee allocated Placing Shares will be sent a trade confirmation or contract note stating the number of Placing Shares and Warrants allocated to it, the Issue Price, the aggregate amount owed by such Placee to the Broker (as agent for the Company) and settlement instructions. Settlement of transactions in CREST for Placing Shares will take place by the crediting of Depositary Interests to CREST accounts operated by the Broker for the Company and the Broker will enter their delivery instructions into the CREST system. The input to CREST by each Placee of a matching or acceptance instruction will then allow delivery of the relevant Depositary Interests to that Placee against payment of the Issue Price. Placees should settle against CREST ID: 601 with Member ID account: QBCLT. It is expected that such trade confirmation will be dispatched by 18 October 2021 and that the trade date will be 19 October 2021. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with the Broker.

It is expected that settlement in respect of the Placing Shares will be on 25 October 2021 in accordance with the instructions set out in the trade confirmation.

Settlement of Warrants shall be by delivery of warrant certificates to the relevant Placee.

In the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Broker may agree that the Placing Shares should be issued in certificated form. The Broker reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the base rate from time to time of Barclays Bank plc as determined by the Broker.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Broker may sell any or all of the Placing Shares and Warrants allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Broker's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the Broker (as agent for the Company) on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares and Warrants on such Placee's behalf. By communicating a bid for Placing Shares and Warrants to the Broker, each Placee confers on the Broker all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Broker lawfully takes in pursuance of such sale.

If Placing Shares and Warrants are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation or contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares and Warrants are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as an agent or that of a nominee for such person, such Placing Shares and Warrants should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (including any interest and penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares and Warrants (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares and Warrants), neither the Broker nor the Company shall be responsible for the payment thereof. Placees (or any nominee or other agent acting on behalf of a Placee) will not be entitled to receive any fee or commission in connection with the Placing.

Representations, warranties and further terms

By submitting a bid and/or participating in the Bookbuild and/or participating in the Placing each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and the Broker (in each case as a fundamental term of its application for Placing Shares and Warrants) namely that, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood this Document in its entirety (including this Part V) and that its participation in the Bookbuild and subscription of Placing Shares and Warrants is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Document (including this Part V);

2. indemnifies on an after-tax basis and holds harmless each of the Company, the Broker, their respective affiliates and any person acting on their behalf from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Document (including this Part V) and further agrees that the provisions of this Document (including this Part V) shall survive after completion of the Placing;

3. acknowledges that none of the Broker, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares and Warrants or the Company other than this Document; nor has it requested any of the Broker, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information;

4. acknowledges that the content of this Document is exclusively the responsibility of the Company, and that none of the Broker, their affiliates or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Document or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Document or otherwise;

5. represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares and Warrants is contained in this Document (including this Part V), such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and Warrants and that it has neither received nor relied on any other information given or representations, warranties or statements made by the Broker, the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the research department of either of the Broker (the views of such research departments not representing and being independent from those of the Company and the corporate finance departments of the Broker and not being attributable to the same)), and neither the Broker, nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and it will not rely on any investigation that the Broker, its affiliates or any other person acting on its or their behalf has or may have conducted;

6. confirms that either (i) it has neither received nor relied on any "inside information" as defined in MAR, including any confidential price sensitive information concerning the Company, in accepting this invitation to participate in the Placing; or (ii) if it has received any confidential price sensitive information about the Company in advance of the Placing, it warrants that it has received such information within the market soundings regime provided for in Article 11 of MAR and associated delegated regulations and has not (a) dealt (or attempted to deal) in the securities of the Company; (b) encouraged, recommended or induced another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;

7. acknowledges that the Broker has no duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that the Broker is not acting for it or its clients and that the Broker will not be responsible for providing protections to it or its clients;

8. acknowledges that neither the Broker, any of their affiliates or any person acting on behalf of it or them has or shall have any liability for any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

9. acknowledges that, save in the event of fraud on the part of the Broker (and to the extent permitted by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance), neither the Broker, its ultimate holding company, nor any direct or indirect subsidiary undertakings of that holding company, nor any of their respective directors and employees shall be liable to Placees for any matter arising out of the Broker's role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law Placees will immediately waive any claim against any of such persons which the relevant Placee(s) may have in respect thereof;

10. acknowledges that the Placing Shares and Warrants have not been and will not be registered under the Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority;

11. represents and warrants that, except as otherwise permitted by the Company that it is located outside the United States, it is not a US Person, is subscribing for Placing Shares and Warrants in an "offshore transaction" (within the meaning of Regulation S) and is purchasing the Placing Shares for its own account or is purchasing the Placing Shares and Warrants for an account with respect to which it exercises sole investment discretion and that it (and any such account) is located outside the United States and is not a US Person or it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust), in reliance upon Regulation S;

12. acknowledges that no representation has been made as to the availability of Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares and Warrants;

13. it is not acquiring the Placing Shares and Warrants with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and, unless otherwise disclosed to the Broker and the Company in writing, it is not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares and Warrants is given;

14. it is not subscribing for any Placing Shares and Warrants as a result of (i) any "directed selling efforts" as that term is defined in Regulation S under the Securities Act or (ii) any form of "general solicitation or general advertising" within the meaning of Regulation D under the Securities Act;

15. acknowledges that the Placing Shares and Warrants have not been and will not be registered under the securities legislation of Canada, Australia, New Zealand, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions and represents and warrants that, unless specifically agreed in writing with the Broker, neither it nor the beneficial owner of such Placing Shares and Warrants will be a resident of Canada, Australia, New Zealand, Japan or South Africa;

16. represents and warrants that it is located outside Canada and is not resident in Canada or acquiring any Placing Shares and Warrants for the benefit of a resident of Canada;

17. acknowledges that any resale of the Placing Shares and Warrants into Canada must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority and that these resale restrictions may under certain circumstances apply to resales of the Placing Shares and Warrants outside of Canada;

18. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares and Warrants will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares and Warrants are not being acquired in connection with arrangements to issue depositary receipts or to transfer Placing Shares and Warrants into a clearance system;

19. represents and warrants that: (i) it has complied with its obligations under the Criminal Justice Act 1993 and MAR; (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism

Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2017; and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "Regulations"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Broker such evidence, if any, as to the identity or location or legal status of any person which the Broker may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Broker on the basis that any failure by it to do so may result in the number of Placing Shares and Warrants that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Broker may decide in its sole discretion;

20. if a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA other than Qualified Investors, or in circumstances in which the prior consent of the Broker has been given to the offer or resale;

21. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares and Warrants to persons in the EEA prior to Admission except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation (including any relevant implementing measure in any member state);

22. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares and Warrants in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

23. represents and warrants that it has complied and will comply with all applicable provisions of the MAR with respect to anything done by it in relation to the Placing Shares and Warrants in, from or otherwise involving, the United Kingdom;

24. if in a Member State of the EEA, unless otherwise specifically agreed with the Broker in writing, represents and warrants that it is a Qualified Investor within the meaning of Article 2(e) of the Prospectus Regulation;

25. if in the United Kingdom, represents and warrants that it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation or is a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order; or (iii) to whom this Document may otherwise be lawfully communicated;

26. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares and Warrants under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform

its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Document) and will honour such obligations;

27. represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person it is and will remain liable to the Company and the Broker for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);

28. where it is acquiring Placing Shares and Warrants for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (a) to acquire the Placing Shares and Warrants for each managed account; and (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Document of which it forms part;

29. undertakes that it (and any person acting on its behalf) will make payment to the Broker for the Placing Shares and Warrants allocated to it in accordance with this Document on the due time and date set out herein and in the trade confirmation of contract note stating the number of Placing Shares and Warrants allocated to it and containing settlement instructions, failing which the relevant Placing Shares and Warrants may be placed with other subscribers or sold as the Broker may in its discretion determine and without liability to such Placee and it will remain liable and will indemnify the Broker on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and Warrants and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;

30. acknowledges that none of the Broker, any of its affiliates, or any person acting on behalf of it or any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of the Broker and that the Broker has no duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

31. undertakes that the person whom it specifies for registration as holder of the Placing Shares and Warrants will be (i) itself or (ii) its nominee, as the case may be. Neither the Broker nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and the Broker in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of the Broker who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

32. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Broker in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

33. it irrevocably appoints any director, officer, member or employee of the Broker as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares and Warrants agreed to be taken up by it under the Placing;

34. acknowledges that time shall be of the essence in respect of its obligations under these terms and conditions;

35. agrees that the Company, the Broker, and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Broker on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Document or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;

36. agrees to indemnify on an after-tax basis and hold the Company, the Broker and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Part V and further agrees that the provisions of this Part V shall survive after completion of the Placing;

37. acknowledges that no action has been or will be taken by any of the Company, the Broker, or any person acting on behalf of the Company or the Broker that would, or is intended to, permit a public offer of the Placing Shares and Warrants in any country or jurisdiction where any such action for that purpose is required;

38. acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares and Warrants. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;

39. acknowledges that its commitment to subscribe for Placing Shares and Warrants on the terms set out herein and in the trade confirmation or contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;

40. acknowledges that the Broker, or any of its affiliates acting as an investor for their own account, may take up Common Shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Placing;

41. represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares and Warrants is in full compliance with all applicable laws and regulation;

42. it acknowledges and agrees that any Placing Shares that it is allocated in the Placing delivered through CREST will be allotted and issued to the Depositary, and that the Company shall procure that the Depositary shall issue Depositary Interests representing the Placing Shares allocated to it in accordance with the procedures set out under 'Registration and settlement' herein, and that the Broker shall have no responsibility or liability in respect of the acts of, or failure to act by, the Depositary;

43. undertakes following Admission, that it will make notifications to the Company without delay of all information that it would be requested to notify as a shareholder in a company to which the

Disclosure Guidance and Transparency Rules published by the FCA applied as if the Company were a UK issuer;

44. it acknowledges that neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Document (including this Part V); and

45. to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in this Document including this Part V.

The representations, warranties, acknowledgements and undertakings contained in this Part V are given by the Placee to the Broker and the Company and are irrevocable and shall not be capable of termination in any circumstances.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares and Warrants in question. Such agreement assumes that the Placing Shares and Warrants are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares and Warrants into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares and Warrants, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Broker will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares and Warrants has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Broker in the event that any of the Company or the Broker has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Broker accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares and Warrants or the agreement by them to subscribe for any Placing Shares and Warrants.

Each Placee, and any person acting on behalf of the Placee, acknowledges that the Broker does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Each Placee, and any person acting on behalf of the Placee, acknowledges and agrees that the Broker or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares and Warrants.

When a Placee or person acting on behalf of the Placee, is dealing with the Broker, any money held in an account with the Broker on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the Broker's money in accordance with the client money rules and will be used by the Broker in the course of its own business and the Placee will rank only as a general creditor of the Broker.

All times and dates in this Document (including this Part V) may be subject to amendment. The Broker shall notify the Placees and any person acting on behalf of the Placees of any changes.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

Pursuant to the General Data Protection Regulation as implemented in the UK by the Data Protection Act 2018 ("**GDPR**"), the Company and the Broker may hold personal data (as defined in the GDPR) relating to past and present Shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Company and the Broker will only process such information for the purposes set out below (collectively, the "Purposes"), being to: (a) process its personal data to the extent and in such manner as is necessary for the performance of their obligations under the contractual arrangements between them, including as required by or in connection with its holding of Common Shares, including processing personal data in connection with credit and money laundering checks on it; (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Common Shares; (c) provide personal data to such third parties as the Company and/or the Broker may consider necessary in connection with its affairs and generally in connection with its holding of Common Shares or as the GDPR may require, including to third parties outside the UK; and (d) without limitation, provide such personal data to their respective affiliates for processing, notwithstanding that any such party may be outside the UK; and (e) process its personal data for the Company's or the Broker's internal administration.

BY BECOMING REGISTERED AS A HOLDER OF PLACING SHARES AND WARRANTS, EACH PLACEE ACKNOWLEDGES AND AGREES THAT THE PROCESSING BY THE COMPANY THE BROKER OF ANY PERSONAL DATA RELATING TO IT IN THE MANNER DESCRIBED ABOVE IS UNDERTAKEN FOR THE PURPOSES OF: (A) PERFORMANCE OF THE CONTRACTUAL ARRANGEMENTS BETWEEN THEM; AND (B) TO COMPLY WITH APPLICABLE LEGAL OBLIGATIONS. IN PROVIDING THE COMPANY AND/OR THE BROKER WITH INFORMATION, IT HEREBY REPRESENTS AND WARRANTS TO EACH OF THEM THAT IT HAS NOTIFIED ANY DATA SUBJECT OF THE PROCESSING OF THEIR PERSONAL DATA (INCLUDING THE DETAILS SET OUT ABOVE) BY THE COMPANY AND/OR THE BROKER AND THEIR RESPECTIVE AFFILIATES AND GROUP COMPANIES, IN RELATION TO THE HOLDING OF, AND USING, THEIR PERSONAL DATA FOR THE PLACING. ANY INDIVIDUAL WHOSE PERSONAL INFORMATION IS HELD OR PROCESSED BY A DATA CONTROLLER: (A) HAS THE RIGHT TO ASK FOR A COPY OF THEIR PERSONAL INFORMATION HELD; (B) TO ASK FOR ANY INACCURACIES TO BE CORRECTED OR FOR THEIR PERSONAL INFORMATION TO BE ERASED; (C) OBJECT TO THE WAYS IN WHICH THEIR INFORMATION IS USED, AND ASK FOR THEIR INFORMATION TO STOP BEING USED OR OTHERWISE RESTRICTED; AND (D) ASK FOR THEIR PERSONAL INFORMATION TO BE SENT TO THEM OR TO A THIRD PARTY (AS PERMITTED BY LAW). A DATA SUBJECT SEEKING TO ENFORCE THESE RIGHTS SHOULD CONTACT THE RELEVANT DATA CONTROLLER. INDIVIDUALS ALSO HAVE THE RIGHT TO COMPLAIN TO THE UK INFORMATION COMMISSIONER'S OFFICE ABOUT HOW THEIR PERSONAL INFORMATION HAS BEEN HANDLED.

Part VI

Additional Information

1. Responsibility Statements and Consents

1.1 The Company and the Directors, whose names appear on page 11 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 Boury Global Energy Consultants Ltd ("**Boury**"), the Competent Person, accepts responsibility for its report set out in Part III of this document and for any information sourced from such report in this document. To the best of the knowledge and belief of Boury (which has taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 Arrow was incorporated pursuant to the provisions of the ABCA on April 14, 2000 under the name Coastport Capital Inc. Since incorporation the following events have occurred:

(i) On June 1, 2005, the Company was continued from Alberta to British Columbia pursuant to the Business Corporations Act (British Columbia).

(ii) On August 30, 2010, the Company continued from British Columbia to Alberta pursuant to the ABCA and changed its name to Donnybrook Energy Inc.

(iii) On October 28, 2014, the Company changed its name to Stonehaven Exploration Ltd.

(iv) On July 29, 2016, the Company completed an arm's length "three cornered" amalgamation pursuant to an amalgamation agreement dated June 3, 2016 with Deventa Energy Inc., a private corporation incorporated pursuant to the laws of Alberta ("**DEI**"), and 1973747 Alberta Ltd., a wholly-owned subsidiary of the Company, whereby DEI and 1973747 Alberta Ltd. amalgamated to form Deventa Energy Inc., a wholly-owned subsidiary of the Company, with holders of common shares of DEI each receiving 0.8261 of a Common Share for each common share of DEI held; resulting in the issuance of an aggregate of 12,999,684 Common Shares to DEI shareholders.

(v) On August 10, 2016, the Company changed its name from Stonehaven Exploration Ltd. to Front Range Resources Ltd.

(vi) On January 1, 2018, the Company amalgamated with its wholly owned subsidiary, Deventa Energy Inc., pursuant to the ABCA and continued operations under the name Front Range Resources Ltd.

(vii) On 28 September 2018, the Company changed its name to Arrow Exploration Corp. following the amalgamation of its wholly owned subsidiary, 2118295 Alberta Ltd pursuant to the ABCA with Arrow Exploration Ltd., in accordance with an arrangement agreement between Front Range and Arrow Exploration Ltd.

2.2 The head office of Arrow is located at Suite 1430, 333 – 11th Avenue S.W, Calgary, Alberta, Canada, T2P 0T1 and the registered office is located at Suite 1600, 421-7th Avenue S.W., Calgary, Alberta. Its telephone number is +1 403 237-5700.

2.3 The address of the Company's website on which the information required by Rule 26 of the AIM Rules is available is www. arrowexploration.ca. The information included on the website does not form part of this document.

2.4 The liability of the members of the Company is limited.

2.5 The Company is domiciled in Alberta, Canada. The principal legislation under which the Company operates and under which the Common Shares were created is the ABCA and regulations made thereunder. The liability of the Shareholders is limited.

2.6 The Company's accounting reference date is 31 December each year, and it has not been changed during the period covered by the Historical Financial Information in Part IV of this document.

2.7 The principal activity of the Company is that of a holding company. The principal activity of the Group is that of an exploration company.

2.8 The auditor of the Company is Deloitte Canada and they were auditors for the period covered by the Historical Financial Information. Deloitte Canada, Chartered Professional Accountants, is qualified to conduct audits in Alberta by virtue of its registration with the Chartered Professional Accountants of Alberta.

3. Principal Activities of the Group and Group Structure

The Company is the holding company of the Group. The principal activity of the Group is an oil and gas exploration and production company active in Colombia and Canada, and the Company is the ultimate holding company of the Group having the following subsidiary undertakings:

Name & Company Number	**Jurisdiction and date of incorporation**	**Percentage shareholding (direct or indirect)**	**Principal activity**
Arrow Holdings Ltd. (2020880742)	Alberta, Canada	100%	Exploration
Carrao Energy Ltd. (481272(S))	Panama	100% (held through Arrow Holdings Ltd.)	Exploration
Samaria Llanos Exploration S.A. (155666602)	Panama	100% (held through Carrao Energy Ltd.)	Exploration
Carrao Energy S.A.	Colombian Branch of Carrao Energy Ltd.	100%	Exploration
Samaria Llanos Exploration Sucursal Colombia S.A.	Colombian Branch of Samira Llanos Exploration S.A.	100%	Exploration

4. Share Capital of the Company

4.1 The authorised share capital of the Company is made up of an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at the date hereof, no Preferred Shares are outstanding.

4.2 The securities of the Company are created pursuant to the ABCA. The distribution of the securities of the Company is governed by the Securities Act (Alberta) and applicable Rules, Instruments and Policies enacted by the Canadian Securities Administrators. No shareholder approval is required to issue the Placing Shares or Warrants.

4.3 Under the ABCA, no shareholder consent is required to issue shares pursuant to a public or private offering of securities by the Company. However, under the TSX-V Rules, shareholder approval may be required if the Placing and Subscription results in a change of control (as such term is defined in the TSX-V Rules) or a new control person (being prima facie a holder of greater than 20 per cent. of the voting shares) is created as a result of the Placing and Subscription.

4.4 The number of Common Shares issued as the Latest Practicable Date and immediately following Admission and completion of the Placing and Subscription (all of which are, or will be, issued fully paid) is, or will be, as follows:

Common Shares	**Number of Common Shares**
As at the Latest Practicable Date	68,674,602
Immediately following Admission	209,624,147

4.5 In the three financial years ended 31 December 2018, 2019 and 2020 and as at the Last Practicable Date in the 2021 fiscal year, there have been the following changes to the outstanding Common Share capital of the Company:

(i) 17 September 2018 – 17,692,760 new Common Shares issued at a subscription price of US$1.00 each were issued on the conversion of Subscription Receipts;

(ii) 27 September 2018 – 11,799,435 Common Shares issued to Samaria Exploration & Production S.A. for an aggregate consideration of US$10m;

(iii) 28 September 2018 – 22,598,870 new Common Shares issued to Canacol for an aggregate consideration of US$20m;

4.6 The Common Shares are in registered form and are capable of being held in certificated and uncertificated form. The Company (via the Depositary) has applied for Depositary Interests representing the underlying Common Shares to be admitted to CREST from Admission, and it is therefore expected that the Depositary Interests will be capable of being settled in CREST from Admission. The records in respect of Depositary Interests held in uncertificated form will be maintained by Euroclear and the Depositary.

4.7 The International Securities Identification Number or ISIN for the Common Shares is CA04274P1053.

4.8 A description of the rights attaching to the Common Shares are set out in paragraph 9 of this Part VI.

4.9 The Placing Shares to be issued pursuant to the Placing and the Subscription Shares to be issued pursuant to the Subscription, will represent a dilution to existing Shareholders who do not participate in the Placing or Subscription of approximately 67 per cent.

4.10 The Placing Shares and Subscription Shares will be allotted fully paid in registered form and will rank pari passu in all respects with the Existing Common Shares for all dividends or other distributions hereafter declared, paid or made on the Existing Common Shares.

4.11 As at the Latest Practicable Date, the Company does not have any outstanding warrants to acquire Common Shares.

4.12 As at the Latest Practicable Date, the Company had the following outstanding options to acquire Common Shares:

Date of Grant	**Aggregate no. of Options Granted**	**Exercise Price**	**Lapse Date**
October 22, 2018	1,050,000	1.15	October 22, 2028
May 3, 2019	345,000	0.31	May 3, 2029
March 20, 2020	1,200,000	0.05	March 20, 2030
April 13, 2020	2,775,000	0.05	April 13, 2030
June 18, 2020	344,000	0.05	June 13, 2030

4.13 Other than the issue of the New Common Shares and the Warrants or otherwise disclosed in this document:

(i) there are no acquisition rights or obligations over the unissued share capital of the Company and the Company has made no undertaking to increase its share capital;

(ii) no person has any preferential or subscription rights for any share capital in the Company;

(iii) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option; and

(iv) there are no convertible securities in issue.

4.14 Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. All the Common Shares (including the Placing Shares) may be transferred into CREST (by way of the Depositary Interests) for which there will be no charge or stamp duty payable on the transfer.

4.15 The Placing Shares and Subscription Shares were created under and are subject to the provisions of the ABCA and the Articles. All Common Shares (including Placing Shares and Subscription Shares) will be uniform in all respects and will form a single class for all purposes (including in respect of any dividends and other distributions (if any) declared or made or paid in respect of Common Shares after the date of issue) and no Shareholder enjoys different or enhanced voting rights.

4.16 There are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.17 There are no shares in issue not representing capital.

4.18 There are no Common Shares held by, or on behalf of, the Company or any subsidiary undertaking.

4.19 Except as disclosed in this paragraph 4, during the three-year period to 31 December 2020 and up to the date of this Document, there has been no change in the amount of the issued share or loan capital of the Company.

4.20 Except as disclosed elsewhere in this paragraph 4, no share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.

4.21 To the best of the Directors' knowledge, there is no person who directly or indirectly, jointly or separately, exercises or could exercise control over the Company following Admission.

4.22 Save for the issues set out below (which in aggregate represent 60.4% of the existing issued share capital of the Company) no Common Shares have been issued other than for cash in the period covered by the Historical Financial Information or up to the Latest Practicable Date. The issues referred to are as follows:

(i) 7,083,537 Common Shares issued in respect of the acquisition referred to in paragraph 2.1 (iv) of Part VI.

(ii) 22,598,870 Common Shares issued to Canacol in respect of the acquisition of the Canacol arrangements described in paragraph 16.3 of Part VI.

(iii) 11,799,434 Common Shares issued in respect of the Tapir Block acquisition referred to in paragraph 16.4 of Part VI.

4.23 As at the end of the beginning and end of the last financial year the following Common Shares were in issue:

Common Shares	Number of Common Shares
As at 1 January 2020	68,647,602
As at 31 December 2020	68,647,602

Generally, Canadian law does not recognise the concept of pre-emption rights of shareholders in respect of the issue of new securities. However, the Company is listed on the TSX-V and as such is subject to the rules of the TSX-V which may require shareholder approval in certain circumstances including related party transactions such as insider participation for greater than 25% of the placed amount.

5. Substantial Shareholders

5.1 As a company continued under the laws of the Province of Alberta, the disclosure requirements for shareholding thresholds for the Company are different than for a company incorporated in the United Kingdom. Details of the shareholding threshold disclosure requirements applicable to the Company under Canadian law are set out in paragraph 20 of Part I. Subject to those legal requirements, except for the interests of the Directors, which are set out in paragraph 6 of this Part VI, and those persons set out in this paragraph, the Directors are not aware of any interest which, as at the date of this Document and immediately following Admission, would amount to 3 per cent. or more of the Company's issued share capital:

	As at the date of this document		On Admission	
Name	No of Common Shares	Percentage of Existing Common Shares	No of Common Shares	Percentage of Enlarged Share Capital
Canacol Energy	5,000,000	7.30%	41,715,205	19.90%
Cavengas Holdings	4,128,291	6.00%	4,128,291	1.97%
International Investment Advisors S A	3,291,567	4.80%	3,291,567	1.57%
Minoan Investments Management	3,271,817	4.80%	3,271,817	1.56%
Inversions Madrid Zaragoza	2,951,761	4.30%	2,951,761	1.41%
DSP Distribution SA	2,951,761	4.30%	2,951,761	1.41%
H Bruce McDonald	2,433,943	3.50%	2,433,943	1.16%
Stellar Global Shipping	2,359,887	3.40%	2,359,887	1.13%
Broad Oceanway Inc	2,359,887	3.40%	2,359,887	1.13%
Tim Leslie	0	0.00%	20,408,163	9.74%
Edale Capital LLP	0	0.00%	15,092,711	7.20%
Spreadex Ltd	0	0.00%	9,600,000	4.58%
David and Monique Newlands	0	0.00%	6,400,000	3.05%

5.2 The Company's major Shareholders set out above do not have different voting rights from any other holder of Common Shares.

6. Directors

6.1 The beneficial interests of the Directors and persons connected with them in the issued share capital of the Company as at the date of this document and immediately following Admission, such interests being those article 19 of UK MAR requires each Director to notify the Company of, including the interests of PCAs, the existence of which is known or which could, with reasonable diligence, be ascertained by a Director as at the Latest Practicable Date are, and will be, as follows:

Name of Director	Number of Common Shares on the date hereof	Percentage	Number of Common Shares on the date of Admission	Percentage
Marshall Abbott	0	0%	3,579,802	1.71%
Gage Jull	0	0%	3,995,672	1.91%
Anthony Zaidi	0	0%	0	0%
Ravi Sharma	13,370	>0.01%	13,370	>0.01%
Grant Carnie	0	0%	0	0%
Maria Charash Koundina	0	0%	0	0%

6.2 Additionally, upon Admission, the Directors will have the following Warrants as well as Options over Common Shares pursuant to the Stock Option Plan:

Director	Warrants	Aggregate no. of Options granted	Option Exercise Price	Lapse Date
Marshall Abbott	1,789,900	1,200,000	C$0.05	13 April 2030
Gage Jull	1,997,835	1,200,000	C$0.05	20 March 2030
Anthony Zaidi	N/A	Nil	N/A	N/A
Ravi Sharma	N/A	250,000	C$1.15	22 October 2028
		65,000	C$0.31	3 May 2029
Grant Carnie	N/A	Nil	N/A	N/A
Maria Charash Koundina	N/A	Nil	N/A	N/A

6.3 The Directors are unaware of any Director, or a member of a Director's family (as defined in the AIM Rules for Companies), who has a related financial product (as defined in the AIM Rules for Companies) referenced to the Common Shares being admitted to AIM.

6.4 Except as disclosed in paragraphs 6.1 and 6.2 above, none of the Directors nor, so far as they are aware, any persons connected with them have any interest, which would (in the case of connected parties, if such connected person were a Director), would be required to be notified to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules, as if the Disclosure and Transparency Rules applied to the Company and could be required to be entered in the register of directors' interests pursuant to section 809 of the UK Companies Act 2006 if it applied to the Company.

6.5 Except as disclosed in paragraphs 6.1 and 6.2 above, following Admission no Director will, and no person connected with a Director is expected to, have any interest in the share capital of the Company or any of the Subsidiaries (whether legal or beneficial).

6.6 As at the Latest Practicable Date and in so far as is known to the Company, no person or persons, other than as set out in paragraphs 5.1, 6.1 and 6.2, has or will have immediately following the Admission, an interest (whether direct or indirect or joint or several) in three per cent. (3%) or more of the voting rights in the Company which is or would be notifiable to the Company under the Articles.

6.7 The Company is not aware of any person or persons who exercise(s), or could exercise, directly or indirectly, jointly or severally control over the Company, and there are no arrangements known to the Company which may, at a later date, result in a change of control of the Company.

7. Employment Agreements, Letters of Appointment

7.1 *Executive Service Contracts*

(i) *Marshall Abbott*

An employment agreement dated (and effective on) 13 April 2020, pursuant to which Mr. Abbott is employed as CEO, reporting directly to the board of directors, for an indefinite term. His annual base salary is C$200,000. In addition, Mr. Abbott is entitled to receive 1,500,000 options exercisable at C$0.05 per share vesting equally over 1st, 2nd and 3rd anniversary. Five weeks paid vacation and enrolment in Company's group health plans. If the employment is terminated without just cause by the Company or by Mr. Abbott for good cause, then he is entitled to 200% of annual salary plus 15% of that amount as a compensation for lost benefits. If employment is terminated following a change of control of the Company, Mr. Abbott is entitled to the same payment together with a cash bonus equal to an average cash bonus over prior two years. The agreement may be terminated on 60 days' notice by Mr. Abbott and on 90 days' notice by the Company, save where the termination is for cause, in which case it may be terminated without notice. Following termination, customary restrictive covenants apply for a 12-month post termination period.

(ii) *Gage Jull*

An employment agreement dated (and effective on) 19 March 2020, pursuant to which Mr. Jull is employed as Executive Chairman, reporting directly to the board of directors, for an indefinite term. His annual base salary is C$200,000. In addition, Mr. Jull is entitled to receive 1,500,000 options exercisable at C$0.05 per share vesting equally over 1st, 2nd and 3rd anniversary. Five weeks paid vacation and enrolment in Company's group health plans. If the employment is terminated without just cause by the Company or by Mr. Jull for good cause, then he is entitled to 200% of annual salary plus 15% of that amount as a compensation for lost benefits. If the employment is terminated following a change of control of the Company, Mr. Jull is entitled to the same payment together with a cash bonus equal to an average cash bonus over prior two years.

The agreement may be terminated on 60 days' notice by Mr. Jull and on 90 days' notice by the Company, save where termination is for cause, in which case it may be terminated without notice. Following termination, customary restrictive covenants apply for a 12-month post termination period.

7.2 *Non-Executive Directors*

(i) *Grant Carnie*

By way of a letter of appointment dated 9 August 2021, the terms of Mr. Carnie's appointment as Senior Non-Executive Director were confirmed. The letter of appointment provides for Mr. Carnie to retire and seek re-election at each annual general meeting of the Company and is otherwise terminable on one months' notice by either the Company or Mr. Carnie or immediately by the Company in the event that Mr. Carnie is in breach of his obligations. Mr. Carnie is to be paid annual fees of US$50,315 which shall be paid in equal instalments monthly in arrears after deduction of any taxes and other amounts that are required by law. In addition, Mr. Carnie shall be paid an additional fee of US$10,000 in consideration of sitting as Chairperson of the Compensation Committee. Fees to be subject to an annual review (without obligation to increase). In addition to his position as Chairperson of the Compensation Committee, Mr. Carnie will sit on the Reserve Committee. The letter of appointment contains customary provisions in relation to outside interests, confidentiality and post termination restrictions.

(ii) *Maria Charash Koundina*

By way of a letter of appointment dated 15 September 2021, the terms of Ms. Charash Koundina's appointment as Independent Non-Executive Director were confirmed.The letter of appointment provides for Ms. Charash Koundina to retire and seek re-election at each annual general meeting of the Company and is otherwise terminable on one months' notice by either the Company or Ms. Charash Koundina or immediately by the Company in the event that Ms. Charash Koundina is in breach of her obligations. Ms. Charash Koundina is to be paid annual fees of US$50,315 which shall be paid in equal instalments monthly in arrears after deduction of any taxes and other amounts that are required by law. In addition, Ms. Charash Koundina shall be paid an additional fee of US$10,000 in consideration of sitting as Chairperson of the Audit Committee. Fees to be subject to an annual review (without obligation to increase). In addition to her position as Chairperson of the Audit Committee, Ms. Charash Koundina will sit on the ESG Committee. The letter of appointment contains customary provisions in relation to outside interests, confidentiality and post termination restrictions.

(iii) *Anthony Zaidi*

By way of a letter of appointment dated 10 September 2021, the terms of Mr. Zaidi's appointment as Non-Executive Director were confirmed. The letter of appointment provides for Mr. Zaidi to retire and seek re-election at each annual general meeting of the Company and is otherwise terminable on one months' notice by either the Company or Mr. Zaidi or immediately by the Company in the event that Mr. Zaidi is in breach of his obligations. Mr. Zaidi is to be paid annual fees of US$50,315 which shall be paid in equal instalments monthly in arrears after deduction of any taxes and other amounts that are required by law. In addition, Mr. Zaidi shall be paid an additional fee of US$10,000 in consideration of sitting as Chairperson of the ESG Committee. Fees to be subject to an annual review (without obligation to increase). In addition to his position as Chairperson of the ESG Committee, Mr. Zaidi will sit on the Audit Committee. The letter of appointment contains customary provisions in relation to outside interests, confidentiality and post termination restrictions.

(iv) *Ravi Sharma*

By way of a letter of appointment dated 20 August 2021, the terms of Mr. Sharma's appointment as Non-Executive Director were confirmed. The letter of appointment provides for Mr. Sharma to retire and seek re-election at each annual general meeting of the Company and is otherwise terminable on one months' notice by either the Company or Mr. Sharma or immediately by the Company in the event that Mr. Sharma is in breach of his obligations. Mr. Sharma is to be paid annual fees of US$50,315 which shall be paid in equal instalments monthly in arrears after deduction of any taxes and other amounts that are required by law. In addition, Mr. Sharma shall be paid an additional fee of US$10,000 in consideration of sitting as Chairperson of the Reserve Committee. Fees to be subject to an annual review (without obligation to increase). In addition to his position as Chairperson of the Reserve Committee, Mr. Sharma will sit on the Compensation Committee. The letter of appointment contains customary provisions in relation to outside interests, confidentiality and post termination restrictions.

7.3 ***Senior Management***

(i) *Max Satel*

An employment agreement dated (and effective on) 11 June 2020, pursuant to which Mr. Satel is employed as EVP Corporate Development & Investor Relations for an indefinite term, reporting directly to the board of directors. His annual base salary is CAD200,000. In addition, Mr. Satel is entitled to receive 1,125,000 options exercisable at CAD0.05 per share vesting equally over 1st, 2nd and 3rd anniversary. Five weeks paid vacation and enrolment in Company's group health plans. If the employment is terminated without just cause by the Company or by Mr. Satel for good cause then he is entitled to 200% of annual salary plus 15% of that amount as a compensation for lost benefits. If the employment is terminated following a change of control of the Company, Mr. Satel is entitled to the same payment together with a cash bonus equal to an average cash bonus over prior two years. The agreement may be terminated on 60 days' notice by Mr. Satel and on 90 days' notice by the Company, save where termination is for cause, in which case it may be terminated without notice. Following termination, customary restrictive covenants apply for a 12-month post termination period.

(ii) *Joe McFarlane*

An employment agreement dated (and effective on) 13 April 2021, pursuant to which Mr. McFarlane is employed as Chief Financial Officer for an indefinite term, reporting directly to the board of directors. His annual base salary is CAD200,000. In addition, Mr. McFarlane is entitled to receive 1,500,000 options exercisable at CAD0.05 per share vesting equally over 1st, 2nd and 3rd anniversary. Five weeks paid vacation and enrolment in Company's group health plans. If the employment is terminated without just cause by the Company or by Mr. McFarlane for good cause then he is entitled to 200% of annual salary plus 15% of that amount to compensate for lost benefits. If the employment is terminated following a change of control of the Company, Mr. McFarlane is entitled to the same payment together with a cash bonus equal to an average cash bonus over prior two years. The agreement may be terminated on 60 days' notice by Mr. McFarlane and on 90 days' notice by the Company, save where termination is for cause, in which case it may be terminated without notice. Following termination, customary restrictive covenants apply for a 12-month post termination period.

(iii) *Bob Petryk*

An employment agreement dated 1 October 2018, pursuant to which Mr. Petryk was employed as Technical Manager, reporting to the Chief Operating Officer. His current salary is CAD89,676 and he is entitled to all benefit plans that the Company offers to its employees from time to time, and may be paid a discretionary bonus from time to time. In addition, Mr. Petryk is entitled to 300,000 options to be issued in accordance with the terms of the Stock Option Plan. The agreement may be terminated on 30 days' notice by Mr. Petryk and by the Company on written notice, basic salary in lieu thereof (or a combination of the two) of one month, plus one month for each complete year of service, save where termination is for cause, in which case it may be terminated without notice. Following termination, customary restrictive covenants apply for a 12-month post termination period.

(iv) *Phil Miller*

An employment agreement dated 1 October 2018, pursuant to which Mr. Miller was employed as Vice President-Exploration, reporting to the Chief Operating Officer. His current salary is CAD99,197 per annum and he is entitled to all benefit plans that the Company offers to its employees from time to time, and may be paid a discretionary bonus from time to time. In addition, Mr. Miller is entitled to 500,000 options to be issued in accordance with the terms of the Stock Option Plan. The agreement may be terminated on 30 days' notice by Mr. Miller and by the Company on written notice, basic salary in lieu thereof (or a combination of the two) of one month, plus one month for each complete year of service, save where termination is for cause, in which case it may be terminated without notice. Following termination, customary restrictive covenants apply for a 12-month post termination period.

7.4 Save as set out in this paragraph 7, there are no existing or proposed service agreements between any of the Directors and the Company in the last six (6) months.

7.5 Other than payment of fees and benefits in lieu of notice the Directors' service contracts and letters of appointment do not provide for benefits upon termination of employment.

7.6 The aggregate remuneration paid and benefits in kind granted (including share based compensation) to the Directors and key management for the financial year ended 31 December 2020 was US$1,616,918. It is estimated that the aggregate remuneration payable to the Directors for the current financial year will amount to approximately US$668,317.

8. Additional Information on the Directors

8.1 Other than their directorships of the Company, the Directors hold or have held the following directorships and/or interests in partnerships within the five (5) years preceding the date of this document:

Director	Current directorship/partnership	Past directorship/partnership
Marshall Abbott	Calgary Public Library Foundation Ann and Sandy Cross Conservation Area	Rampart Oil Inc Bernum Exploration Inc Iron Bridge Resources Calgary Glencoe Golf and Country Club
Gage Jull	Bordeaux Capital Inc. TRYP Therapeutics Inc.	Mackie Research Capital Corporation Aldridge Minerals Premier Marine
Anthony Zaidi	Canacol Energy	Valle Medio Energy S.A. Brazalta Panama S.A. Culver Assets Inc. Canacol Energy Argentina Inc. CNE Oil & Gas S.A. CNE Energy Argentina S.A. Emermar Inc. Compania Operadora Para Oriente Capital Inc Cesca International Investments Inversiones M&Z Lt, Corp Cesca Oil & Gas Inc. Cano Totumos Global Inc
Ravi Sharma	Canacol Energy	
Grant Carnie	SFC Energy	Frostwood Energy USA Sedalia Energy USA Armor Energy USA Tabula Raza USA Bernum Canada Rampart Canada Tuzo Energy Canada

Director	Current directorship/partnership	Past directorship/partnership
Maria Charash Koundina	Dalisa Associated Ltd	Alisa Associates Ltd Orchard Utilities Limited Orchard Water Limited World Fuel Capital Limited World Fuel PG Trading Limited Orchard (Holdings) UK Limited WFS UK Holding Company II Limited Kinect Energy UK Limited Tramp Holdings Limited Tramp Group Limited Kinect Energy Germany GBMH Kinect Energy AS Avinode Aktiebolag Avinode Group AB PayNode AB Schedaero AB
Maria Charash Koundina *(Continued)*		Kinect Energy Sweden Amelia Holding AB Kinect Energy Sweden AB Kinect Energy Netherlands B.V. Kinect Energy Green Services AS Kinect Energy Markets AS Kinect Energy Spot AS Kinect Energy Denmark A/S Kinect Energy France Sarl Kinect Energy Hungary Kft Kinect Energy AS – Finland Branch Representative Office of World Fuel Services Europe Ltd. World Fuel Services CZ s.r.o.

8.2 None of the Directors has:

(i) any unspent convictions in relation to indictable offences;

(ii) had a bankruptcy order made against him or made an individual voluntary arrangement;

(iii) been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary arrangement or made any composition or arrangement with its creditors generally or of any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;

(iv) been a partner in a partnership which has been placed in compulsory liquidation, administration or made a partnership voluntary arrangement whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;

(v) had any asset placed in receivership or any asset of a partnership in which he was a partner placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership; or

(vi) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8.3 There are no potential conflicts of interest between any duties to the Company of the Directors and their private interests or their other duties.

8.4 No Director has or has had any interest in any transaction which is or was significant in relation to the business of the Company and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

8.5 No loans or guarantees have been granted or provided to or for the benefit of the Directors by the Company.

9. Articles and By Laws of the Company

Objects

The Articles do not restrict the objects and purposes of the Company. There are no restrictions on the business of the Company or on the powers the Company may exercise.

The following is a summary of the main matters set out in the Articles:

Financial Year End

The by-law provides that the financial year end of the Company will end on such date of each year as the directors determine.

Execution of documents

Contracts and other documents may be signed on behalf of the Company by any two directors or officers or by such other persons as the directors may authorise from time to time.

Banking and borrowing

Banking and borrowing may be transacted with such banks and institutions as the directors determine.

Directors

Meetings of directors may be held in Alberta or outside of Alberta and may be called by the Chairman, the president, the CEO or any one of the directors. Notice shall be given at least 24 hours before the time of any meeting although the directors may waive irregularities in the calling of any meeting. Quorum shall be a simple majority of directors and a quorum may exercise all the powers of the board. With the consent of the board, directors may participate in a meeting by telegraphic, electronic or other means. All questions shall be decided by a majority of votes cast and the chair of the meeting is not entitled to a second or casting vote. Remuneration shall be as determined by the board of directors.

The board of directors may establish one or more committees and delegate such powers to such committees as permitted under the ABCA.

The board of directors may appoint such officers as they deem appropriate although no person may be chair of the board unless such person is a director. The directors may remove any person as an officer from time to time without prejudice to such person's rights under any employment agreement.

Subject to the limitations under the ABCA, no director is liable for the acts of any other director or any loss, damage or misfortune which may happen in the execution of the duties of his or her office. The Company will indemnify any director or officer of the Company to the fullest extent of the law and may execute such agreements as necessary to give evidence to this indemnification.

Only persons who are nominated in accordance with the procedures set out in the by-laws are eligible for election as directors. The procedures include requiring that directors nominated by Shareholders must be disclosed to the secretary of the Company not less than 30 days prior to the date of the annual meeting at which directors are to be elected. The by-laws contain specific procedures that must be followed in providing such notice.

Shareholders' Meetings

Meetings of the Shareholders will be held on the date, and at the time and place, as the directors may determine and may be held in Alberta or such other jurisdiction as the directors determine.

Meetings of the Shareholders may be held by telegraphic, electronic or other means that allow all participants to communicate adequately with each other. All persons will be deemed to be present in person.

Meetings of the Shareholders may be held using "notice and access" procedures or the equivalent and in compliance with applicable securities laws.

Only the Shareholders entitled to vote at the meeting are entitled to be present at meetings of shareholders. Quorum shall be holders of at least 5% of shares entitled to vote and not less than two persons present in person or by proxy. Any proxies shall comply with the ABCA and other applicable rules under Canadian securities laws. The chair of the meeting will conduct the meeting and determine procedures to be followed at the meeting. Voting shall be conducted by a show of hands unless a ballot is demanded. All matters shall be determined by a majority vote except where applicable law establishes an alternative threshold. The chair shall not be entitled to a second or casting vote.

Securities

Securities of the Company may be certificated or uncertificated. The Company may appoint one or more agents to maintain a central securities register and one or more branch registers.

Transferability

The Common Shares are freely transferrable.

Redemption and conversion

The Common Shares have no specific rights of redemption or conversion.

Voting

Each Common Share carries the right to one vote at a general meeting of the Company.

Liquidation

Each Common Share affords its holder the right to share ratably with other Shareholders in the residual property of the Company in the event of liquidation, dissolution or winding-up of the Company.

Dividends

Dividends or other distributions may be paid to the holders of the Common Shares on a pro rate basis by cheque or other electronic means as the directors may determine. To the extent permitted by law, any unclaimed dividend or distribution that has been unclaimed for two years is forfeited and will revert to the Company. There are no specific fixed dates on which the entitlement to dividends will arise in respect of the Common Shares, nor any specific rate of dividend or method of its calculation.

Notices

Notices shall be given to persons' recorded addresses. The directors may establish procedures to give notice by other means as permitted by the Act. Where notice must be given for a specified number of days the date of giving the notice is excluded and the date of the meeting or event is included.

Disclosure of Interests

The board may require any person whom the board knows or believes to be interested in shares of the Company to give such further information as specified in Part 11 of the by-laws. Where such person has been delivered a disclosure notice and fails to respond for 14 days the shares may be considered to be “default shares” and subject to restrictions such as the loss of entitlement to vote, receive dividends or transfer such shares.

The Company is a non-DTR company as defined in the AIM Rules. Consequently, in order to ensure compliance with the AIM Rules, the Articles require that, for so long as the Company is admitted to AIM, the provisions of DTR5 shall be deemed to be incorporated by reference. Specifically, all Shareholders holding (directly or indirectly) 3 per cent. or more in the Company must notify the Company without delay (and in any event within 2 trading days) of any changes to their holding which increase or decrease such holding by any single percentage.

10. Corporate Governance

The Corporate Governance practices of the Company are outlined in detail in paragraph 15 of Part I of this document.

11. UK Taxation

11.1 *General*

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current practice of Her Majesty’s Revenue and Customs (“**HMRC**”) as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and in the case of individual Shareholders resident and domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment (other than under an individual savings account), and who are the absolute beneficial owners of both their Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) or trustees and beneficiaries as regards shares held in trust is not considered.

Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult his or her own professional advisers.

11.2 *Taxation of Chargeable Gains*

UK tax resident Shareholders

Disposals

If a Shareholder sells or otherwise disposes of all or some of the Shares, he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to Capital Gains Tax (“**CGT**”). An individual Shareholder is entitled to a capital gains tax-free allowance per tax year (£12,300 for 2021/22) and will be subject to CGT on gains realised in excess of this allowance.

An individual Shareholder who is subject to tax at the higher rate will be liable to CGT at the rate of 20% (for 2021/22) to the extent that such sum, when treated as the top slice of the Shareholder’s income, falls above the threshold for higher rate tax.

An individual Shareholder who is liable to tax at the additional rate will be liable to CGT at a rate of 20% (for 2021/22).

UK tax non-resident Shareholders

A Shareholder who is not resident for tax purposes in the UK will not generally be subject to CGT on a disposal of Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired.

Such Shareholders may be subject to foreign taxation on any gain under the local law.

An individual Shareholder who has ceased to be resident for tax purposes in the UK for a period of less than five tax years and who disposes of all or part of his Shares during that period may be liable to CGT on his return to the UK, subject to available exemptions or reliefs.

11.3 ***Taxation of Dividends***

Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

Dividends paid to UK tax resident shareholders will generally be subject to a 15% withholding tax in Canada.

An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a dividend tax-free allowance per tax year (£2,000 for 2021/22) and will be subject to income tax on dividends received over and above this allowance.

An individual Shareholder who is subject to income tax at the higher rate will be liable to income tax on the gross dividend at the rate of 32.5% (for 2021/22) to the extent that such sum, when treated as the top slice of the Shareholder's income, falls above the threshold for higher rate income tax.

An individual Shareholder who is resident for tax purposes in the UK and who is liable to tax at the new "additional" rate will be liable to tax on the gross dividend at the rate of 38.1% (for 2021/22).

Under the Canadian and UK tax treaty, an individual Shareholder should be able to obtain credit for the Canadian withholding tax suffered on the dividend when paying UK income tax on the dividend.

A corporate Shareholder (within the charge to UK Company tax) which is a 'small company' for the purposes of the UK taxation of dividends legislation will not generally be subject to UK Company tax on dividends from the Company, on the basis the payer is resident in a 'qualifying territory' at the time the dividend is received, as long as the payer also meets the necessary conditions. A 'qualifying territory' for these purposes is, *inter alia*, any territory with which the UK has a double tax treaty that has an appropriate non-discrimination clause, and this includes Canada.

Other corporate Shareholders (within the charge to UK Company tax) will not be subject to tax on dividends from the Company provided the dividends fall within an exempt class and certain conditions are met.

Corporate shareholders will not be entitled to any relief for withholding tax suffered on dividends that are not subject to UK taxation.

A Shareholder resident outside the UK may be subject to foreign taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

11.4 ***UK Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

No stamp duty or SDRT will arise on the issue or allotment of new Shares by the Company given that the shares will be admitted to AIM.

11.5 ***Subsequent transfers***

No UK Stamp duty should in practice be payable on an instrument transferring Shares and no charge to SDRT should also arise on an unconditional agreement to transfer Shares while the Company does not maintain a register in the UK.

No charge to SDRT should arise on an unconditional agreement to transfer a depositary interest in Shares while they satisfy the requirements of the SDRT (UK Depositary Interest in Foreign Securities) Regulations 1999.

12. Canadian Taxation

12.1 ***General***

The following is a summary of the principal Canadian federal income tax considerations generally relevant to Shareholders who, at all relevant times, for purposes of the Income Tax Act (Canada) the ("**Canadian Tax Act**"): (i) are not resident in Canada and are not deemed to be resident in Canada; (ii) do not use or hold, and are not deemed to use or hold, Common Shares in connection with carrying on a business in Canada; and (iii) hold their Common Shares as capital property. Generally, the ownership of shares will be considered to be capital property to a holder unless the holder holds or uses the shares or is deemed to hold or use the shares in the course of carrying on business of trading or dealing in securities or has acquired them or deemed to acquire them in a transaction or transactions considered to be an adventure or concern in the nature of trade. As noted, we assume a shareholder holds their shares as capital property.

Shareholders who meet all of the foregoing requirements are referred to in this summary as "non-resident Shareholder" and this summary applies only to such non-resident Shareholders. Special rules, which are not discussed in this summary, may apply to a non-resident Shareholder that is an insurer that carries on business in Canada and elsewhere or an "authorised foreign bank" as defined in the Canadian Tax Act. Any such "non-resident Shareholder" should consult their own tax advisers.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations thereunder, the current provisions of the Canada-United Kingdom Income Tax Convention (the "**UK Treaty**"), and the Company's counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available in writing prior to the date hereof. This summary also takes into account specific proposals to amend the Canadian Tax Act announced prior to the date hereof by or behalf of the Minister of Finance (Canada) (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, governmental, administrative or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations.

This summary is of a general nature only and is not, and is not to be construed as, legal or income tax advice to any particular non-resident Shareholder. Each non-resident Shareholder is urged to obtain independent tax advice as to the Canadian income tax consequences of an investment in Common Shares applicable to the non-resident Shareholder's particular circumstances.

12.2 ***Taxation of Dividends***

Any dividend on a Common Share that is paid or credited, or deemed to be paid or credited, by the Company to a non-resident Shareholder will be subject to Canadian withholding tax at the rate of 25 per cent. of the gross amount of the dividend. The rate of withholding tax may be reduced under the provisions of an applicable income tax convention between Canada and the country in which the non-resident Shareholder is resident for tax purposes. Pursuant to the UK Treaty, the rate of withholding tax applicable to a dividend paid (or deemed to be paid) on a Common Share to a non-resident Shareholder who is a resident of the United Kingdom for purposes of the UK Treaty (a "**UK Shareholder**") will generally be reduced to 15 per cent. of the gross amount of the dividend (or 5 per cent. in the case of a UK Shareholder that is a company that controls, directly or indirectly, at least 10 per cent. of the voting power of the Company). The Company will be required to withhold any such tax from the dividend paid or credited to the non-resident Shareholder and will remit the withheld tax directly to the Receiver General for Canada for the account of the non-resident Shareholder. The reduced rate of withholding tax is only applicable to a UK Shareholder that is entitled to all benefits provided under the UK Treaty.

12.3 ***Taxation of Capital Gains***

A non-resident Shareholder generally will not be subject to tax under the Canadian Tax Act on any capital gain realised by the non-resident Shareholder on a disposition (or deemed disposition) of a Common Share unless the Common Share constitutes "taxable Canadian property" to the non-resident Shareholder for purposes of the Canadian Tax Act. Provided that the Common Shares are listed on a "designated stock exchange" as defined in the Canadian Tax Act (which includes tiers 1 and 2 of the TSX-V), the Common Shares generally will not constitute taxable Canadian property to the non-resident Shareholder unless at any time during the 60 month period immediately preceding the disposition: (i) the non-resident Shareholder, persons with whom the non-resident Shareholder does not deal at arm's length, or partnerships in which the non-resident Shareholder, or a person with whom the non-resident Shareholder does not deal at arm's length, holds a membership interest directly or indirectly through one or more partnerships, owned 25 per cent or more of the issued shares of any class of the capital stock of the Company; and (ii) more than 50 per cent of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Canadian Tax Act, "timber resource properties" (as defined in the Canadian Tax Act) or options in respect of, or interests in, or for civil law rights in, such property whether or not such property exists. Further, Common Shares may be deemed to be taxable Canadian property to a non-resident Shareholder for purposes of the Canadian Tax Act in certain circumstances.

Any non-resident Shareholder that would otherwise be subject to Canadian income tax on a capital gain realised on a disposition of a Common Share that constitutes taxable Canadian property to the non-resident Shareholder may be eligible for relief pursuant to an income tax convention between Canada and the country in which the non-resident Shareholder is resident for tax purposes. Non-resident Shareholders who may hold Common Shares as "taxable Canadian property" should consult their own tax advisors.

13. Working Capital

The Directors, having made due and careful enquiry, are of the opinion that the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

14. Litigation

14.1 John Newman v. Arrow – Oppression Action

On February 28, 2020, John Newman, then CFO of Arrow, filed an Originating Application in the Court of Queen's Bench of Calgary against Arrow and the then members of the Arrow Board, alleging Arrow and its directors acted oppressively as it relates to the treatment of a debt owing to Canacol Energy Ltd. Canacol was Arrow's largest creditor. The relief sought by Newman included: (1) adjourning the AGM set for March 19, 2020; (2) appointing a committee of independent directors to deal with the Canacol debt; (3) varying the terms of any contract between Canacol and Arrow to remove any change of control provision; and (4) directing no steps be taken by Arrow to terminate or dismiss Newman as CFO. Newman did not pursue this application and the relief is arguably no longer valid as: (1) the AGM proceeded on March 19, 2020 and a new Arrow Board was voted in; (2) a new Board was voted in at the last Board meeting and there has been a change in management, which changes have lessened the perception that Canacol has influence in Arrow's business affairs; (3) the change of control provision was removed from the agreement between Canacol and Arrow; and (4) Newman's employment as CFO was terminated.

John Newman v Arrow – Wrongful Termination Claim

On August 31, 2020, Newman filed a claim against Arrow in the Court of Queen's Bench of Calgary, alleging his April 24, 2020 termination was unlawful and done in retaliation for filing the oppression action. Newman is claiming C$533,250 in damages, plus costs and interest. Arrow issued a Counterclaim alleging Newman was fired for cause and his wrongful conduct caused Arrow damages in an amount not yet quantified. The parties have exchanged documents and are in the process of scheduling oral discoveries. At this point in time, it is not yet known whether the claim and/or counterclaim could be successful at trial. Lawsuit filed by Newman.

14.2 Save as disclosed in paragraph 14.1 above, no member of the Group is (and has not been) engaged in any governmental, legal or arbitration proceedings, which may have, or have had, a significant effect on the Group's financial position or profitability during the 12 months preceding the date of this document and, so far as the Directors are aware, there are no proceedings which are pending or threatened against any member of the Group.

15. Significant Change

Except for the transactions, agreements and trading updates referred to in this Document, there has been no significant change in the financial position or financial performance of the Group since 30 June 2021, being the date to which the Historical Financial Information of the Company and the Group as set out in Part IV of this Document was prepared.

16. Material Contracts of the Group

The following material contracts within the meaning of the AIM Rules and AIM Note for Mining and Oil & Gas Companies dated June 2009, have been entered into by members of the Group or are other contracts that contain certain provisions under which a member of the Group has an obligation or entitlement which is material to that member of the Group as at the date of this document:

16.1 In April 2019, Arrow entered into definitive agreements to sell certain non-core assets in Colombia for an aggregate sale price of $5 million.

16.2 In December 2020, the Company announced the closing of the sale of the Llanos 23 block to COG Energy Ltd. for aggregate proceeds of approximately $12 million.

16.3 ***Canacol arrangements***

On 1 June 2018, the Company entered into a definitive arrangement agreement with Arrow Exploration Ltd (the "Arrangement Agreement") and agreed to complete a business combination (the "Arrangement") by way of reverse takeover pursuant to a plan of arrangement under the ABCA whereby the Corporation's wholly-owned subsidiary, 2010461 Alberta Ltd., would amalgamate with Arrow Exploration Ltd to form a new amalgamated subsidiary, Arrow Holdings Ltd. ("Arrow Holdings"), immediately following which the Company would effect a name change and a share consolidation of 8.5:1 (the "Consolidation"). Pursuant to the Arrangement, each Common Share of Arrow Exploration Ltd would be exchanged for 8.5 Common Shares and Arrow would complete the acquisition of Carrao Energy S.A. ("Carrao") as well as the acquisition of a 50% beneficial interest in the Tapir block in Colombia's Llanos Basin (the "Tapir Purchase").

On 31 May 2018, the Company and Canacol entered into a share purchase agreement (the "**Carrao Agreement**"), pursuant to which it was agreed that the Company would acquire all of the outstanding shares of Carrao prior to the Arrangement, for consideration of $20 million in cash and $20 million in new Common Shares. On 27 September 2018, following certain amendments to the terms of the Carrao Agreement, including that the consideration payable was amended to $15 million in cash, a $5 million promissory note and $20 million in new Common Shares, subject to adjustments. Arrow closed the Carrao Agreement for a preliminary purchase price of $38 million, plus working capital adjustments. The Promissory Note is unsecured, bears interest at 15% per annum and was due on 28 January 2019. Pursuant to the Carrao Agreement, in the event the proved plus probable reserves on the assets acquired via Carrao are doubled within five years, a further $5 million payment will have to be made to Canacol.

Arrow executed a Fourth Amended and Restated Promissory Note, effective 19 March 2020, in the amount of $5,000,000 in favour of Canacol Energy Ltd. The note was amended to provide that: (i) on or before April 1, 2021, Arrow will pay accrued and outstanding interest being $628,767 together with accrued interest on such sum at 15% per annum and (ii) interim interest payments calculated from December 31, 2019; and (iii) starting April 1, 2021, will make equal monthly payments over a six-month period so that all liabilities are repaid by September 1, 2021. Amendment also removes requirement that Arrow have two Canacol nominees on its board of directors.

Arrow executed a fifth Amended and Restated Promissory Note, effective July 31, 2020, which eliminated the requirement to appoint two Canacol nominees to the board of directors of Arrow and waived change of control restrictions with respect to the 2020 annual general meeting. The note is fully repayable upon sale of the material assets, including Llanos 23. The note also provides for security over Panamanian subsidiaries.

Arrow executed a Sixth Amended and Restated Promissory Note, dated May 18, 2021, which provided for repayment of initial $5,000,000 as well as $1,026,166 in accrued out outstanding interest. The amended note also provides that Arrow will assume certain obligations relating to pipeline costs and transportation in the amount of approximately $1.4 million. The note bears interest at 15%. The note becomes repayable as follows:

(i) if the Corporation does not complete a successful financing by September 30, 2021, then the note is payable as to $1,600,000 on July 30, 2022 and $1,600,000 on December 30, 2022 with the balance of the financial obligations payable in shares at market price based on 5 day VWAP; and

(ii) in the event of a successful financing, then $3,200,000 will be paid within 15 days and the balance shall be paid in cash or shares at Arrow's election. Obligations will be increased by the additional pipeline and transportation costs.

Arrow and Canacol have agreed to execute prior to Admission a Seventh Amended and Restated Promissory Note which will provide for, subject to Admission:

(i) repayment in cash of an amount equal to US$3.15m before 31 October 2021;

(ii) repayment of 50% of the outstanding balance of principal and interest at the time of repayment in cash on 31 December 2022; and

(iii) repayment of the remaining outstanding balance in cash on 30 June 2023.

On 20 October 2021, the Company and Canacol entered into the Canacol Subscription pursuant to which, subject to Admission, Canacol will subscribe at the Issue Price for 36,715,205 new Common Shares and be granted 18,357,602 Warrants.

A share pledge was executed by John Francis Scott acting as legal representative of Carrao Energy, S.A. pledging 1000 shares owned by Arrow Holdings Ltd to whoever the Holder (Canacol Energy Ltd.) designates all in accordance with the fifth amendment of the promissory note. Share pledge is supported by a shareholder resolution approving the transfer.

A share pledge was executed by John Francis Scott acting as legal representative of Samaria Llanos Exploration, S.A. pledging 100 shares owned by Carrao Energy, S.A. to whoever the holder (Canacol Energy Ltd.) designates, all in accordance with the fifth amendment of the promissory note. Share pledge is supported by a shareholder resolution approving the transfer.

Arrow executed a General Security Agreement dated December 31, 2019 in favour of Canacol Energy Ltd. The GSA is in support of indebtedness incurred under the third amended and restated promissory note and covers all present and after acquired personal property of the borrower. Canacol agrees in the GSA to subordinate its interest in the event of a financing from an alternate creditor.

16.4 ***Samaria Exploration & Production S.A.***

On 31 May 2018, Arrow Exploration Ltd. and Samaria Exploration & Production S.A. ("Samaria E&P") entered into a purchase and sale agreement (the "Samaria Agreement"), pursuant to which the Company would acquire a fifty percent participating interest in the Tapir Association Contract immediately following the closing of the Carrao Agreement and immediately prior to the Arrangement for consideration of $10 million in Common Shares.

On 27 September 2018, following certain amendments to the terms of the Samaria Agreement, including that the consideration payable was increased by an additional 500,000 Arrow shares payable, Arrow closed the Samaria Agreement for total consideration of 11,799,435 Arrow shares. Pursuant to the Samaria Agreement, in the event there is a commercial discovery declared at Rio Cravo Este during the term of the existing contract, Arrow shall pay a $500,000 bonus payment to Samaria E&P.

16.5 ***Offtake arrangements***

On 31 May 2018, Arrow Exploration Ltd. and Samaria Exploration & Production S.A. ("Samaria E&P") entered into a purchase and sale agreement (the "Samaria Agreement"), pursuant to which the Company would acquire a fifty percent participating interest in the Tapir Association Contract immediately following the closing of the Carrao Agreement and immediately prior to the Arrangement for consideration of $10 million in Common Shares.

On 27 September 2018, following certain amendments to the terms of the Samaria Agreement, including that the consideration payable was increased by an additional 500,000 Arrow shares payable, Arrow closed the Samaria Agreement for total consideration of 11,799,435 Arrow shares. Pursuant to the Samaria Agreement, in the event there is a commercial discovery declared at Rio Cravo Este during the term of the existing contract, Arrow shall pay a $500,000 bonus payment to Samaria E&P.

16.6 ***Property lease***

By way of a lease between the Company and Aspen Properties (150 9 Avenue SW) Ltd. dated 31 October 2018, the Company leased over approximately 4,110 square feet on the ninth floor of the building located at 150 9th Avenue SW. The lease is for a five-year term, from 1 June 2019 to 31 May 2024, at a base rate for the remaining term of $22.00 per square foot. On 6 February 2019, the lease was amended to provide for expiry on 30 June 2024 and on 9 June 2020, a revised lease in a new building was entered into over 1496 rentable square feet at same base rent.

16.7 ***Los Picachos JOA***

Pursuant to the terms of a joint operating agreement in respect of the Los Picachos block dated 29 June 2018 between Carrao, Hupecol Operating Company LLC and Houston American Energy Corp., the participating interests of the parties in the Los Picachos block are:

- Hupecol 50%;
- Houston American 12.5%;
- Carrao 37.5%.

The agreement governs the parties' respective rights and obligations with respect to their operations under the Picachos E&P Contract. According to the JOA, Hupecol was designated as operator.

The JOA is based on the AIPN model and is governed by the laws of England and Wales.

Per clause 5.9 of the JOA, all decisions, approvals and other actions of the Operating Committee on all proposals coming before it shall be decided by the affirmative vote of two or more parties which are not affiliates having collectively at least 65% of the Participating Interests. However, the following decisions shall be taken only upon unanimous vote of the parties:

– Amendment or voluntary termination of the E&P Contract;

– Amendment to the JOA;

– Unitisation of the contract area with another area;

– Modification of a development plan; and

– Agreements with third parties for use of Joint Property (as defined in the JOA).

Per clause 12 of the JOA, any assignment of the participating interest under the agreement will require each of the other parties not transferring its participating interest consenting in writing to the transfer. Prior consent will not be required for a transfer to an affiliate if the transferring party agrees in an instrument reasonably satisfactory to the other parties to remain liable for its affiliate's performance under the JOA.

No transfer shall be made by any party which results in the transferor or transferee holding a participating interest of less than 15%.

Additionally, a party subject to change in control (direct or indirect) shall provide evidence reasonably satisfactory to the other parties that following the change in control such party shall continue to have the financial capability to satisfy its payment obligations under the JOA. If the party fails to prove such evidence, the other parties may require such party to provide security satisfactory to the other parties with respect to its participating interest share of any obligations and liabilities that the parties may reasonably be expected to incur under the E&P Contract or the JOA. There are no preemptive rights in favour of Hupecol or Houston American in case of a transfer of the Participating Interest of Carrao under the JOA or a change in its control.

16.8 ***Ombú block JOA***

On 28 July 2009, Emerald and Canacol entered into a Joint Operating Agreement to define and rule their respective rights and obligations with respect to their operations under the Ombú E&P Contract. The participating interests were 90% Emerald and 10% Canacol. Emerald was designated and remains as operator.

Subsequently, on 13 April 2018, Canacol Energy assigned its participating interests in the Ombú block JOA to Shona Energy.

On September 1, 2018, by means of Amendment No. 2 to the Ombú block JOA, Shona Energy assigned its entire participating interests in the Ombú block JOA in favour of Carrao.

16.9 *Macaya JOA*

Pursuant to the terms of a joint operating agreement in respect of the Los Picachos block dated 31 August 2018 between Carrao, Hupecol Operating Company LLC and Houston American Energy Corp., the participating interests of the parties in the Macaya block are:

- Hupecol 50%;
- Houston American 12.5%;
- Carrao 37.5%.

The agreement governs the parties' respective rights and obligations with respect to their operations under the Macaya E&P Contract. According to the JOA, Hupecol was designated as operator.

The JOA is based on the AIPN model and is governed by the laws of England and Wales.

Pursuant to the JOA, all decisions approvals and other actions of the Operating Committee on all proposals coming before it shall be decided by the affirmative vote of two or more parties which are not affiliates having collectively at least 65% of the Participating Interests. However, the following decisions shall be taken only upon unanimous vote of the parties:

– Amendment or voluntary termination of the E&P Contract;

– Amendment to the JOA;

– Unitization of the contract area with another area;

– Modification of a development plan; and

– Agreements with third parties for use of Joint Property (as defined in the JOA).

Additionally, any assignment of the participating interest under the agreement will require each of the other parties not transferring its participating interest consenting in writing to the transfer. Prior consent will not be required for a transfer to an affiliate if the transferring party agrees in an instrument reasonably satisfactory to the other parties to remain liable for its affiliate's performance under the JOA.

No transfer shall be made by any party which results in the transferor or transferee holding a participating interest of less than 15%.

Additionally, a party subject to change in control (direct or indirect) shall provide evidence reasonably satisfactory to the other parties that following the change in control such party shall continue to have the financial capability to satisfy its payment obligations under the JOA. If the party fails to prove such evidence, the other parties may require such party to provide security satisfactory to the other parties with respect to its participating interest share of any obligations and liabilities which the parties may reasonably be expected to incur under the E&P Contract or the JOA. There are no preemptive rights in favour of Hupecol or Houston American in case of a transfer of the Participating Interest of Carrao under the JOA or a change in its control.

16.10 ***Tapir PSA and ancillary documents***

Purchase and Sale Agreement dated 31 May 2018, as amended by a letter agreement dated 21 August 2018 between the Company and Samaria E&P for the transfer of certain rights related to the Tapir block, which provides:

- Samaria E&P agreed to cause Petrolco to transfer to Arrow or its nominee its 50% interest the Tapir block and certain other miscellaneous/ancillary assets (the "Purchased Interests"), subject to the consent of Ecopetrol;
- The parties agreed that in the event that Ecopetrol rejected the transfer of the fifty per cent. Participating Interest in the Tapir Association Contract to Samaria, or did not approve such transfer on or before December 30, 2018, Arrow would have the right to request the transfer by Samaria E&P to Arrow or its nominee, free of charge, of 100% of the shares in Centurio (the "Centurio Shares") and/or 100% of the shares in Red River (the "Red River Shares") to Arrow or its nominee within 30 days following its written notice to this effect;
- In furtherance of the above, two pledge agreements were executed on September 27, 2018 between Samaria E&P and Arrow whereby Samaria E&P pledged to Arrow the Centurio Shares and the Red River Shares (the "Pledges");
- In the event that Ecopetrol rejected the transfer of the Purchased Interest or did not approve it before 30 December 2018, Arrow would have the right to enforce both Pledges, such date subsequently extended (on 14 February 2019) to 30 June 2019;
- Under the Tapir PSA, Arrow elected to acquire the Purchased Interests by way of the acquisition of 100% of the shares of a special purpose vehicle established by Samaria E&P which was Samaria Llanos, to which the Purchased Interests would be assigned by Petrolco (subject to Ecopetrol's consent);
- At Closing of the Tapir PSA, Petrolco and Samaria executed several other agreements to govern their relationships in the interim period between the closing under the Tapir PSA and Ecopetrol´s approval of the assignment, including:
  - An Interim Operating (Mandate) Agreement whereby Petrolco agreed, in its own name and for the benefit of the Samaria, independently and without representation, to continue acting and appearing before Ecopetrol as the holder of record of the Purchased Interest and Operator, performing promptly and diligently, in compliance with Petrolco's instructions any acts that may be necessary to maintain the Tapir Association Contract in effect and especially, to perform all instructions given by Samaria regarding the Tapir Association Contract as well as any other activities instructed by Samaria whose timely performance is necessary for its execution. This mandate was superseded by the Joint Operating Agreement referred to below;
  - A Joint Operating Agreement dated 25 September 2018 and governing the private relationship between Samaria Llanos as the assignee of a fifty percent Private Contractual Interest in the Tapir Association Contract (pending approval of the assignment of a Participating Interest in the Tapir Association Contract by Ecopetrol) and Petrolco as the owner of record of the remaining (fifty percent) interest in the Tapir Association Contract. As between the Parties, Samaria Llanos (Arrow) was designated as operator;
  - An Ownership Grant agreement dated 27 September 2018 whereby Petrolco accepts and acknowledges that, following the closing date Arrow, directly or through its nominee shall own a 50% beneficial interest in the Tapir Association Contract and that Petrolco shall hold that interest in trust for the benefit of Arrow or its nominee and shall act as operator of record of the Tapir Contract.

16.11 ***Rio Cravo Este Well Joint Operating Agreement ("JOA") and ancillary arrangements***

In development of the Rio Cravo Este Well JOA, Petrolco (on behalf of Arrow/Samaria Llanos) carried out the drilling and completion of the RCE-1 exploratory well in the Tapir block and, as a result, Samaria complied with the carry obligations set out in the JOA in favour of Petrolco.

16.12 ***Agreement for the re-initiation of activities***

Pursuant to an agreement for the re-initiation of activities dated 1 December 2020, the parties recognised that:

- Samaria exceeded the value of the carry obligations under the Tapir PSA;
- Petrolco paid all amounts according to its participating interests and also paid certain amounts to suppliers on behalf of Samaria Llanos for the operation of the RCE-1 well for equal to USD 644,251.13;
- Under the terms of the Operating Agreement executed between the Parties on 25 September 2018, Samaria must pay a monthly sum of $6,000 in favour of Petrolco, payment pending since December 2019;
- To that extent, the parties reached an agreement with the purpose of netting accounts between them and establishing the conditions under which the production activities of the RCE-1 would restart on December 1, 2020;

Additionally, the parties agreed to the following:

- Limit operating costs of restarting production of the RCE-1 well to those established in Annex 1 of the Agreement for the re-initiation of activities;
- Samaria will conduct a market survey, whose parameters and invitees will be previously agreed with Petrolco, regarding the well services, as well as the most relevant services for the RCE-1 well within a period of no more than 3 months from the restart date;
- In order to guarantee the priority payment of Opex, royalties and taxes related to the RCE-1 well, the parties agreed to establish an administration and payment trust in which the parties will deposit all the funds received for the sale of crude oil, in such a way that the trust executes the Opex payments, taxes and royalties that are instructed by the parties;
- Taking into account the international drop in the price of crude oil that has affected the oil and gas industry during 2020, the parties agreed that as of the restart date and for a term of six (6) months, Petrolco's shall allocate 50% of the income from the sale of crude oil to the reimbursement of the carry in favour of Samaria, up to the sum of USD 3,000,000;
- Subsequently, by means of amendment No. 1 to the Agreement for the re-initiation of activities, the parties agreed that the amounts to be deposit in the trust fund would be made in proportion to the participating interests of each party in the Contract. Additionally, the parties acknowledged that the pending payment in favour of Samaria was settled by Petrolco with the payment to contractors.

16.13 ***Tapir Association Contract***

The Tapir Association Contract was originally entered into between Heritage Colombia and Ecopetrol. As a result of subsequent assignments, Petrolco became the holder of a 50% Participating Interest in the Tapir Association Contract, as recognised by Ecopetrol in the extension amendment to the Tapir Association Contract dated December 12, 2016.

The following are the main provisions agreed under the extension amendment to the Tapir Association Contract:

(i) Petrolco will conduct exploration and production activities in the Tapir Block, assuming 100% of the costs and investments and in consideration will pay to Ecopetrol an amount in Colombian pesos or USD, equal to 3% (after government royalties) of the value of the oil and gas produced and sold from the contracted area. If the accumulated production (since 1995) of the contracted area reaches 10 million barrels, this payment will increase to 5%.

(ii) This percentage will be calculated using the monthly weighted average of the sales price agreed by Petrolco with non-affiliated buyers, subject to customary deductions of transportation costs, transfer and other sales costs incurred between the delivery point and the reference sales point.

(iii) The duration of the Tapir Association Contract will be until February 5, 2028 or when the economic limit is reached, whichever occurs first. The economic limit will be deemed reached when for a period of 4 consecutive months, after deducting royalties, the net revenues from the sale of oil and gas at sales prices are less than the operational expenses incurred and there is no expectation within the following six months of an increase in oil and gas prices, an investment activity which is economically justifiable or a cost optimisation.

(iv) As long as the economic limit of the contract has not been reached, in 2028 Ecopetrol will be able, at its entire discretion, to extend the term of the contract for two additional periods of 5 year, provided that: (i) the Petrolco requests the term extension in advance no more than 4 years or less than 1 year for the first extension and not less than 18 months for the second extension; (ii) is not in default in its obligations; and (iii) the Contract remains in continuous production during the 5 years prior to the date of the respective request.

(v) Per clause 7 of the Extension Amendment, Petrolco is required to assume 100% of the abandonment costs of all assets and facilities, including those that formed part of the joint account with Ecopetrol, and to establish an abandonment fund in order to guarantee the availability of resources required for such purpose (abandonment).

(vi) Petrolco must defend and indemnify Ecopetrol against any liability or loss resulting from its activities in the Block, including social, environmental, land, civil or commercial and also for any breach of the Tapir Association Contract, breach of its representations and warranties, judicial or extrajudicial claims.

(vii) At the end of the Tapir Association Contract, the Contractor will relinquish any producing wells and shall transfer any real estate property and rights of way to Ecopetrol free of charge (even if they are outside the Contracted Area).

(viii) Ecopetrol may terminate the Tapir Association Contract (subject to a 60 day cure period) in case of dissolution of Petrolco, in case of unauthorised assignment of the contract, in case of financial incapacity evidenced by a liquidation of the contractor, for breach of contract (including failure to pay the agreed consideration)and if there is no production for more than three consecutive months from the day in which production was authorised for the well that was agreed to be drilled; or in case of failure to make the agreed contributions to the abandonment fund.

(ix) All clauses of the original association contract that are inconsistent with the Extension Amendment are deemed without effect.

16.14 ***Capital Markets Advisor Agreement***

By way of an engagement letter between the Company and Auctus dated 30 March 2021 Auctus agreed to act as a capital markets advisor to the Company for a minimum period of 12 months after which either party may terminate on three months' prior written notice. The Company agrees to pay to Auctus an annual retainer for the provision of the services and has agreed to provide customary indemnities for any losses incurred by Auctus or its associates incurred as a result of the engagement.

17. Material Contracts relating to the Placing and Admission

17.1 ***Placing Agreement***

On 20 October 2021, the Company, each of the Directors and Arden entered into the Placing Agreement pursuant to which, subject to the terms and conditions of that agreement, Arden agrees to use its reasonable endeavours as agent for the Company to procure Placees to subscribe for the Placing Shares at the Issue Price and the Company agreed, subject to certain conditions, to allot and issue the New Common Shares to be issued in connection with the Placing at the Issue Price together with the Warrants. Arden is entitled to terminate the Placing Agreement in certain circumstances prior to Admission, including in the event of a material breach of either the Placing Agreement or any of the warranties contained in it and in certain force majeure circumstances.

The Company has agreed to pay Arden a commission based on the aggregate value of the Placing Shares and the Subscription Shares (excluding the Management Subscription and the Canacol Subscription) at the Issue Price and to Arden a corporate finance fee in each case inclusive of VAT as applicable. The Placing Agreement contains an indemnity from the Company on customary terms and each of the Company and the Directors has given certain representations, warranties and undertakings, subject to certain limitations, in favour of Arden.

17.2 ***Warrants***

The Company shall, subject to Admission, grant the Warrants, to each Placee and Subscriber an aggregate 70,474,767 warrants to subscribe for new Common Shares in the Company, on the basis of one Warrant for every two Placing Shares or Subscription Share respectively and being exercisable at 9 pence per new Common Share, at any time for 24 months from Admission. The Warrants will not be listed or traded but are transferable. The terms of the Warrants provide that any holder wishing to exercise some or all of their Warrants into new Common Shares may only do in circumstances which would result in them holding, together with any other Common Shares held, less than 10% of the issued share capital of the Company.

17.3 ***Depositary Deed Poll***

The Depositary will hold (itself or through its custodian), as bare trustee, the underlying Common Shares and all and any rights and other securities, property and cash attributable to the underlying Common Shares pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests as tenants in common. The Depositary will re-allocate securities or Depositary Interests distributions allocated to the Depositary or its custodian pro rata to the Common Shares held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation.

Holders of Depositary Interests agree to give such warranties and certifications to the Depositary as the Depositary may reasonably require. In particular, holders of Depositary Interests warrant, inter alia, that the securities in the Company transferred or issued to the Depositary or its custodian on behalf of the Depositary for the account of the Depositary Interest holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, or applicable law or regulation binding or affecting such holder, and holders of Depositary Interests agree to indemnify the Depositary against any liability incurred as a result of any breach of such warranty.

The Depositary and any custodian shall pass on to the Depositary Interest holders all rights and entitlements received in respect of the underlying Common Shares. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to affect such passing-on. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must put the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.

The Depositary will be entitled to cancel Depositary Interests and treat the holders thereof as having requested a withdrawal of the underlying securities in certain circumstances, including where a Depositary Interest holder fails to furnish to the Depositary such certificates or representations and warranties as to matters of fact, including his identity, as the Depositary may deem necessary or appropriate.

The Depositary warrants that it is an authorised person under the FSMA and is duly authorised to carry out custodian and other activities under the Deed Poll. It also undertakes to maintain that status and authorisation.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or willful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, willful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Except in the case of personal injury or death, any liability incurred by the Depositary to a holder under the Deed Poll is limited to the lesser of:

(a) the value of the Common Shares that would have been properly attributable to the Depositary Interests to which the liability relates; and

(b) that proportion of £5 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission, or event which gave rise to such liability or, if there are no such amounts, £5 million.

The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depositary Interests is liable to indemnify the Depositary and any custodian (and their agents, officers and employees), and hold each of them harmless from and against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of that holder, other than those caused by or resulting from the willful default, negligence or fraud of (i) the Depositary or (ii) its custodian or any agent if such custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such custodian or agent.

The Depositary is entitled to make deductions from the deposited property or any income or capital arising therefrom, or to sell such deposited property and make deductions from the sale proceeds thereof, in order to discharge the indemnification obligations of Depositary Interest holders.

The Depositary may terminate the Deed Poll by giving not less than 30 days prior written notice. During such notice period, Depositary Interest holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary shall, as soon as reasonably practicable, and amongst other things, (i) deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holder or, at the Depositary's discretion, (ii) sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll pro rata to the Depositary Interest holders in respect of their Depositary Interests.

The Depositary may require from any holder or former or prospective holder (i) information as to the capacity in which Depositary Interests are owned or held by such holders and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Common Shares and the nature of such interests, (ii) evidence or declaration of nationality or residence of the legal or beneficial owner(s) of Depositary Interests and such information as is required to transfer the relevant Depositary Interests or Common Shares to the holder and (iii) such information as is necessary or desirable for the purposes of the Deed Poll or CREST system, and holders are bound to provide such information requested. The holders of Depositary Interests consent to the disclosure of such information by the Depositary or its custodian to the extent necessary or desirable to comply with their respective legal or regulatory obligations.

Furthermore, to the extent that the Company's constitutional documents or applicable law may require, the disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever in the Company's securities, the Depositary Interest holders are to comply with the Company's instructions with respect thereto, as may be forwarded to them from time to time.

It should also be noted that holders of Depositary Interests might not have the opportunity to exercise all of the rights and entitlements available to holders of Common Shares, including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated custodian, in accordance with any voting arrangements made available to them, to vote the underlying Common Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Common Shares as a proxy of the Depositary or its nominated custodian.

17.4 *Depositary Agreement*

The Depositary Agreement was entered into between the Company and the Depositary on 14 October 2021 and contains the following provisions:

- Under the Depositary Agreement, the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll, a series of Depositary Interests representing Common Shares and to provide certain other services (including depositary services, custody services and dividend services) in connection with such Depositary Interests.
- The Depositary agrees that it will comply with the terms of the Deed Poll and that it will perform its obligations with reasonable skill and care. The Depositary assumes certain specific obligations, including, for example, to arrange for the Depositary Interests to be admitted to CREST as participating securities and provide copies of, and access to, the register of Depositary Interests.
- The Company acknowledges that it shall be its responsibility and undertakes to advise the Depositary promptly of any securities laws or other applicable laws, rules or

regulations of the Province of Alberta and federal laws of Canada which the Depositary must comply with in providing the services.

- The Company agrees to provide such information, data and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Depositary Agreement.
- The Depositary is to indemnify the Company and its officers and employees from and against any loss (excluding indirect, consequential or special loss) which any of them may incur in any way as a result of or in connection with the fraud, negligence or willful default of the Depositary (or its officers, employees, agents or sub-contractors).
- Subject to earlier termination, the appointment of the Depositary shall continue for a fixed period of one year and thereafter until terminated in accordance with the terms of the Depositary Agreement. Should the Depositary Agreement be terminated for any reason, other than arising from the Depositary's fraud, negligence, willful default or material breach of a term of the Depositary Agreement, the Company shall within 30 days of termination pay to the Depositary, the Depositary's reasonable costs and expenses of transferring the Depositary Interest register to its new registrar. Either party may terminate the Depositary Agreement with immediate effect by notice in writing if the other party (i) shall be in persistent breach of any term or material breach of any material term (of the Depositary Agreement) and such breach is not remedied within 21 days of a request for such remedy, (ii) goes into insolvency or liquidation (not being a members' voluntary liquidation) or administration or a receiver is appointed over any part of its undertaking or assets, subject to certain provisos or (iii) shall cease to have the appropriate authorisations which permit it lawfully to perform its obligations under the Depositary Agreement.
- The Depositary will be entitled to employ agents for the purposes of carrying out certain matters of a specialist nature, which the Depositary may consider appropriate.
- The Company is to pay to the Depositary an annual fee for the services. The Company shall pay a fixed fee for the deposit, cancellation and transfer of the Depositary Interests and the compilation of the initial Depositary Interests register. The Company shall in addition reimburse the Depositary within 30 days of the Depositary's invoice for all network charges, CREST charges, money transmission and banking charges and other out-of-pocket expenses incurred by it in connection with the provision of the services under the Depositary Agreement.
- The Company will indemnify the Depositary from and against all loss (excluding indirect, consequential or special loss) suffered by the Depositary as a result of or in connection with the performance of its obligations under the Depositary Agreement.
- The aggregate liability of the Depositary to the Company over any 12-month period under the Depositary Agreement will not exceed twice the amount of fees payable in any 12-month period in respect of a single claim or in the aggregate.

17.5 ***Nominated Adviser and Broker Agreement***

By way of an engagement letter between the Company and Arden dated 19 October 2021 Arden has agreed to act as Nominated Adviser and Broker for the Company for a minimum period of 9 months from Admission after which either party may terminate on three months' prior written notice. The agreement may also be terminated forthwith in the event (i) of the Company's insolvency or (ii) in the event that the Common Shares cease to be admitted to AIM and Arden shall be entitled to resign if (i) the Company or any of the Directors are in breach of their obligations under the engagement letter, the AIM Rules (or other applicable regulatory rules) or the Lock In Agreements or (ii) in the event that the Common Shares cease to be listed on AIM. In addition to expenses, the Company agrees to pay to Arden an annual retainer of £75,000 (plus applicable value added tax) payable quarterly in advance. The Company has agreed to provide customary indemnities for any losses incurred by Arden or its associates incurred as a result of the engagement.

17.6 ***Lock-in Agreements***

The Company and each Locked-in Person has entered into a Lock-in Agreement with Arden, further details of which are set out in paragraph 12 of Part I of this document. Each Locked-in Person will be subject to a 12 month lock in period and a further 12 month orderly market agreement.

17.7 ***Relationship Agreement***

Details of the Relationship Agreement are set out in paragraph 11 of Part I of this document.

18. Related Party Transactions

Save for arrangements relating to the Subscription, and save as set out in the Historical Financial Information in Part IV or elsewhere in this document, there are no related party contracts.

19. Intellectual Property

The Group does not have any registered intellectual property other than its website domain name – arrowexploration.ca and is not dependent on any patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.

20. Properties

The Group does not own any material real estate. Various Subsidiaries with the Group lease office space in Houston and Lima.

21. Environmental Matters

21.1 On 16 December 2020, ANLA initiated an environmental sanctioning procedure against the Company in relation to the exploratory drilling works of the Santa Isabel block. ANLA stated that Carrao had failed to provide within the required time frame the information related with the execution of the 1% investment plan, which is a mandatory investment equivalent to the 1% of the total value of the project applicable to licensed projects that take water from natural sources. As a consequence, ANLA stated that the Company allegedly committed an environmental breach.

21.2 On 18 January 2021, ANLA initiated an environmental sanctioning procedure against the Company in connection to the VMM-2 block's exploration works. ANLA is investigating the commission of three alleged breaches related to the technical characterisations of reused wastewaters, the disposition of such reused waters, and the activities for driving fauna away from the project intervention sites.

22. Material Investments

22.1 There are no material investments by the Group that are in progress or for which firm commitments have already been made.

23. Consents and Other Information

23.1 Arden Partners, the nominated adviser and broker to the Company has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

23.2 Auctus, as capital markets advisor to the Company, has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to their name in the form and context in which they appear.

23.3 Deloitte LLP has given and not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which they appear.

23.4 Boury Global Energy Consultants Ltd has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its report contained in Part III of this document, and references thereto and to its name in the form and context in which they appear.

23.5 The total estimated costs and expenses payable by the Company in connection with the Placing, Subscription and Admission (including professional fees, commissions, the costs of printing and registrars fees) are estimated to amount to $1.7 million (approximately £1.2 million) excluding VAT.

23.6 Save as otherwise disclosed in this document, there have been no significant authorised or contracted capital commitments of the Group at the date of publication of this document.

23.7 Save as disclosed at paragraph 21 of this Part VI, no environmental issues have arisen in the past 12 months, which would have had a significant effect on the Company's financial position or profitability.

23.8 No person has (excluding those professional advisers disclosed in this document and trade suppliers):

(i) received, directly or indirectly, from the Company within the 12 months preceding the date of this document; or

(ii) entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

– fees totaling either £10,000 or more;

– securities in the Company with a value of either £10,000 or more calculated by reference to the expected price of a Common Share at Admission; or

– any other benefit with a value of either £10,000 or more or more at the date of Admission.

23.9 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23.10 The Common Shares are, and will continue to be, traded on the TSX-V following Admission. Other than that listing, no admission to listing or trading of the Common Shares is being sought on any stock exchange other than AIM.

23.11 It is expected that CREST accounts will be credited as applicable on the date of Admission. Following Admission, the Common Shares will be registered with ISIN CA04274P1053 and the Company's SEDOL is BMW5XV8. The Company's legal entity identifier (LEI) is 9845000FDF0856QD9031. The AIM symbol is AXL.

23.12 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.

23.13 Arden Partners Plc is registered in England and Wales as a public company under the Companies Act 1985 with number 04427253 and is regulated by the FCA. Its registered office is at 5 George Road, Edgbaston, Birmingham, England, B15 1NP.

23.14 Auctus Advisors LLP is registered in England and Wales as a limited liability partnership under the Limited Liability Partnership Act 2000 with number OC429983. Auctus is an appointed representative of Dundee Securities Europe Ltd, which is authorised and regulated in the United Kingdom by the FCA. Its registered office is at Robsacks Long Barn Road, Weald, Sevenoaks, Kent, England, TN14 6NJ.

23.15 The Directors will comply with Rule 21 of the AIM Rules and UK MAR relating to Directors' and applicable employees' dealings in Common Shares and to this end, the Company has adopted an appropriate share dealing code.

23.16 The Issue Price of 6.25 pence (10.6125 cents) per Common Share represents a premium of 6.25 pence (10.6125 cents) over the par value of nil cents per Common Share.

23.17 There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

23.18 Since 30 June 2021, being the date of the Company's last interim financial statements were published, and save as disclosed in Parts I and II, the Directors are unaware of:

(i) any significant recent trends in production, sales and inventory and costs and selling prices;

(ii) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year; or

(iii) any exceptional factors which have influenced the Company's activities.

23.19 There are no mandatory takeover bids outstanding in respect of the Company and no public takeover bids have been made by third parties either in the last financial year or the current financial year of the Company.

23.20 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

23.21 The information required by Rule 26 of the AIM Rules will be available at www.arrowexploration.ca from the date of Admission.

24. Availability of Admission Document and Articles

24.1 Copies of this document, which contains full details about the Company and the admission of its securities, will be available from the offices of Arden at 125 Old Broad Street, London EC2N 1AR, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of Admission.

24.2 A copy of this document, the Historical Financial Information contained in Part IV of this document and the competent persons report contained in Part III and the Articles are available for download at the Company's website at www.arrowexploration.ca