ARROW EXPLORATION

Growing & Socially-Responsible Colombia-Focused Energy Company

AIM | TSXV : AXL
April 2023

Corporate Presentation

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Arrow Exploration

Growing & Socially-Responsible Colombia-Focused Energy Company

2
opportunity rich Columbian basins

550 → 3,000
boe/d within 18 months

10
Wells In 2023

7.9
Mmboe 2P reserves – Year End 2023

$127 million
2P reserves – YE 2023

Committed to ESG

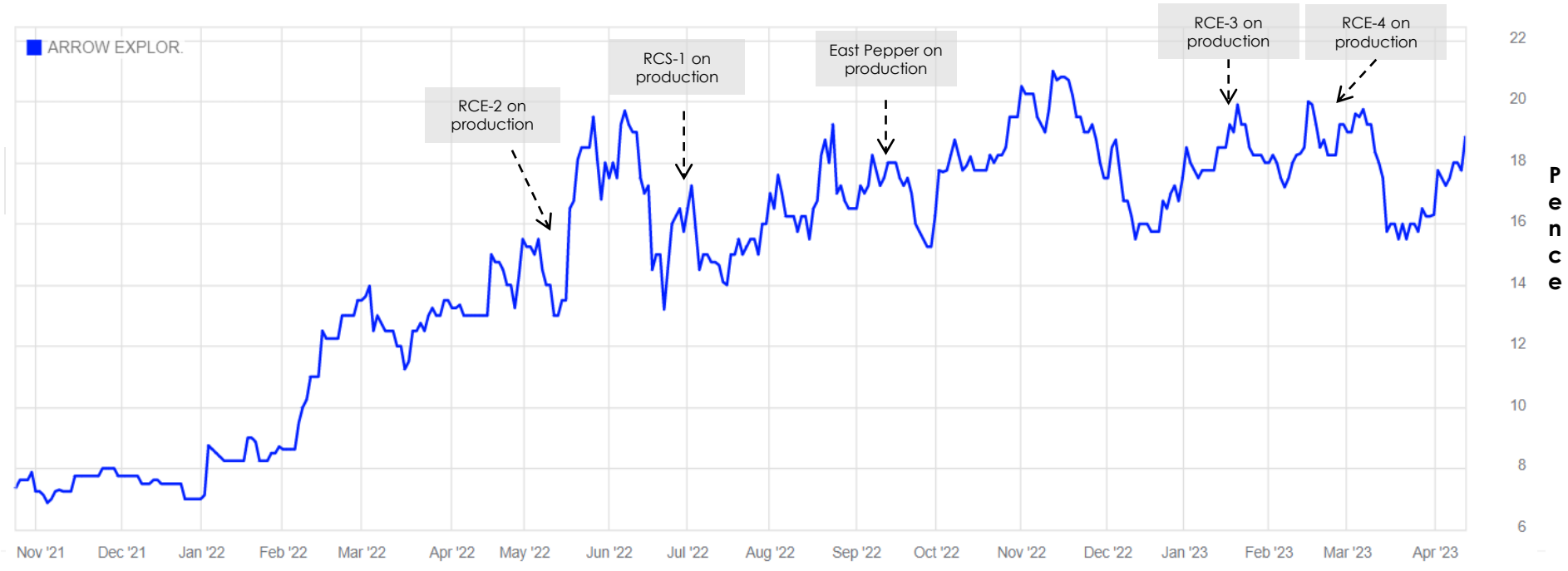
Compelling valuation

Seasoned executive team and Board

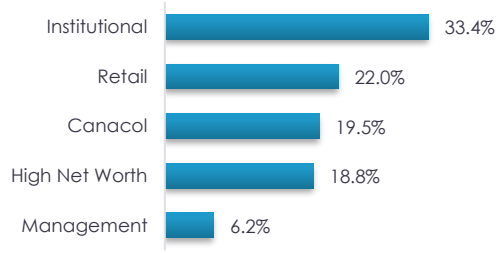
Pursuing accretive acquisitions

1. Un-risked potential production based on internal management estimates as of February 2022

Corporate Snapshot



Share Ownership



Analyst Coverage

Firm	Analyst Name
Auctus Advisors	Stephane Foucaud
Arden Partners	Daniel Slater
Haywood Securities	Christopher Jones
Canaccord Genuity Limited	Charlie Sharp

Market at April 1, 2023

$68.2M CAD ($50.75 USD)	$12M USD	229M
Market Cap	Cash at April 1, 2023	Shares O/S (303M fully-diluted)

Assets

2,955 BOE/D	7.7 MBOE	$57/bbl USD
Production Capacity is significantly higher	2P Reserves at Dec 31, 2022 Q2 review underway	Colombia Field Netbacks[3] at Dec. 2022

Valuation

1.75x	$18,813	$5.1
Price/2023E Cash Flow	Ent. Value[2]/BOE 2022 Exit Production	Ent. Value[1]/BOE 2P Reserves

1. Enterprise Value = Market Cap plus Debt minus Cash
2. Boury GEC December 31st, 2020 Reserve Report. Arrow's 50% interest in the Tapir block is contingent on the assignment by Ecopetrol of such interest to Arrow.
3. Excluding field netbacks at Ombu (Capella)

2023 Board Approved Budget

Funded through cash balance and operations cash flow. No external funding sources required.

10 well drilling program

- 3 C7 wells at RCE, each expected to add 300-500 bbls/d net to Arrow.
- 3 wells at Carrizales Norte, each expected to add 300-500 bbls/d net to Arrow.
- 2 Gacheta wells at RCE, each expected to add 200-400 bbls/d net to Arrow.
- 2 wells at Oso Pardo, each expected to add 300-500 bbls/d net to Arrow.

$32 million capital

- Budget funds targeting Colombia

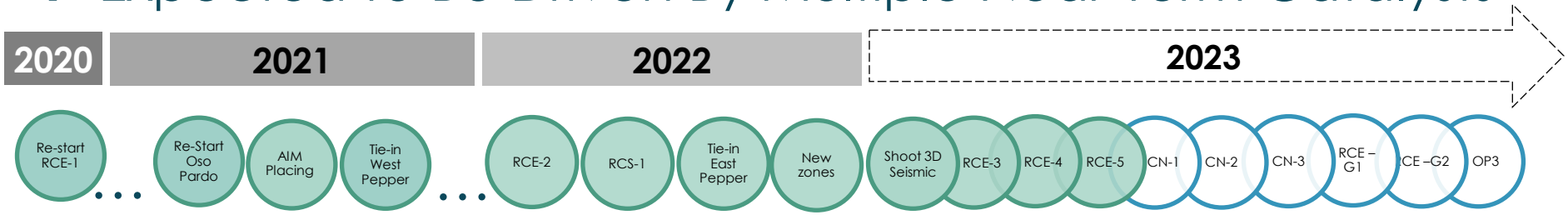
Tapir 3D seismic program

- 134 km2 currently underway

Infrastructure

- Road and pad to Carrizales Norte
- Disposal well conversion at RCE
- G&G studies
- Maintenance capex at Ombu and Canada

→ Expected to Be Driven By Multiple Near-Term Catalysts



Seasoned Executive Team and Board

190+ years
Combined management experience

8 companies
Founded → grown → sold

TSX / TSX-V / AIM
Public company expertise

15+
O&G jurisdictions worked in

P. Gage Jull
Executive Chair

Marshall Abbott
CEO & Director

Grant Carnie
Senior NED (I)

Anthony Zaidi
NED

Ravi Sharma
NED

Joe McFarlane
CFO

Giovanni Flautero
VP, Engineering

Phil Miller
SVP Exploration

Alex Mora
VP, Finance

Mike Ponto
VP, Bus. Develop.

Company	Initial Production	Production at Exit (boe/d)	Return to Shareholders (CAGR)[1]
Cougar Hydrocarbons	0	3,000	280%
Equatorial Energy	0	13,000	150%
Sabretooth Energy	0	1,700	100%

… + 5 Others

1. Estimated CAGR in share price during management tenure with previous companies

Committed to ESG Best Practices

Environment
Committed to limiting our impact on the climate, air, land and water by adhering to the highest standards of industry operating practices; support principles included in the UN's Sustainable Development Goals.

Community Involvement
Develop community partnerships based on collaboration and understanding the community's needs; encourage the contribution to communities by our employees, by ensuring opportunities to give and volunteer.

Stakeholder Engagement
Build positive relationships with stakeholders through communication based on honesty, transparency, proactivity, trust and respect.

People
Health and safety of all workers involved in our activities, as well as residents of the communities where we work, is a core value at Arrow; treat staff members with dignity, fairness and respect; follow applicable occupational health and safety legislation and industry recommended practices; support principles of the Universal Declaration of Human Rights.
We hire locally from areas where we operate – all our employees in Colombia, are Colombian.

Leadership & Governance
Arrow's Board is responsible for the governance of the Company's ESG commitments; the leadership team is accountable for implementing the ESG commitments; expectations communicated to the Company's workforce and contractors.

ESG In Action

Community Program: Aguachica (Communities of Loma de Corredor and La Ye Village)

In 2022, the Tapir operations have spent more than $3 million with local companies and over $450,000 on social and environmental projects.

La Ye Village School

Construction plate

Water improvement project

Aqueduct improvement work

New fitness park

Church and parish maintenance

Church and parish maintenance

Road maintenance

Water tanks

Water tanks

Structural reinforcement

Asbestos tile removal

Colombian Oil & Gas Industry

Key Takeaways

Attractive
Fiscal Terms

Government very supportive of the oil and gas industry (40%+ country's exports)

Attractive fiscal terms including 8-14% royalties on Arrow's properties

Long-term, stable outlook for Colombia, one of South America's most fiscally responsible countries

Great
Infrastructure

Abundant infrastructure with spare pipeline capacity and no bottlenecks

Ample export capacity including two port facilities on Caribbean coast

Brent Oil
Pricing

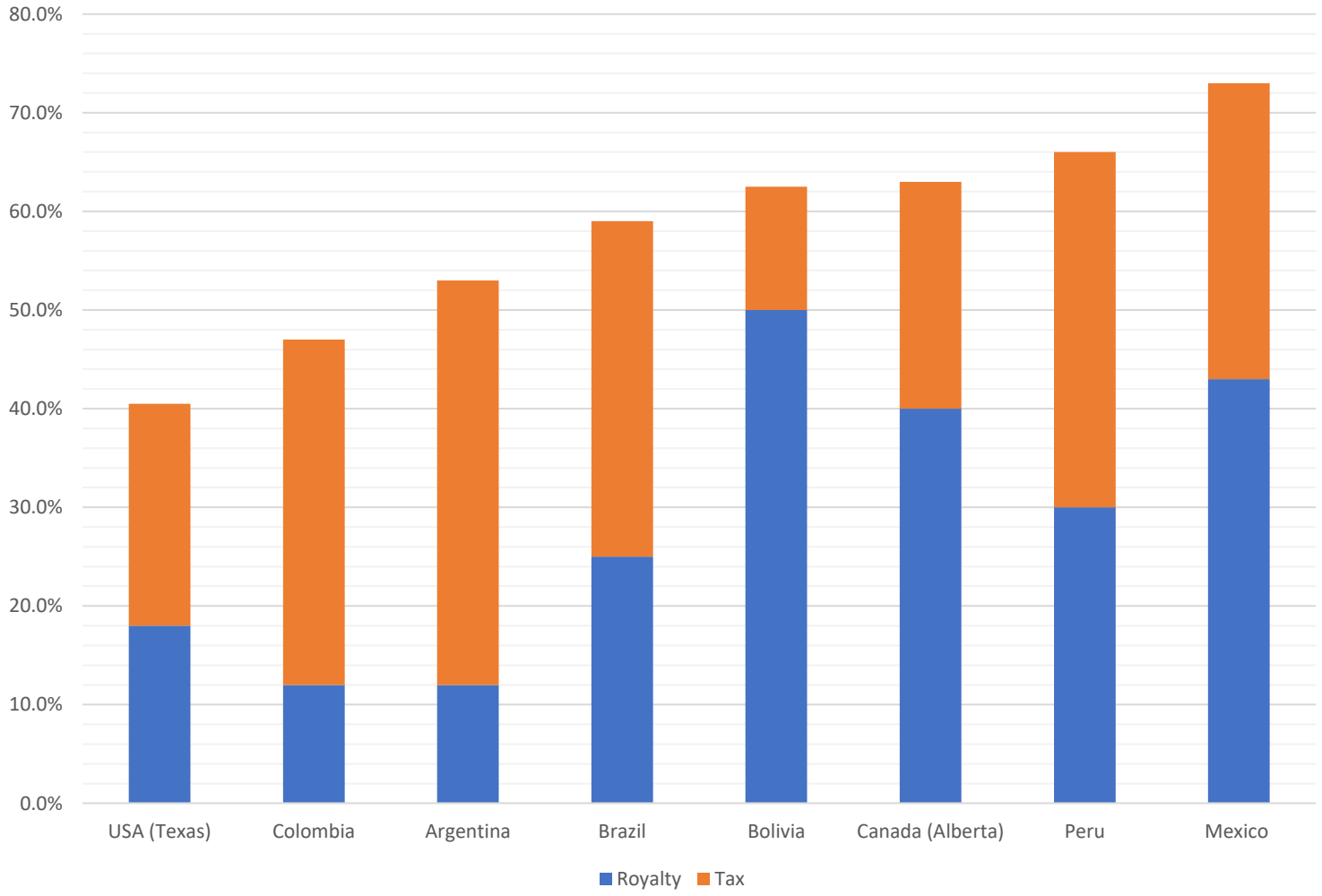
Excellent pricing based on Brent less Vasconia Differential ($2-$5/bbl)

Tapir Netback

Brent Price	NB
$80	$57.24
$70	$49.44
$60	$44.16

Attractive Fiscal Terms

Still top decile fiscal regime worldwide.

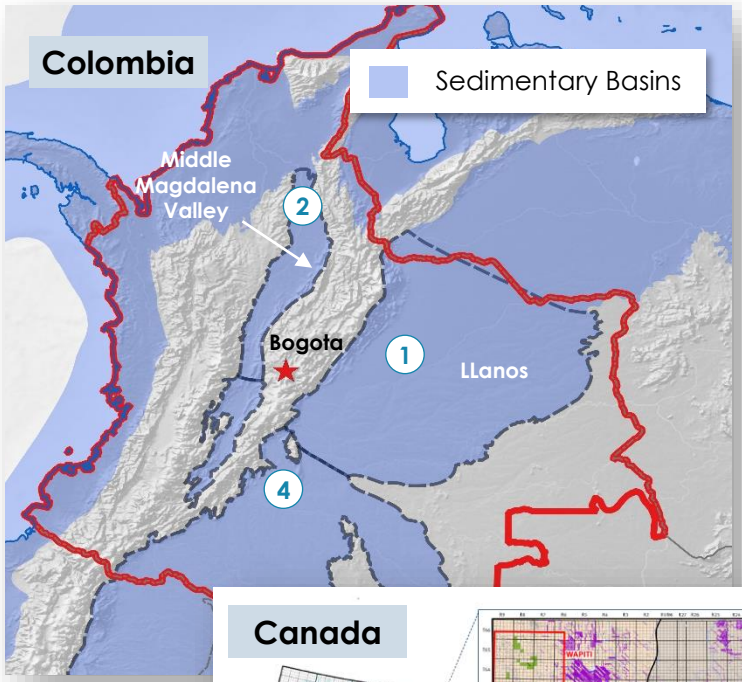


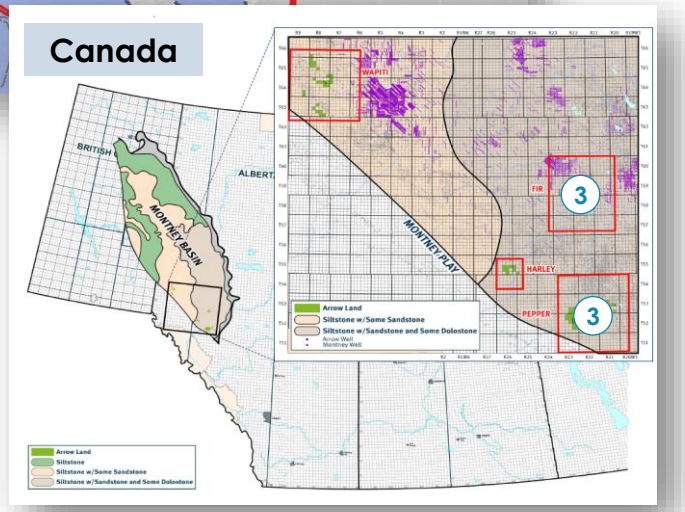
Asset Overview

	Asset	Country	Basin	W.I.	Current Production Capacity[3] (boe/d, net)	Operator
Core Assets	**1. Tapir**	**Colombia**	**Llanos**	**50%[1]**	**1,570**	**Arrow[2]**
Core Assets	**2. Oso Pardo**	**Colombia**	**MMV**	**100%**	**145**	**Arrow**
	3. Alberta	Canada	WCSB	100%	516	Arrow & other
	4. Ombu	Colombia	Putumayo	10%	280	Emerald
	Total Production				**2,511**	

Production estimates do not include RCE-5 which is expected to be on production towards the end of April.

1. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is entitled to receive 50% of the production from the Tapir block.
2. By way of JOA contract with PetrolCo. Arrow's beneficial 50% interest in the Tapir block is contingent on the assignment by Ecopetrol of such interest to Arrow.
3. Estimated at April 1, 2023.

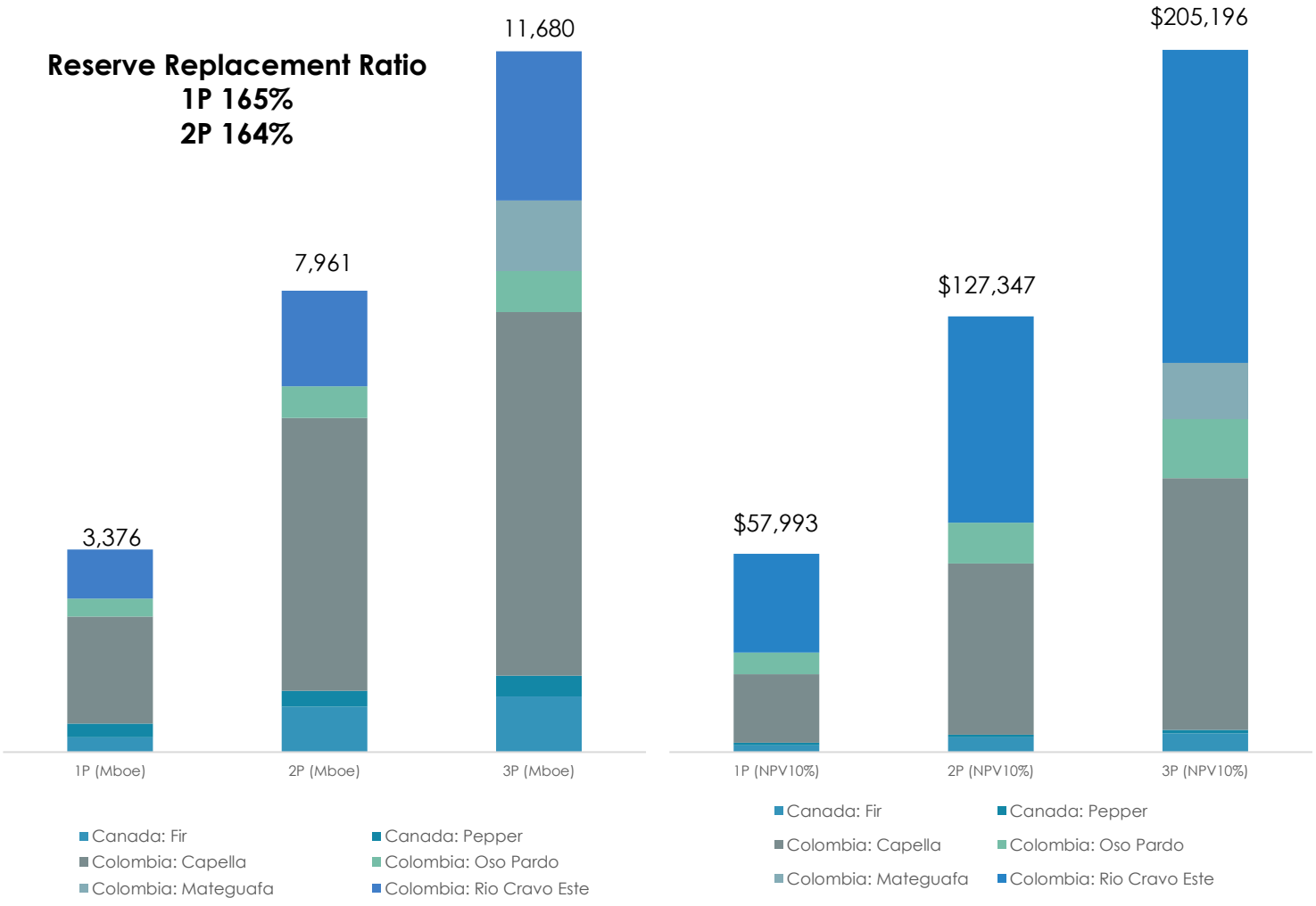




2022 Year-End Reserves

01-31-2023 Price Deck

Year	$/bbl Brent
2023	85.00
2024	82.80
2025	80.50
2026	82.00
2027	84.20
2028	85.88
2029	87.60
2030	89.35
2031	91.14
2032	92.96
2032+	+2% per year

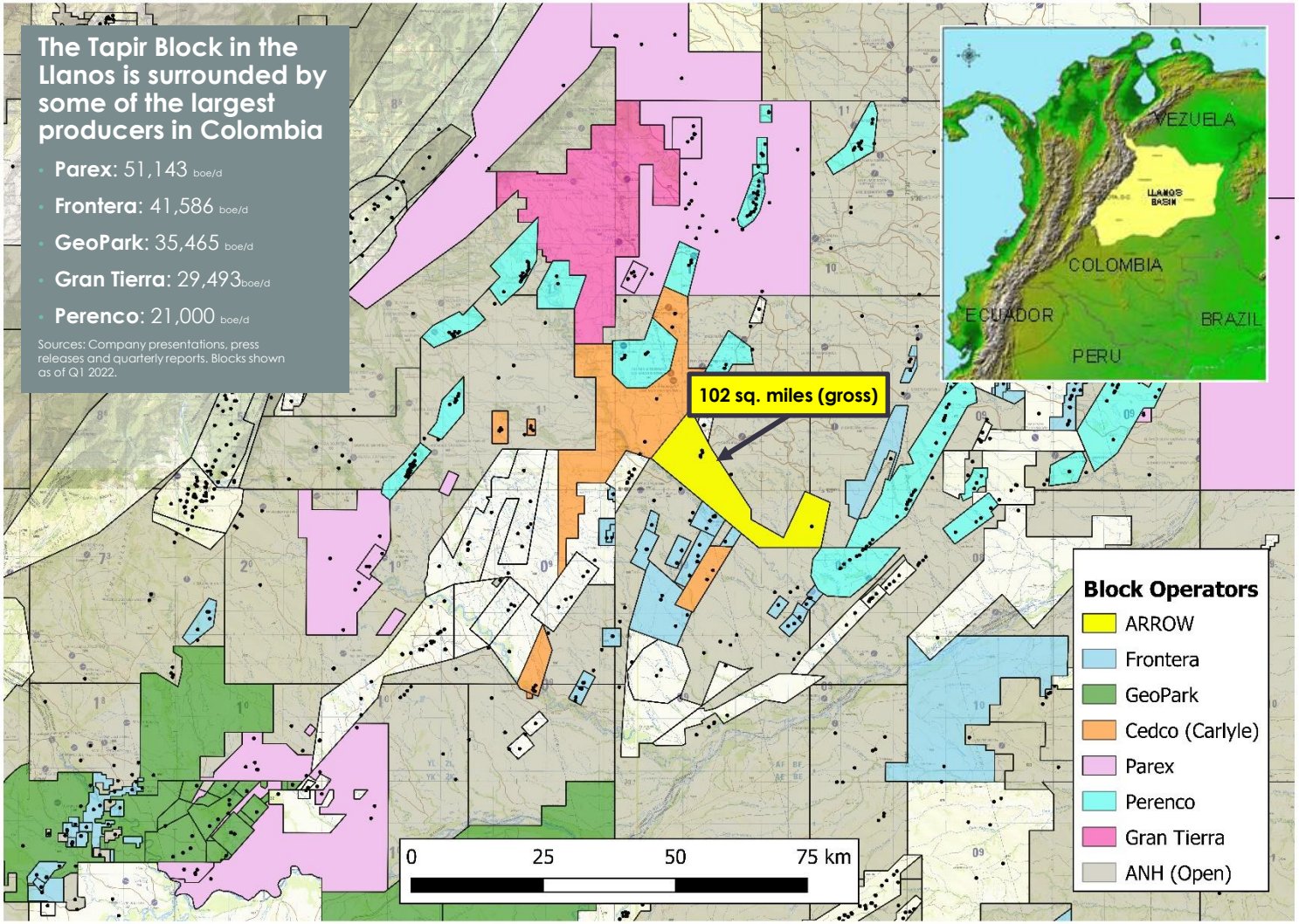


Colombian Oil Portfolio

Llanos Basin

Llanos Basin

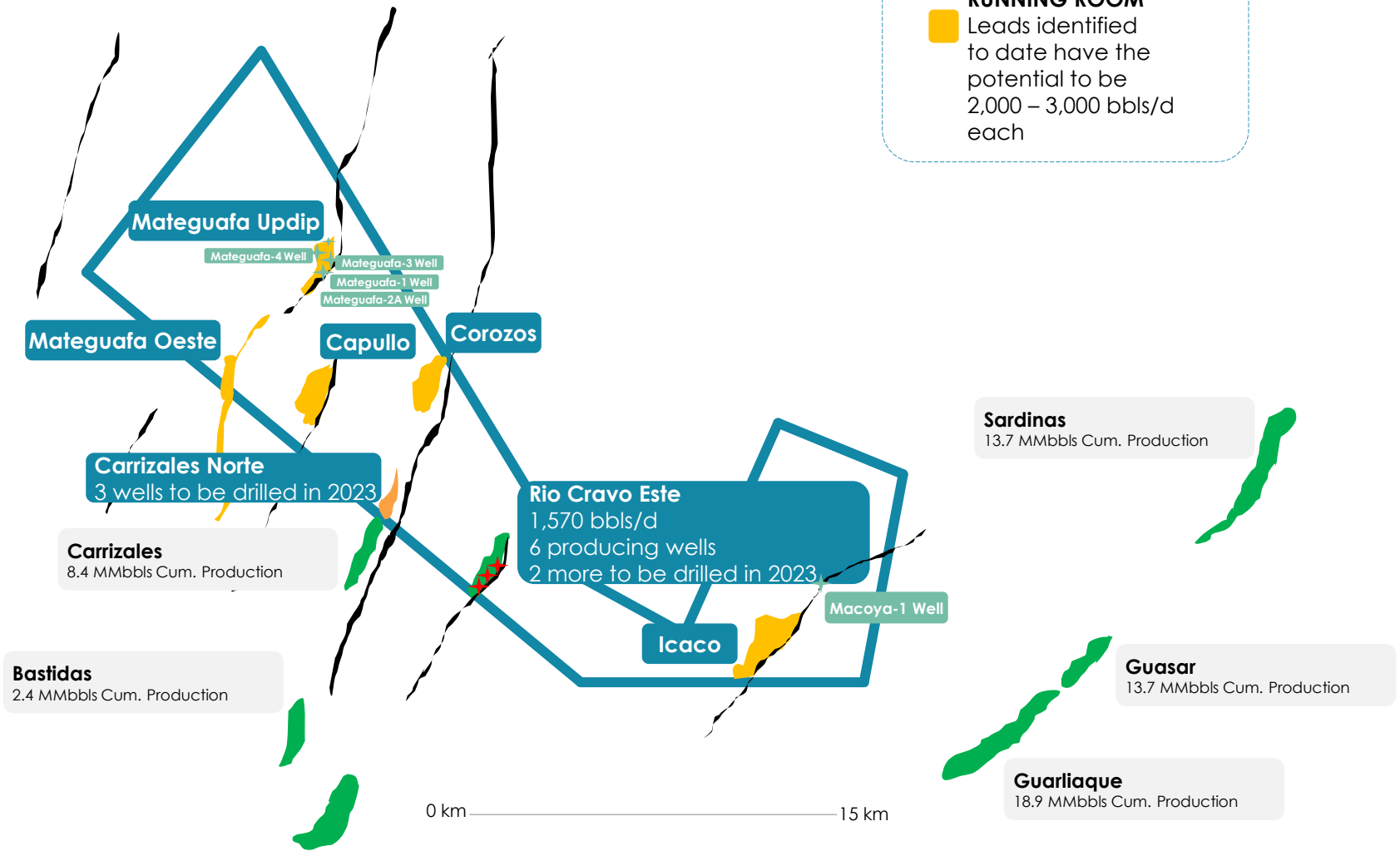
The 'Park Avenue' of Colombia's Oil Industry – Safe, Secure and Highly-Desirable



- Largely flat-lying areas with little vertical relief
- Year-round production (rainy season April-November)
- 80+ year history of hydrocarbon production
- Strong community support

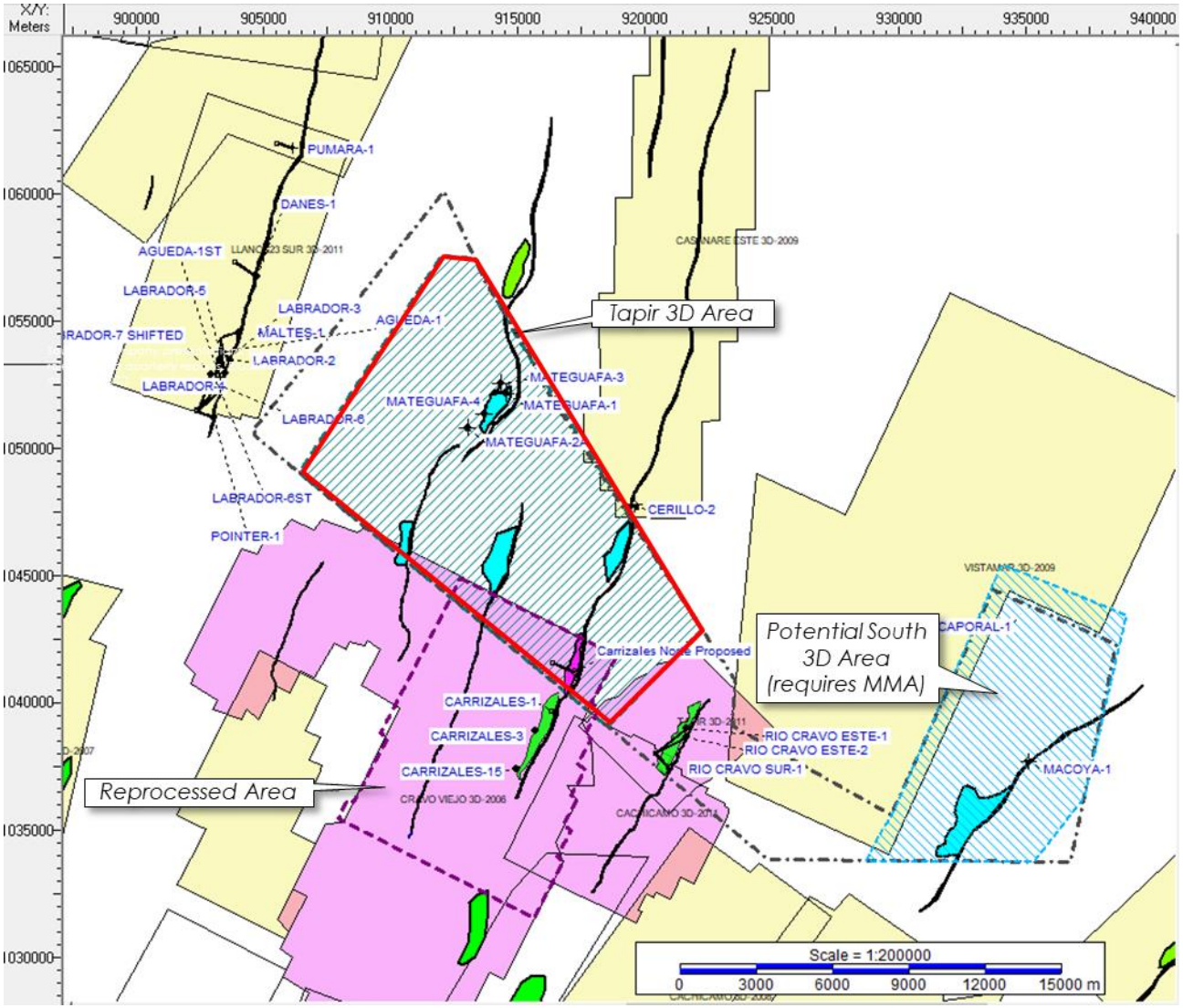
Tapir Block: Proximate Field Production

38.5 MMbbls Produced[1]



1. As at the end of 2020

134 km^2 Tapir 3D Seismic Complete



Arrow Owned or Purchased

Available 3D Data for Purchase

Proposed Tapir 3D (134 km^2)

Potential Tapir South 3D (70 km^2)

Cravo Viejo Reprocessing

Oil Fields

Prospects

Leads

Faults

Tapir Block: Features and Opportunities

1 Key Characteristics …	2 … Drive Opportunities
Excellent subsurface fundamentals	**Multiple prospects plus additional follow-up wells on success**
Multiple high-quality reservoir targets	**Type-wells can deliver initial production (IP) of over 1,000 bbls/d**
Multiple targets per well bore	**Historically, only 1 zone has been completed – opportunity to commingle zones**
Multiple opportunities with 3D seismic coverage	**Potential for 4-5 wells at each of RCE and Carrizales Norte**
Substantial exploration upside	**Numerous leads identified with the existing 2D seismic grid**
High chance of success based on 3D seismic	**3D seismic shoot Complete will de-risk leads and build a drilling inventory**

Current & Future Production

Tapir Block (50% W.I.)*

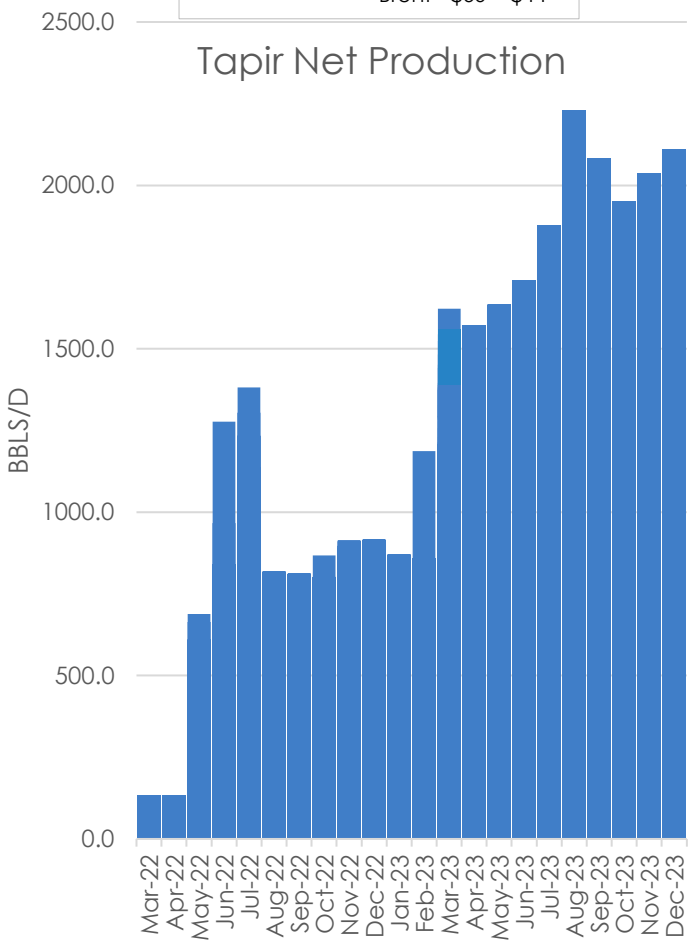
Overview

- RCE 2022 year-end 3P reserves of 4.724 MMbbls (gross) / 2.362 MMbbls (net to Arrow's W.I.)

1. **Rio Cravo Este (RCE)** appraisal (up to 5-6 wells)
   - 6 producing wells, raising total production to 1,570 bbls/d
2. **Carrizales Norte**
   - 3 new – low-risk step-out wells considered to be a new pool extension of the Carrizales Field

Tapir Block Potential Production (net to Arrow)

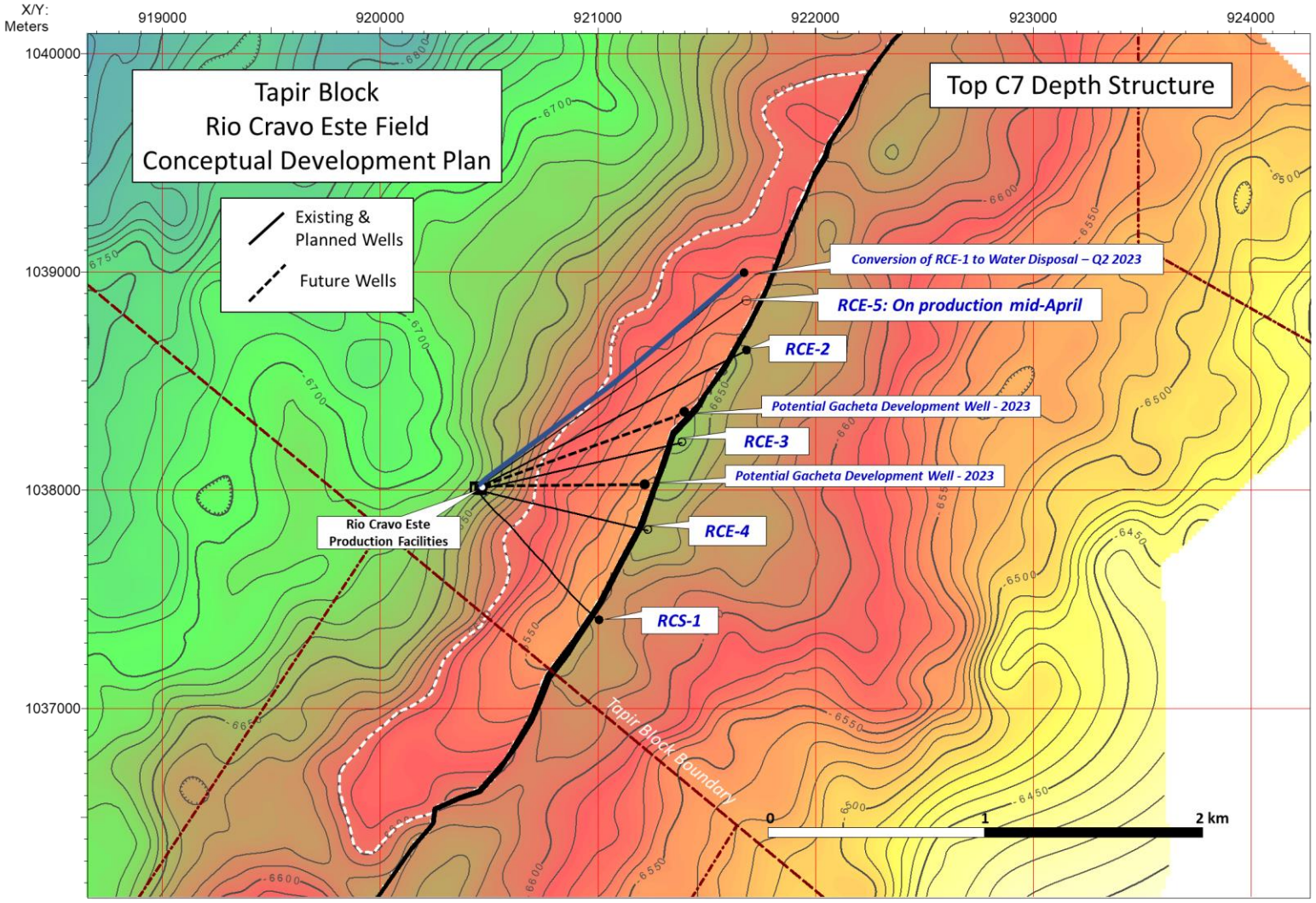
Type well	
IP forecast (per zone):	360 bbls/d, net
Payback*:	3 months
CF (Yr1)*:	$8.8M, net
Well cost:	$2.0-$2.5M, net
Opex/bbl:	< $5.00
Netbacks*:	Brent - $80 = $57
	Brent - $70 = $50
	Brent - $60 = $44



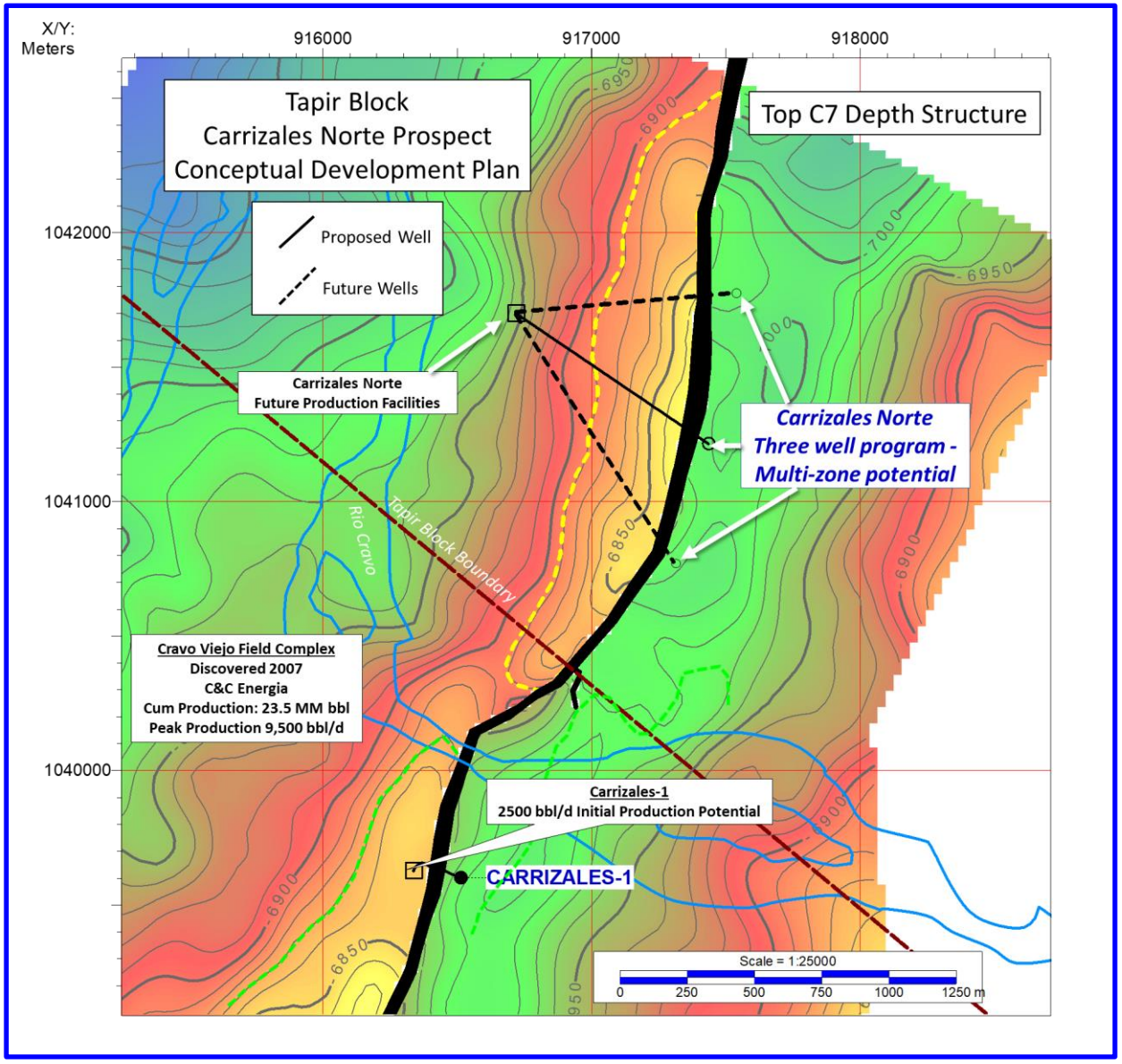
RCE Drilling Operation | Oil Production Facilities

* Arrow's 50% interest in the Tapir block is contingent on the assignment by Ecopetrol of such interest to Arrow.
* Management estimates based on strip pricing as of December 2022

Rio Cravo Este Development Concept



Carrizales Norte Development Concept



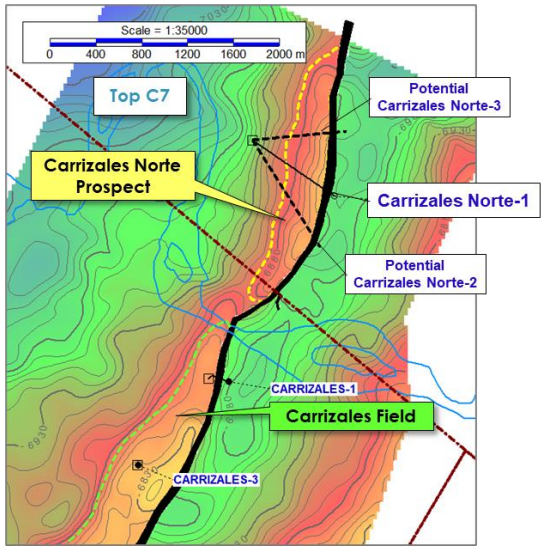
Future Production

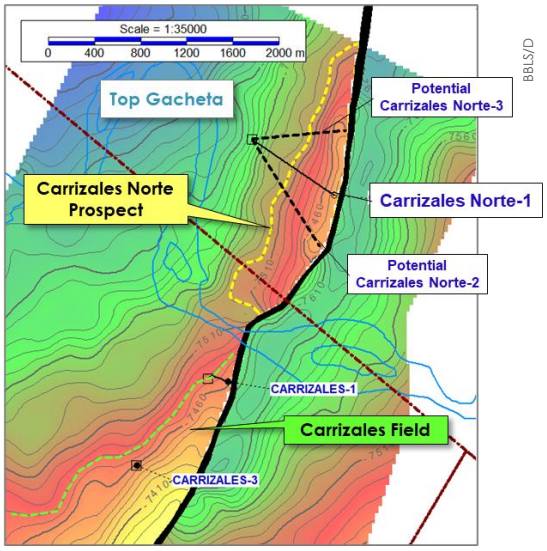
Carrizales Norte Prospect (50% W.I.*)

Overview

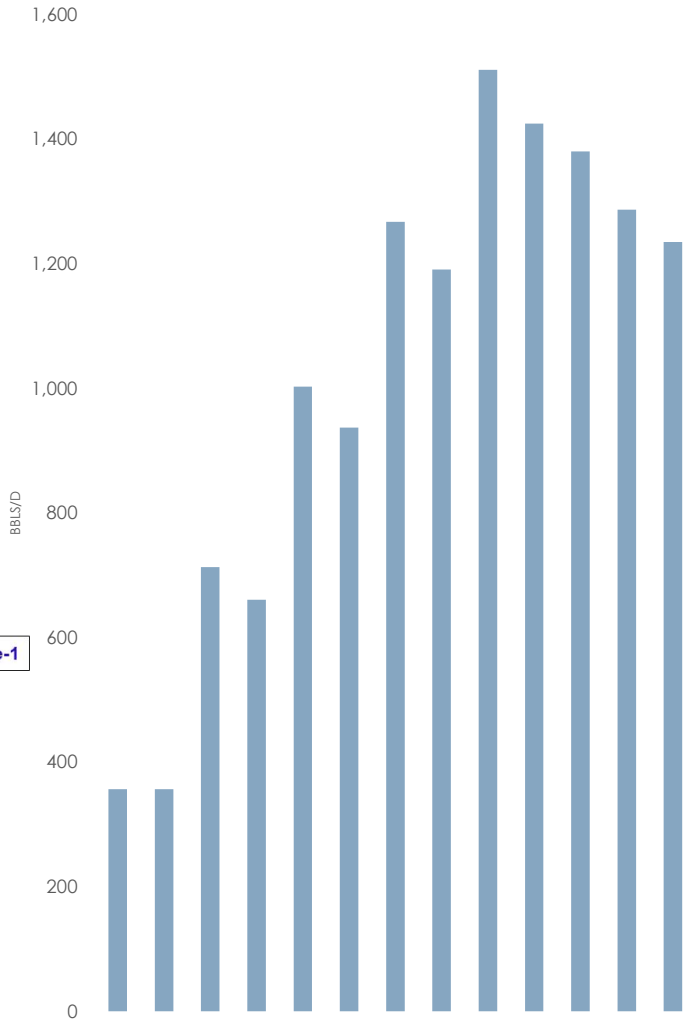
- **Carrizales Field:**
  - Discovered by C&C Energia in 2007 with the Carrizales-1 well – led to $500 million sale of C&C.
  - 24 wells drilled to date; as of December 2019, the field had produced approximately 8.4 MMbbls oil and had achieved a peak production rate of 7,300 bbls/d
- **Carrizales Norte** – Civil and survey work underway:
  - Potential for 4-5 development wells at Carrizales Norte, with Carrizales Norte -1 seen as a low-risk step-out well from the Carrizales Field
  - Multi-zone potential (similar to RCE); within the vicinity of the Tapir block, the average peak or test rate from the three main producing formations is approximately 1,100 bbls/d; some rates in excess of 2,000 bbls/d
  - Arrow estimates a very high chance of commercial success (over 90%)

Depth Structure Maps





Carrizales Norte Potential Production (net to Arrow)



* Arrow's 50% interest in the Tapir block is contingent on the assignment by Ecopetrol of such interest to Arrow.

Colombian Oil Portfolio

MMV Basin

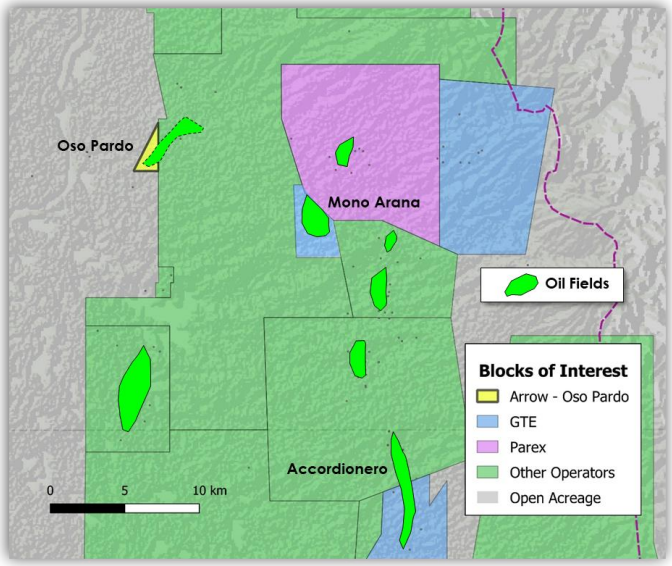
Current Production

Oso Pardo Field (100% W.I.)

Overview

- Discovered in 2013 by Canacol; discovery well (Oso Pardo-1) had an IP of 200 bbls/d from stacked sands of the Umir formation
- 2 appraisal wells drilled in 2014; 150 ft proven oil column to Lowest Known Oil (LKO)
- Accordionero (2P reserves of 66 MMbbls; current production of 16,000 boe/d) located 25 km to SE
- Arrow's Morsa-1 well re-started in June 2021 at 392 bbls/d; OP-1 and OP-2 wells re-started in July 2021 at 61 bbls/d combined
- Independent study by Gaffney, Cline & Associates supports a much larger field area than originally interpreted by Canacol

Location | Map



- Covered by 3D seismic – exclusive to Arrow
- Request to extend Oso Pardo Production License has been formally submitted to the ANH.

Oso Pardo Site Photos

Future Opportunity Not Factored Into Production Forecast

Oso Pardo Extension (100% W.I.)

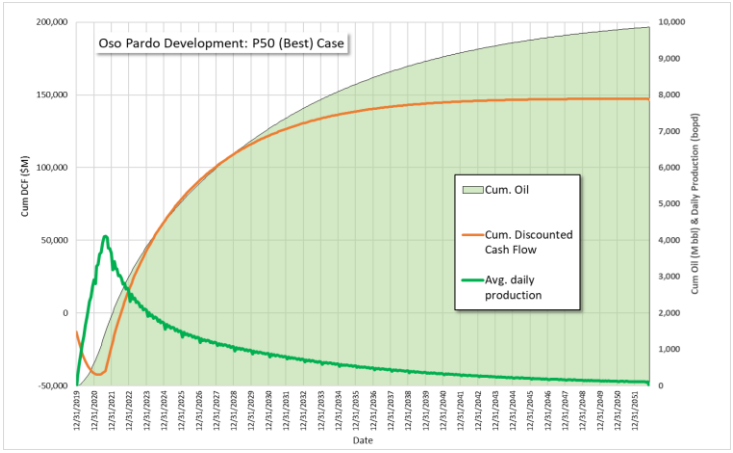
Existing block does not require a bid process

Overview

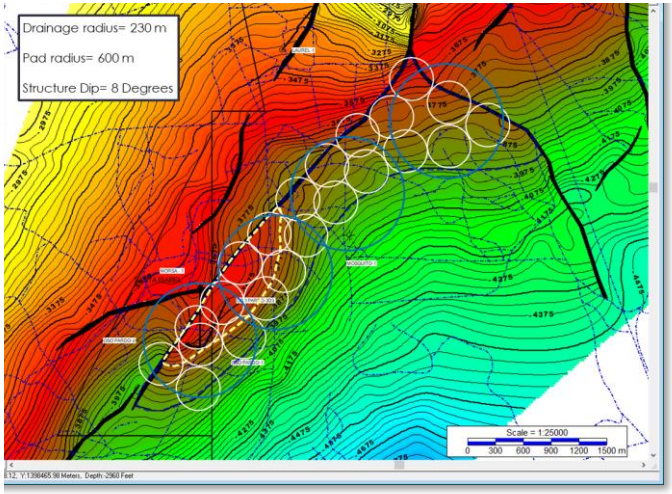
- Gaffney, Cline & Associates reserve study* snapshot:

GCA Cases	Oil EUR/well (Mbbl)	Capex ($M)	Pre-Tax NPV10% ($M)
Low	343	$65.5	$24.9
Expected	480	$122.7	$146.5
High	705	$251.1	$547.8

Oso Pardo Extension Potential Production Profile*



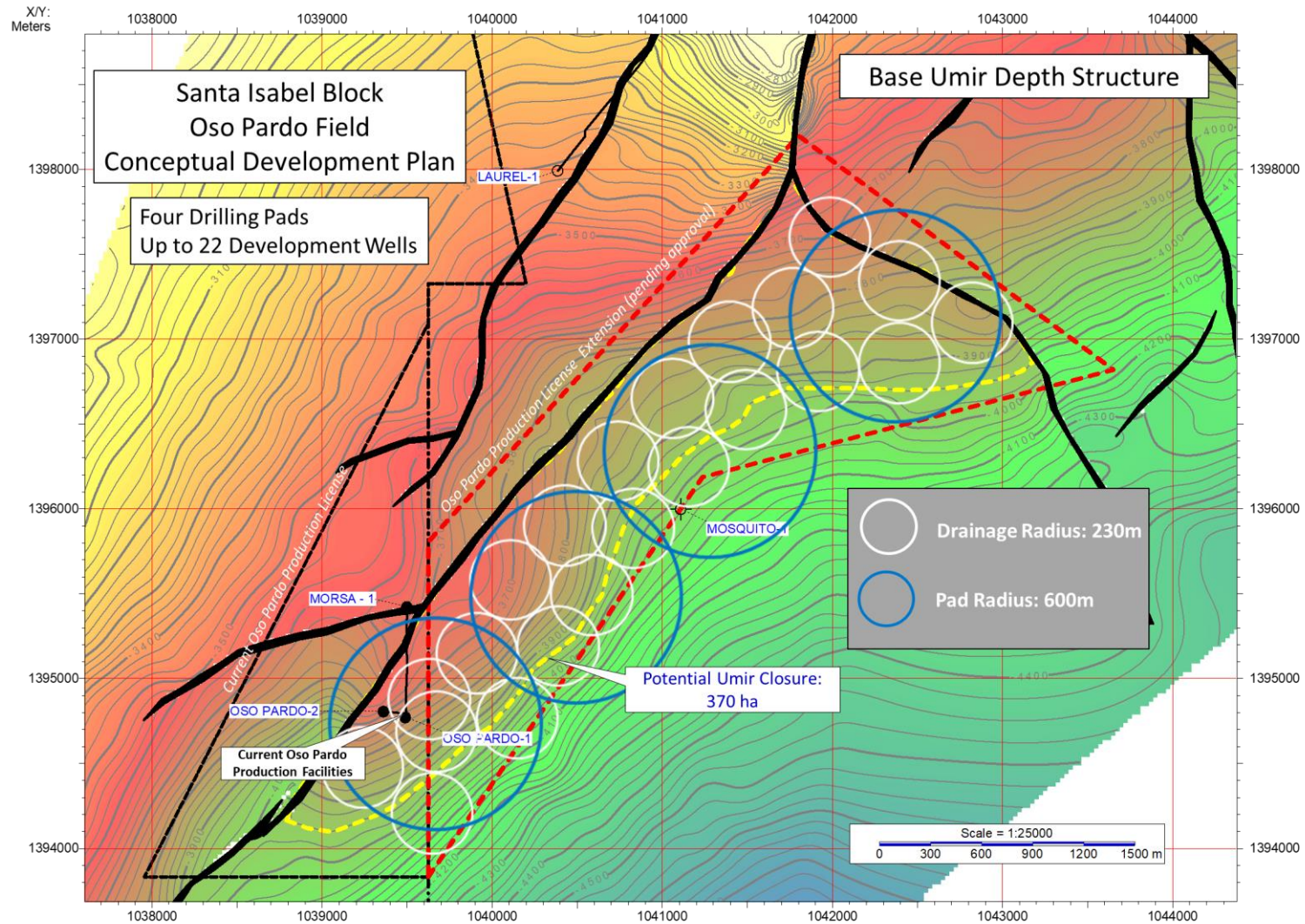
Potential Field Development Configuration



- Leveraging off the company's existing Oso Pardo development
- Arrow has applied for an extension to its existing license to cover the entire potential Oso Pardo development; Canacol has agreed to assist Arrow with obtaining the extension
- Based on P50 development size of 20 wells, Oso Pardo could contain 9.6MMbls
- Potential capex of $4.0M per well, ex. well-pad*
- Overall development has been modelled by Gaffney Cline as reaching as much as 4,000 bbls/d, 100% WI, in the P50 case*
- Opportunity for Arrow to develop at 100%

* Per Gaffney, Cline & Associates Resources Audit Report Statement for Arrow Exploration Corp., Oso Pardo Field Extension, Middle Magdalena Valley, Colombia as of December 31, 2019

Oso Pardo Development Concept



Near Time Catalyst

Complete

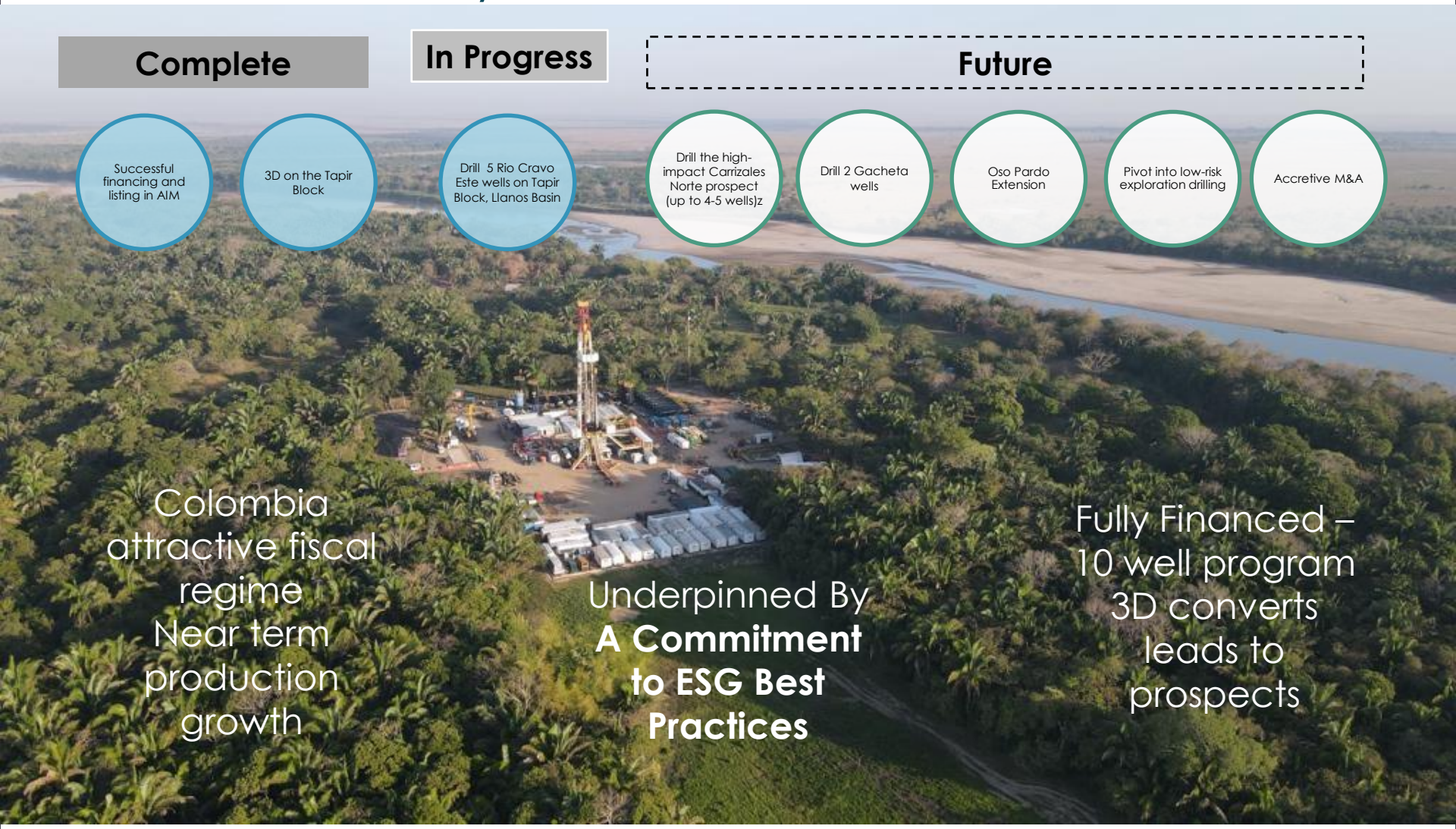
- Successful financing and listing in AIM
- 3D on the Tapir Block

In Progress

- Drill 5 Rio Cravo Este wells on Tapir Block, Llanos Basin

Future

- Drill the high-impact Carrizales Norte prospect (up to 4-5 wells)z
- Drill 2 Gacheta wells
- Oso Pardo Extension
- Pivot into low-risk exploration drilling
- Accretive M&A



Colombia attractive fiscal regime Near term production growth

Underpinned By **A Commitment to ESG Best Practices**

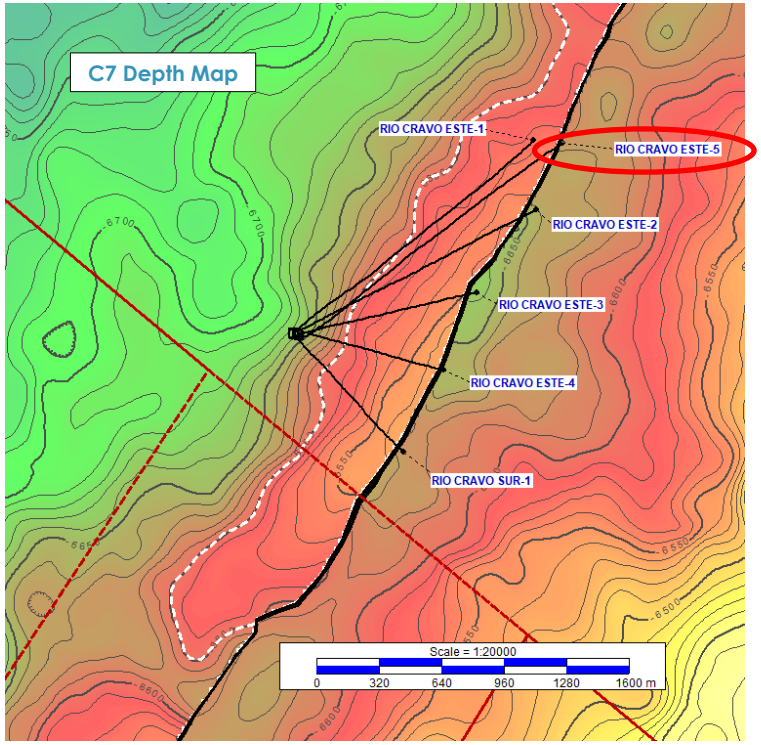
Fully Financed – 10 well program 3D converts leads to prospects

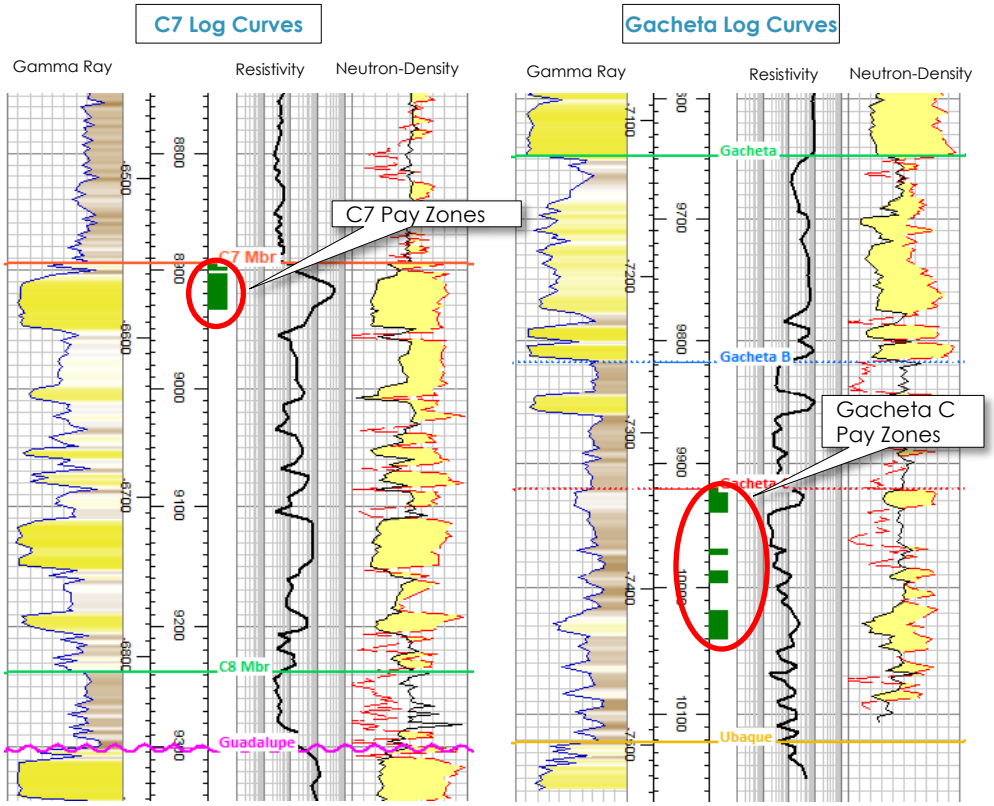
Appendix

RCE-5: Significant Pay Encountered

- The RCE-5 development well spud on March 19th and reached total depth on March 29th
- The well encountered a total of 90 feet net oil pay within the Carbonera C7 and Gacheta formations
- The Carbonera C7A sand was penetrated in an optimal structural location and is the thickest C7A sand encountered to date in the Rio Cravo Este field
- Well will be completed in the C7 and is expected to be on production by mid-April

Zone	Net Pay (ft)	API Gravity	Forecast Production Rate (bbl/d) *
Carbonera C7	36	~ 28° expected	400-800
Gacheta	54	N/A	No test planned



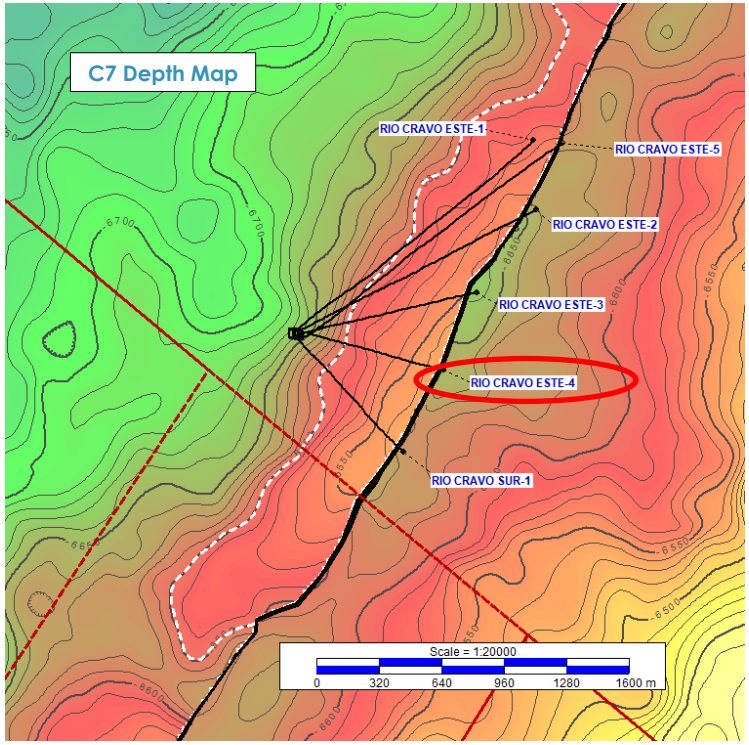


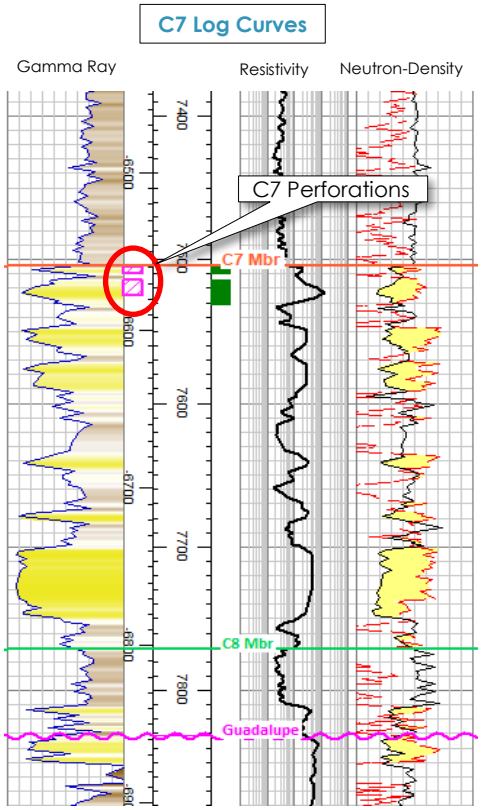
* Production rates are expressed at 100% working interest

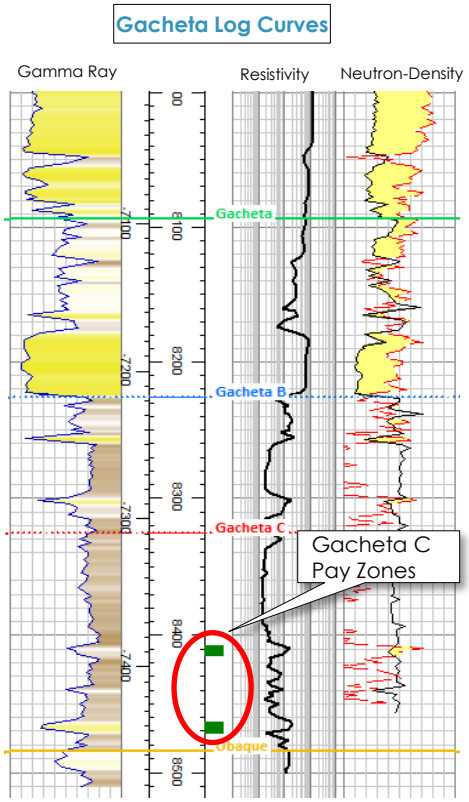
RCE-4: Record Drilling & Completion Operations

- The RCE-4 development well spud on March 1st and was placed on production March 17th – the fastest time required to drill and complete a well in the RCE field to date
- The well encountered a total of 45 feet net oil within the Carbonera C7 and Gacheta formations
- Within the Gacheta two pay zones have been identified
- Well has been completed in the C7 and is currently producing approximately 700 bbl/d of oil under controlled conditions

Zone	Net Pay (ft)	API Gravity	Forecast Production Rate (bbl/d) *
Carbonera C7	25	28.8	500-800
Gacheta	20	N/A	Not Tested





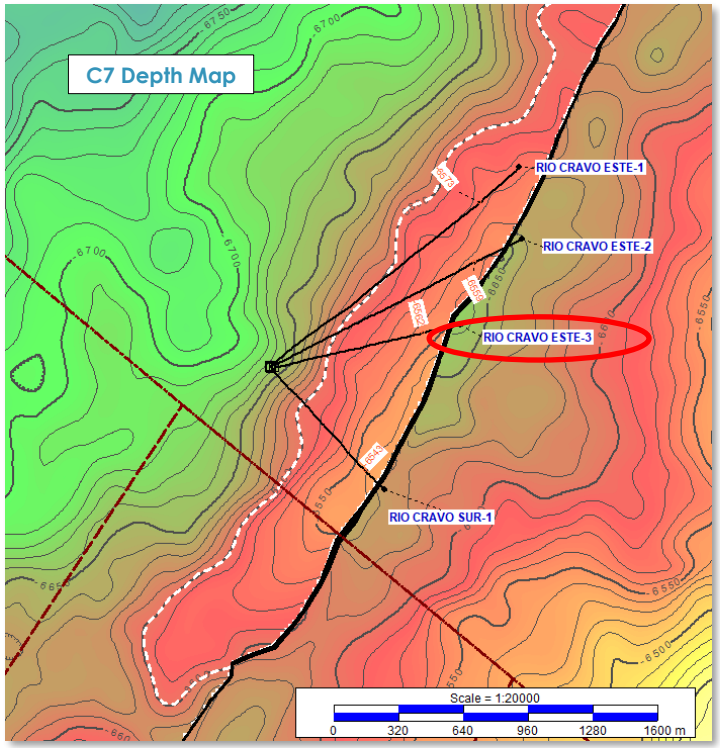


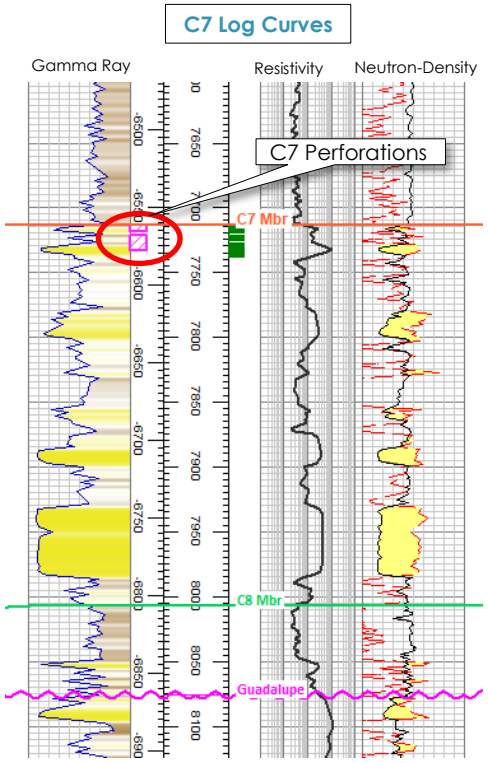
* Production rates are expressed at 100% working interest

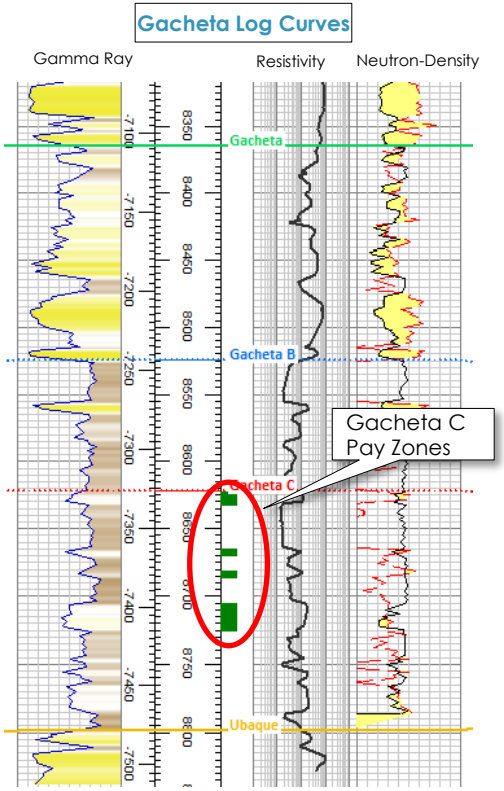
Continued Success with Rio Cravo Este-3

- The RCE-3 appraisal well spud on Feb 8th and was placed on production Feb 28th
- The well encountered a total of 58 feet net oil within the Carbonera C7 and Gacheta formations
- Within the Gacheta four pay zones have been identified including a zone not encountered in previous wells
- Well has been completed in the C7 and is currently producing approximately 620 bbl/d of oil under controlled conditions

Zone	Net Pay (ft)	API Gravity	Forecast Production Rate (bbl/d) *
Carbonera C7	15	28.5	600-1000
Gacheta	32	N/A	Not Tested







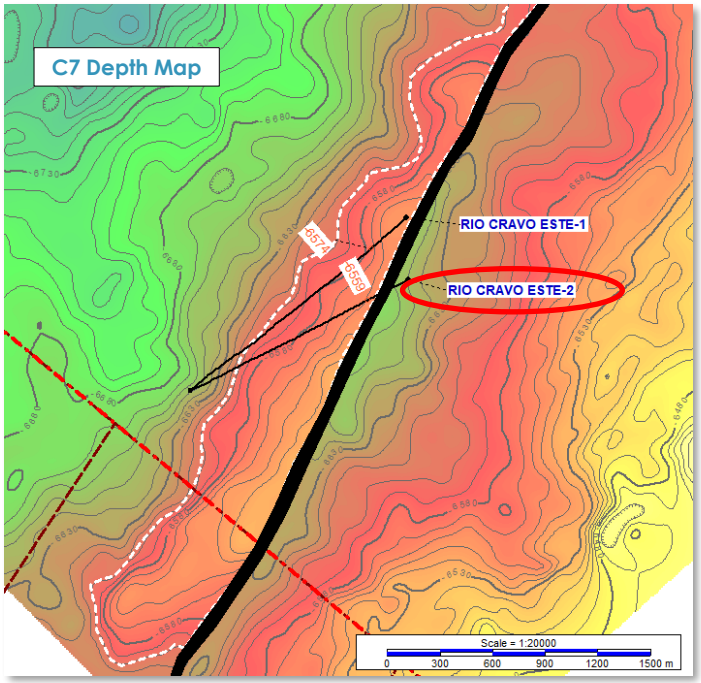
* Production rates are expressed at 100% working interest

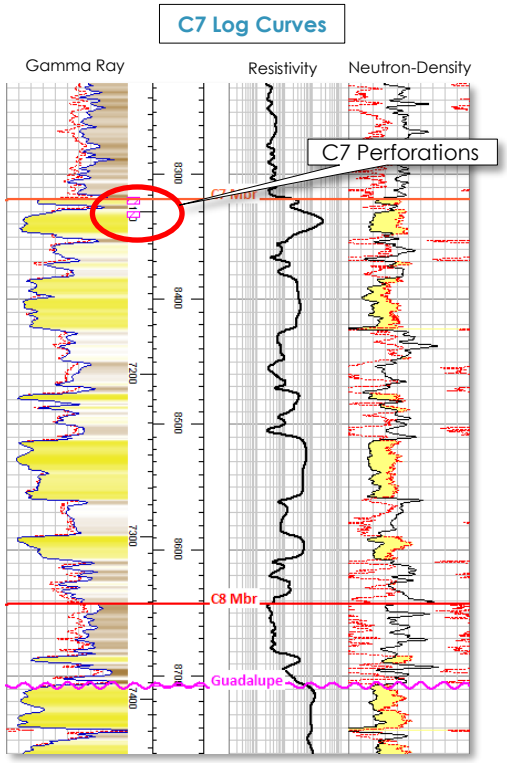
Rio Cravo Este-2 Appraisal Success

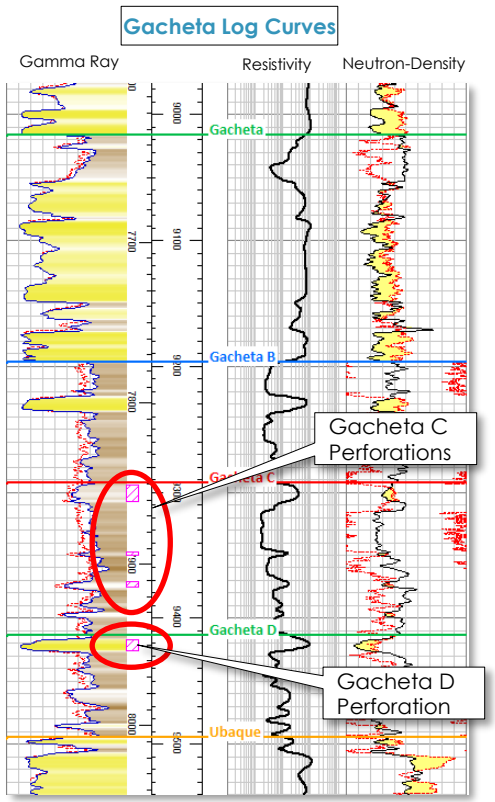
Adding Material Production and Reserves

- RCE-2 spud on April 2, on production May 23
- Well was drilled closer to fault and formation tops are 15 to 40 feet higher than RCE-1
- Three production tests were conducted and proved a total of 66 feet net oil pay and a combined production potential of 2,900 bbl/day*
- Additional 24 feet of potential pay identified on logs
- Production currently from the C7A formation at 535 bbls/d net

Zone	Net Pay (ft)	Test Rate (bbl/d) *	API Gravity	Forecast Production Rate (bbl/d) *
Carbonera C7	27	1,199	28.7	1,000
Gacheta C	22	194	24.9	300
Gacheta D	17	579	13.4	600
TOTALS:	66	N/A	N/A	1,900







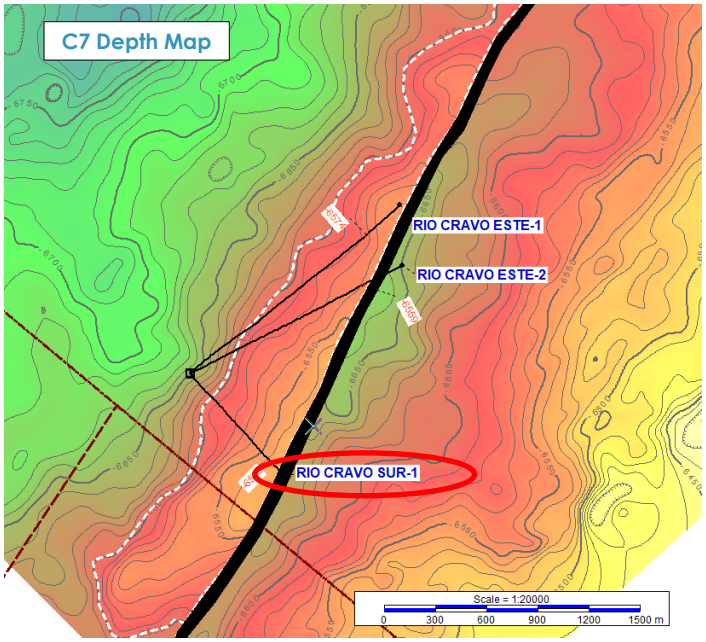
* Production rates are expressed at 100% working interest

Rio Cravo Sur-1 Appraisal Success

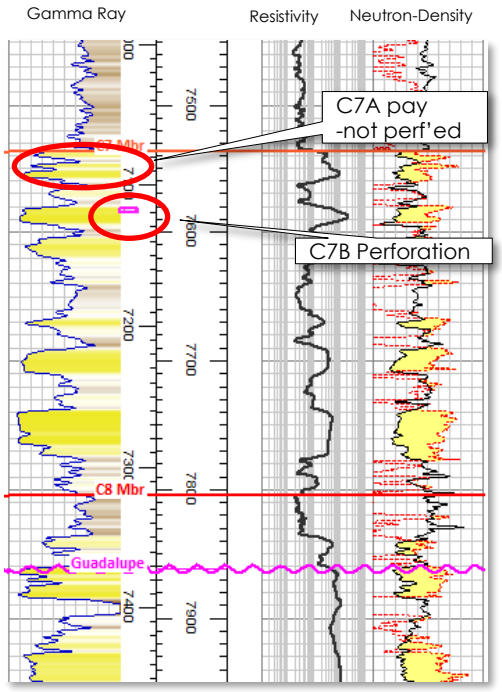
New Producing Zones Encountered

- RCS-1 spud on May 23 and on production as of June 29, 2022
- The well was drilled 1.3 km south of existing wells and has confirmed the mapped field extent
- Two new pay zones encountered: C7B and Ubaque
- Two production tests were conducted and proved a total of 28 feet net oil pay and a combined production potential of 1,700 bbl/day*
- Additional 22 feet TVD of potential pay identified on logs from proven oil-bearing zones in RCE-2
- On production from the C7B formation at a rate of 175 bbls/d net
- Q4 workover paid out in 17 days

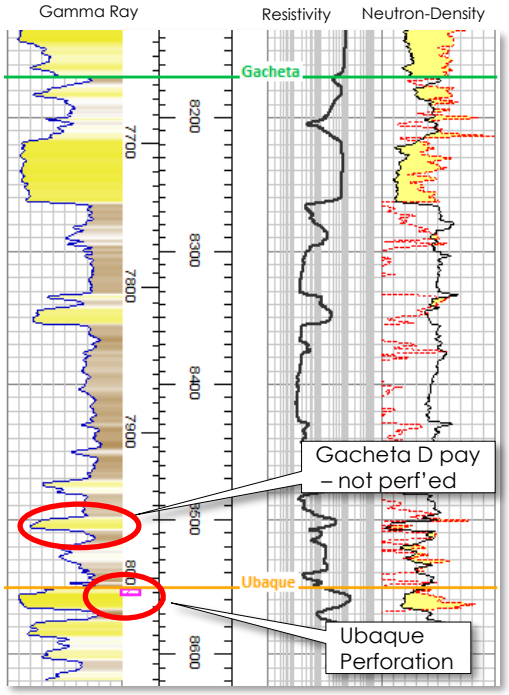
Zone	Net Pay (ft)	Test Rate (bbl/d) *	API Gravity	Forecast Production Rate (bbl/d) *
Carbonera C7A	14	N/A	N/A	N/A
Carbonera C7B	12	1,872	30	1,000
Gacheta D	8	N/A	N/A	N/A
Ubaque	14	184	13	300
TOTALS:	49	N/A	N/A	1,300



C7 Log Curves



Gacheta - Ubaque Log Curves



* Production rates are expressed at 100% working interest

Western Canada Gas
Montney

Why Western Canada?

447
TCF marketable gas in the total Montney play

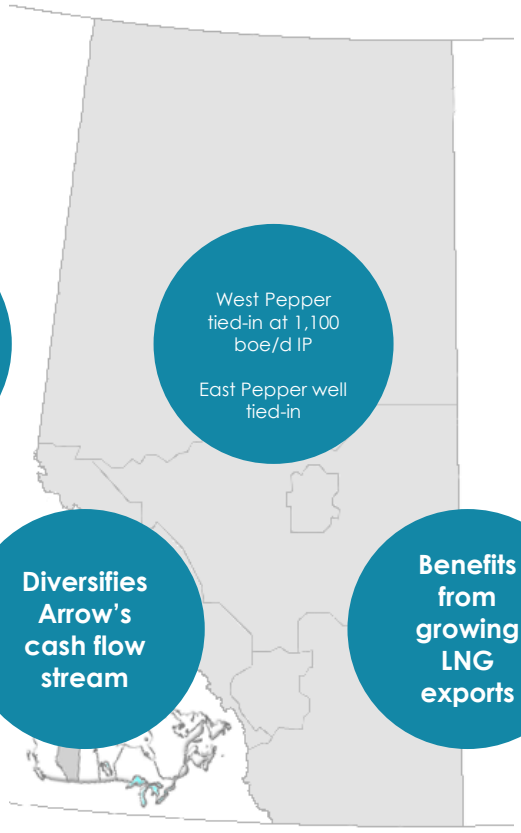
1.8
Tcf of Gas Initially-in-Place in Arrow's Montney lands

West Pepper tied-in at 1,100 boe/d IP

East Pepper well tied-in

Efficient payout on Arrow's wells

Optionality on realizing value from Arrow's assets



Diversifies Arrow's cash flow stream

Benefits from growing LNG exports

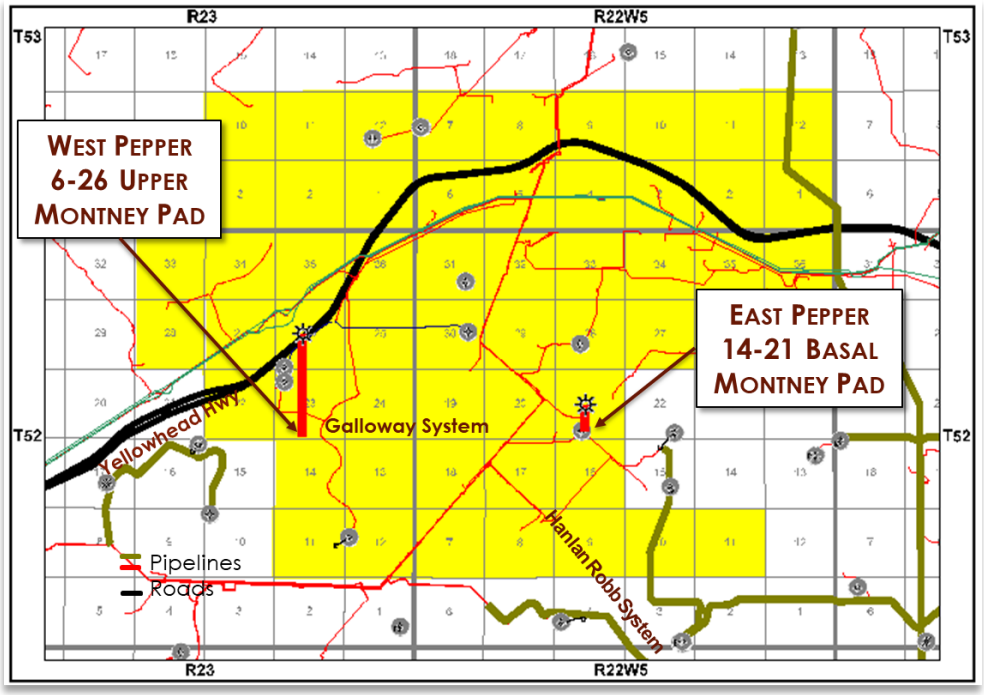
Current & Future Production

Canadian Montney Assets

Overview

- Low-risk, low-cost, behind-pipe natural gas discovery; production in a rising gas price environment in Alberta, Canada
- Arrow tied-in the 3-26 West Pepper Montney well in December 2021 at a cost of $1.3 million, adding initial production of 1,100 boe/d
- East Pepper Montney well tied-in and producing

Location | Map



East Pepper

West Pepper

* Per GLJ Petroleum Consultants NI 51-101 Report as of March 31, 2017

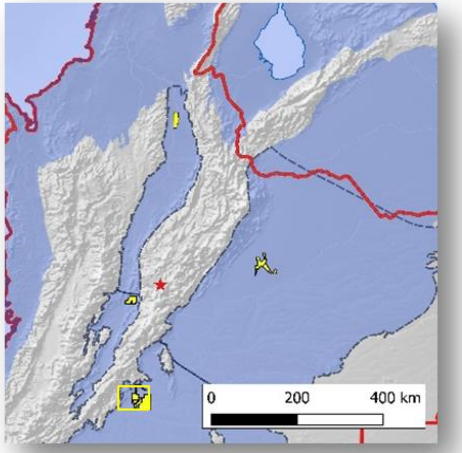
Non-Operated Production

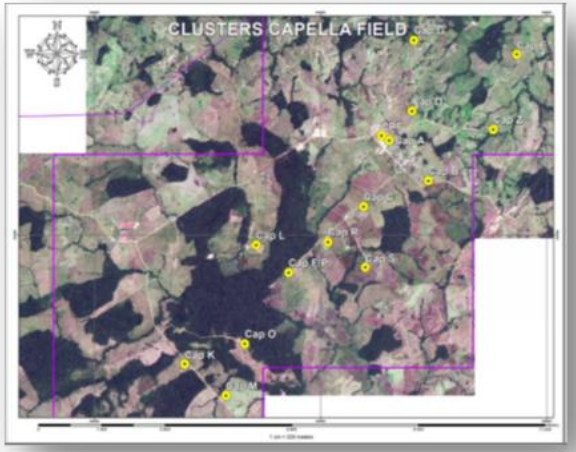
Ombu Block (10% W.I.)

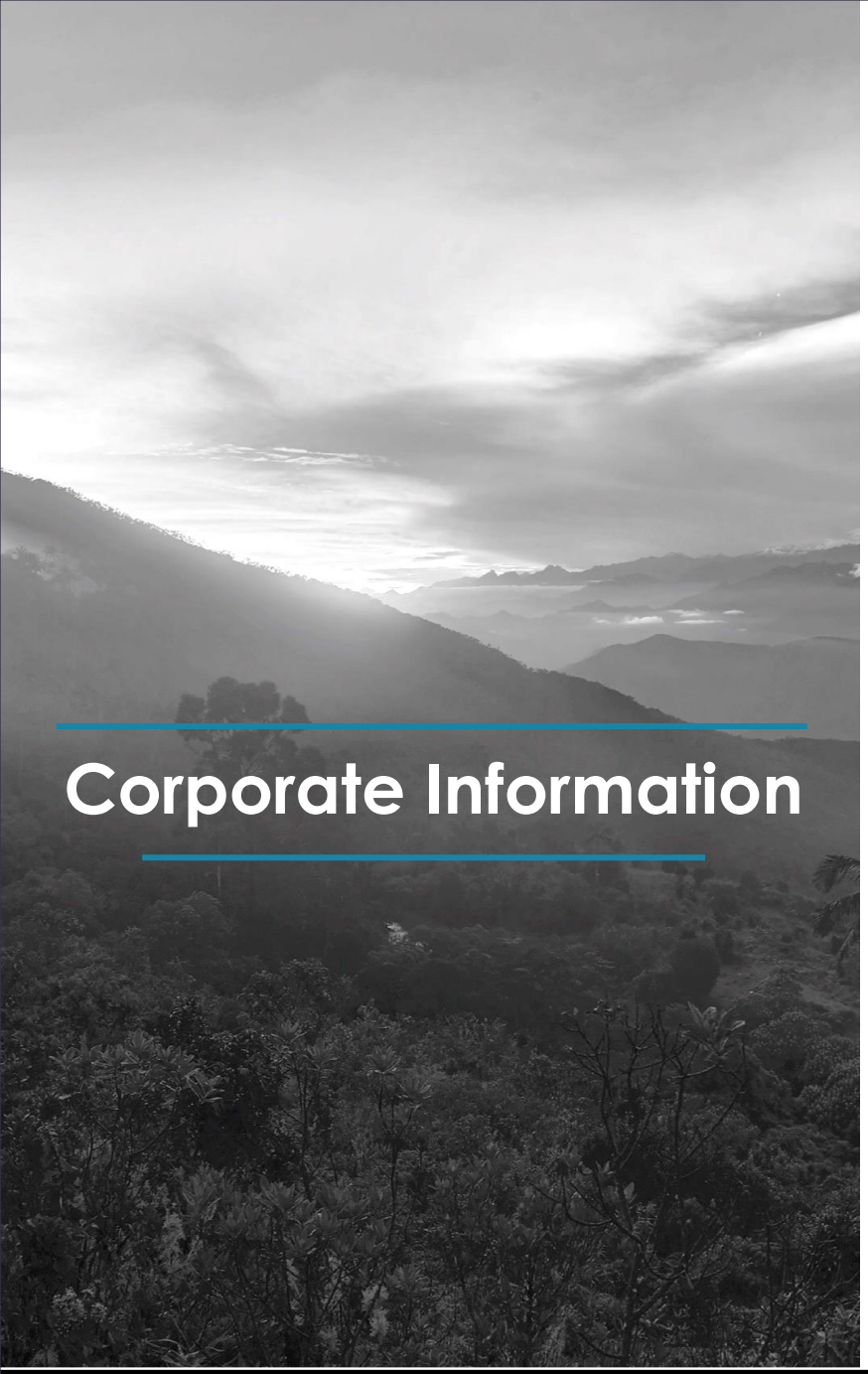
Overview

- 10% working interest in the Ombu Block which contains the Capella discovery, the largest oil discovery in Colombia in the past 20+ years
- Emerald Energy (Sinochem) is the operator
- 2020 Year-End Arrow 2P reserves of 4.0 MMbbls of 8–11degree API heavy crude oil
- Production re-started in March 2021, interrupted by roadblocks, and re-started again in June 2021; high break-even oil price
- Estimated production of ~ 260 bbls/d, net to Arrow (estimated January 2022)
- Arrow's corporate philosophy is to have high working interests and operatorship; opportunity to exit this non-core asset

Location | Map







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