
ARROW

EXPLORATION

**Growing & Socially-Responsible
Colombia-Focused Energy
Company**

AIM | TSXV : AXL
June 2024

Corporate Presentation



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Arrow Exploration

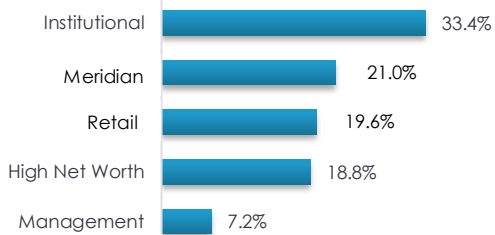
Growing & Socially-Responsible Colombia-Focused Energy Company



Corporate Snapshot



Share Ownership



Analyst Coverage

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

Market at March 31, 2024

\$84M USD
(\$114M CAD)
Market Cap

\$11.6M USD
Cash in Bank

286M
Shares O/S (303M fully-diluted)

Assets

3,600+ BOE/D
Production

11.8 MBOE
2P Reserves at Dec 31, 2023

\$56/bbl USD
Q1 2024 Oil Netbacks

Valuation

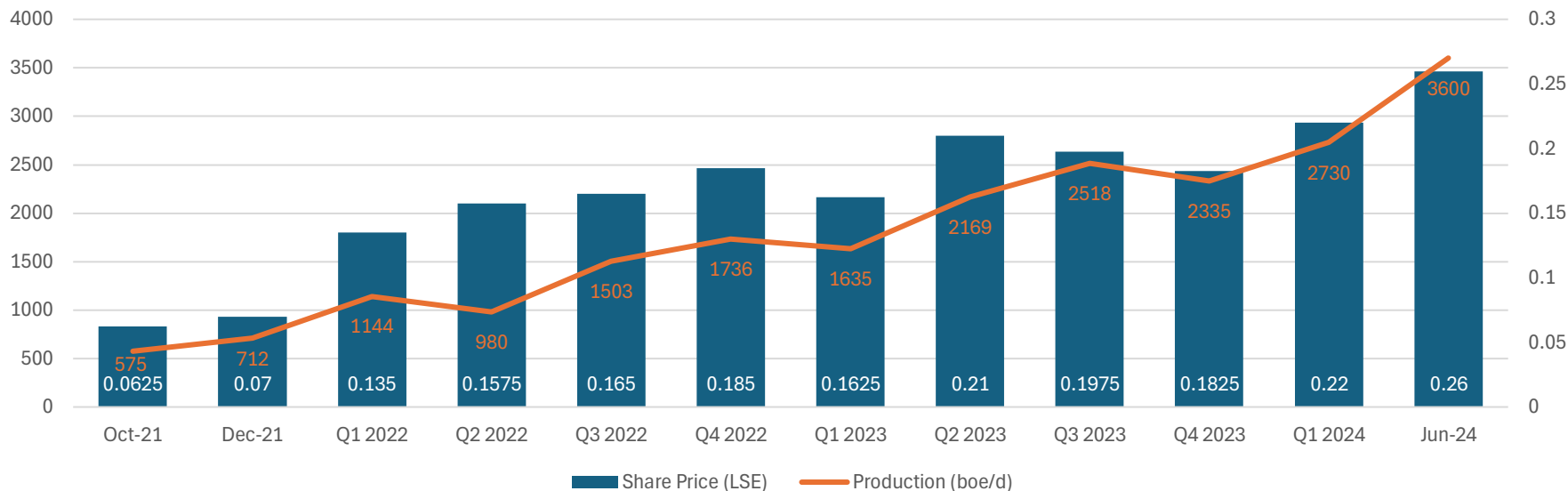
1.9X
Price/2023E Cash Flow

\$25,216
Ent. Value¹/BOE 2023 Production

\$4.15
Ent. Value¹/BOE 2P Reserves

1. Enterprise Value = Market Cap plus Debt minus Cash
2. Boury GEC December 31st, 2023 Reserve Report. Arrow's 50% interest in the Tapir block is contingent on the assignment by Ecopetrol of such interest to Arrow.

Share Price vs Production



Financial Data*

As at Jan 1, 2024

FY24 EV/Revenue	0.4x
YE23 EV/EBITDA	0.6x
FY24 EV/EBITDA	1.4x
FY24 EV/DACF	1.2x
FY24 EV/Production	\$16,300
FY24 P/E	1.9x

Arrow Exploration

FY24 EV/Revenue	0.4x
YE23 EV/EBITDA	0.6x
FY24 EV/EBITDA	1.4x
FY24 EV/DACF	1.2x
FY24 EV/Production	\$16,300
FY24 P/E	1.9x

Mean UK Selected Peers

FY24 EV/Revenue	1.0x
YE23 EV/EBITDA	1.5x
FY24 EV/EBITDA	2.0x
FY24 EV/DACF	2.3x
FY24 EV/Production	\$19,600
FY24 P/E	4.5x

As at Jan 1, 2024

FY24 EV/Revenue	0.4x
YE23 EV/EBITDA	0.6x
FY24 EV/EBITDA	1.7x
FY24 EV/DACF	1.2x
FY24 EV/Production	\$16,300
FY24 P/E	1.9x

Arrow Exploration

FY24 EV/Revenue	0.4x
YE23 EV/EBITDA	0.6x
FY24 EV/EBITDA	1.7x
FY24 EV/DACF	1.2x
FY24 EV/Production	\$16,300
FY24 P/E	1.9x

Mean LATAM Selected Peers

FY24 EV/Revenue	1.1x
YE23 EV/EBITDA	1.8x
FY24 EV/EBITDA	2.4x
FY24 EV/DACF	2.5x
FY24 EV/Production	\$24,500
FY24 P/E	3.4x

2024 Board Approved Budget

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

2024 – 15 well drilling program.

- CN development focus
- Low Risk Exploration at Mateguafa, Baquiano, Carrizales Norte

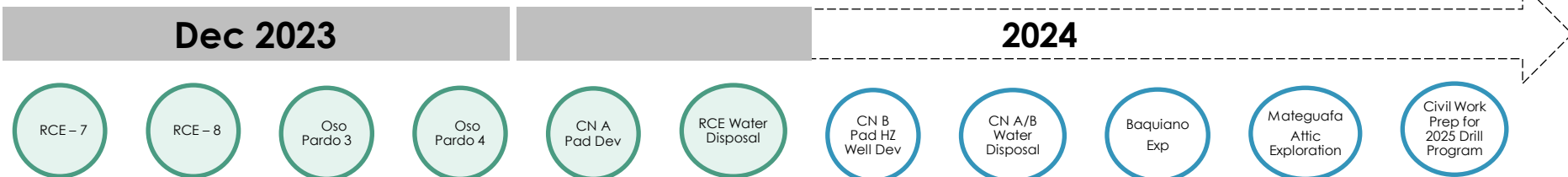
2024 - \$45 million capital est.

- Budget funds targeting Tapir
- \$34mm allocated to drilling
- Four Hz wells planned with additional Hz wells on success at Carrizales Norte
- Testing Baquiano and Mateguafa Prospects
- Expanding Carrizales Norte

Infrastructure

- 2024 Pad upgrades at Mateguafa and new pad and road for Baquiano
- 2024 Carrizales Norte HZ well pad (CN B)
- Water disposal well

→ Expected to Be Driven By Multiple Near-Term Catalysts



Seasoned Leadership and Board of Directors



Collectively we have proven success

Historical Success
(8X Proven Executers)

Company	Area	Production at Exit (boe/d)	Return to Shareholder (CAGR)
Cougar Hydrocarbons	Canada	3,000	280%
Equatorial Energy	Indonesia	13,000	150%
Sabretooth Energy	Canada	1,700	100%

15+
O&G jurisdictions worked in

190+ years
Combined management experience

Board of Directors



Marshall Abbott
CEO & Director 2,4



P. Gage Jull
Executive Chair 1,3



Grant Carnie
Senior NED (I) 2*,4



Anthony Zaidi
NED (I) 1,3*



Ravi Sharma
NED (I) 2,4*



Ian Langley
NED (I) 1*,3

- * Denotes Chair (I) Independent
- 1. Audit Committee
- 2. Compensation Committee
- 3. Environment, Social & Governance Committee
- 4. Reserves Committee

Leadership



Joe McFarlane
CFO



Giovanni Flautero
VP, Engineering



Phil Miller
SVP Exploration



Alex Mora
VP, Finance

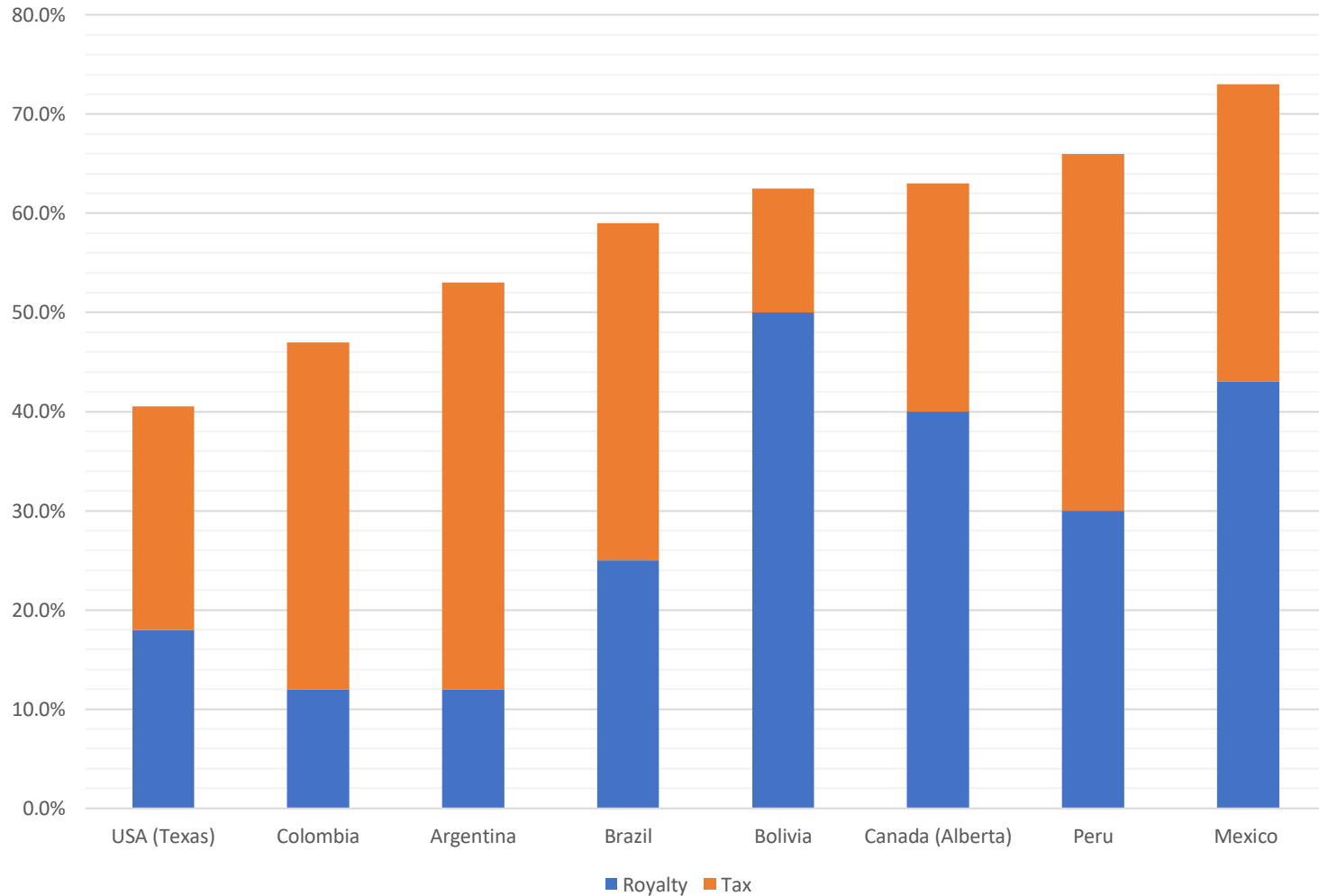


Andrew Jones
SVP Operations

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

Attractive Fiscal Terms

Still top decile fiscal regime worldwide.



Asset Overview

Asset	Country	Basin	W.I.	Current Production (boe/d, net)	Operator
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Core Assets	1. Tapir	Colombia	Llanos	50% ⁽¹⁾	3,300	Arrow ⁽²⁾
	2. Oso Pardo	Colombia	MMV	100%	200	Arrow

3. Ombu	Colombia	Putumayo	10%	0*	Emerald
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* Expect 280 Boe/d once back online

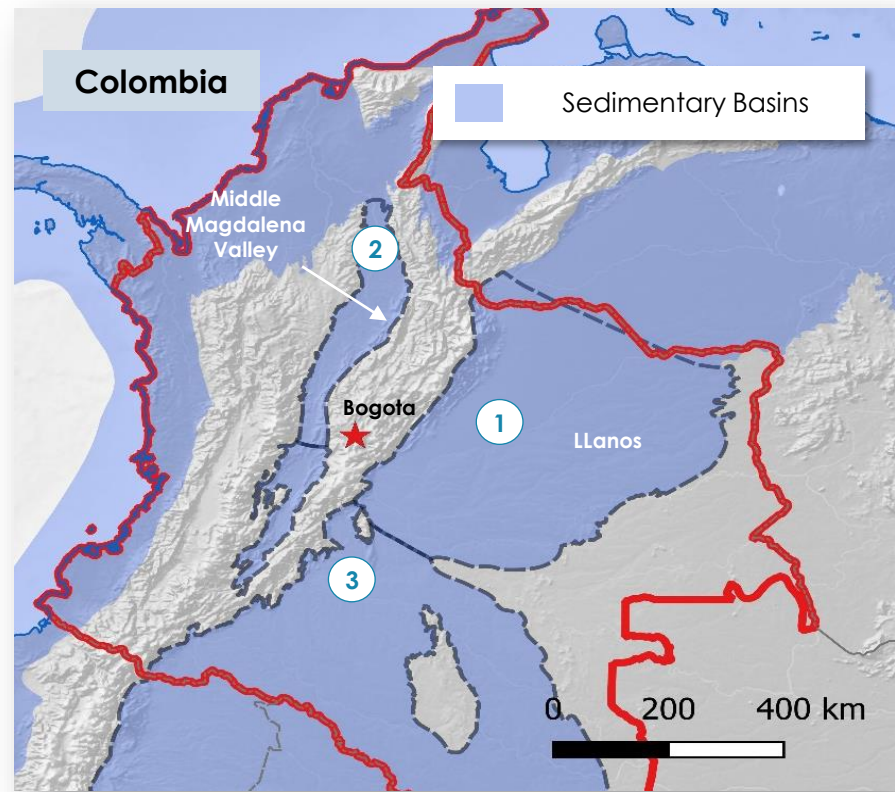
4. Alberta	Canada	WCSB	100%	100	Arrow & other
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* Expect 250 Boe/d additional once gas price recovers

Total Production	3,600+
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Production Capacity	4,130+
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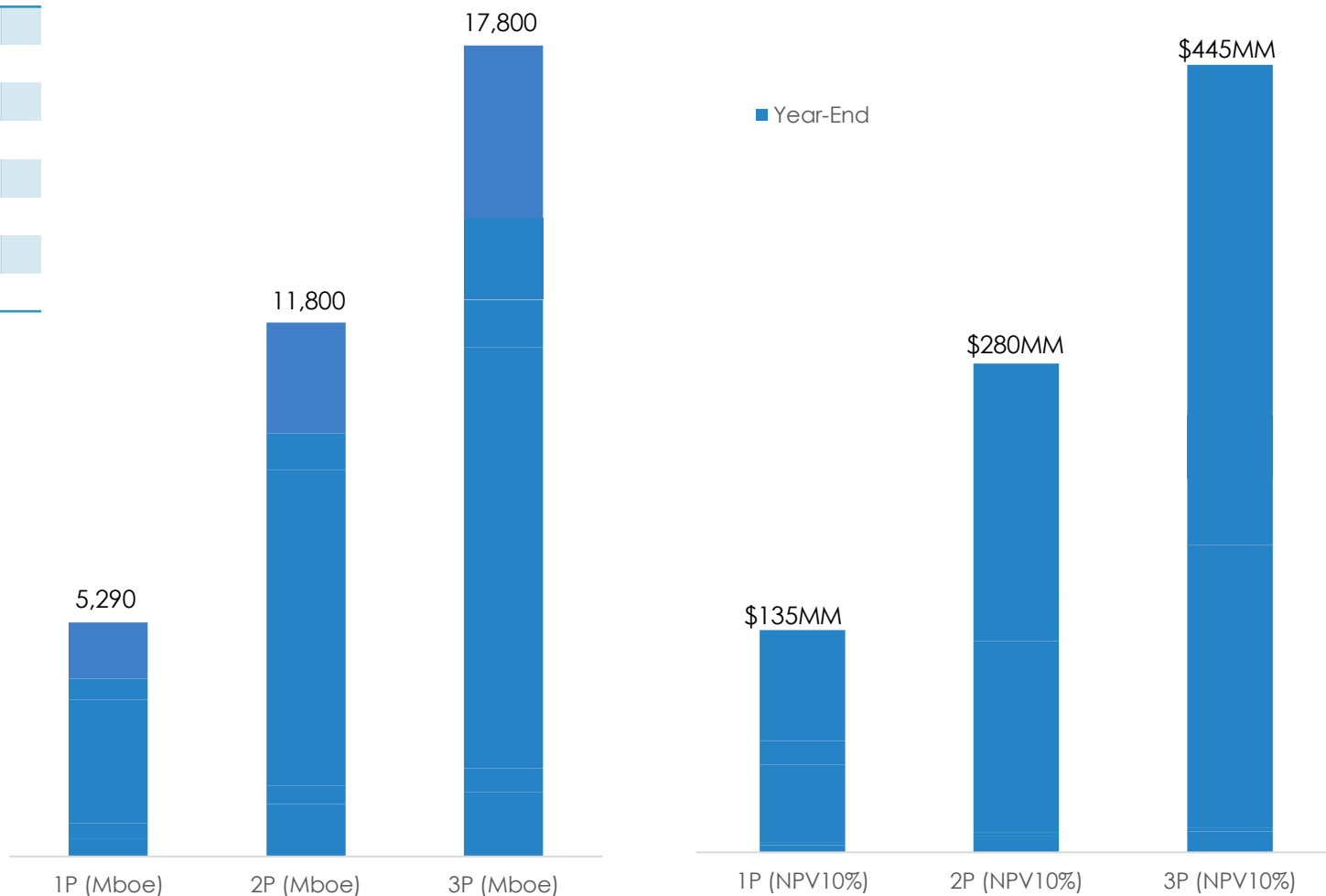
1. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is entitled to receive 50% of the production from the Tapir block.
 2. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is the contract operator of the Tapir block.



2023 Year-End Reserves

Price Deck

Year	YE 2023 \$/bbl Brent
2024	78.00
2025	80.00
2026	81.00
2027	82.50
2028	84.50
2029	85.50
2030	87.21
2031+	+2% per year

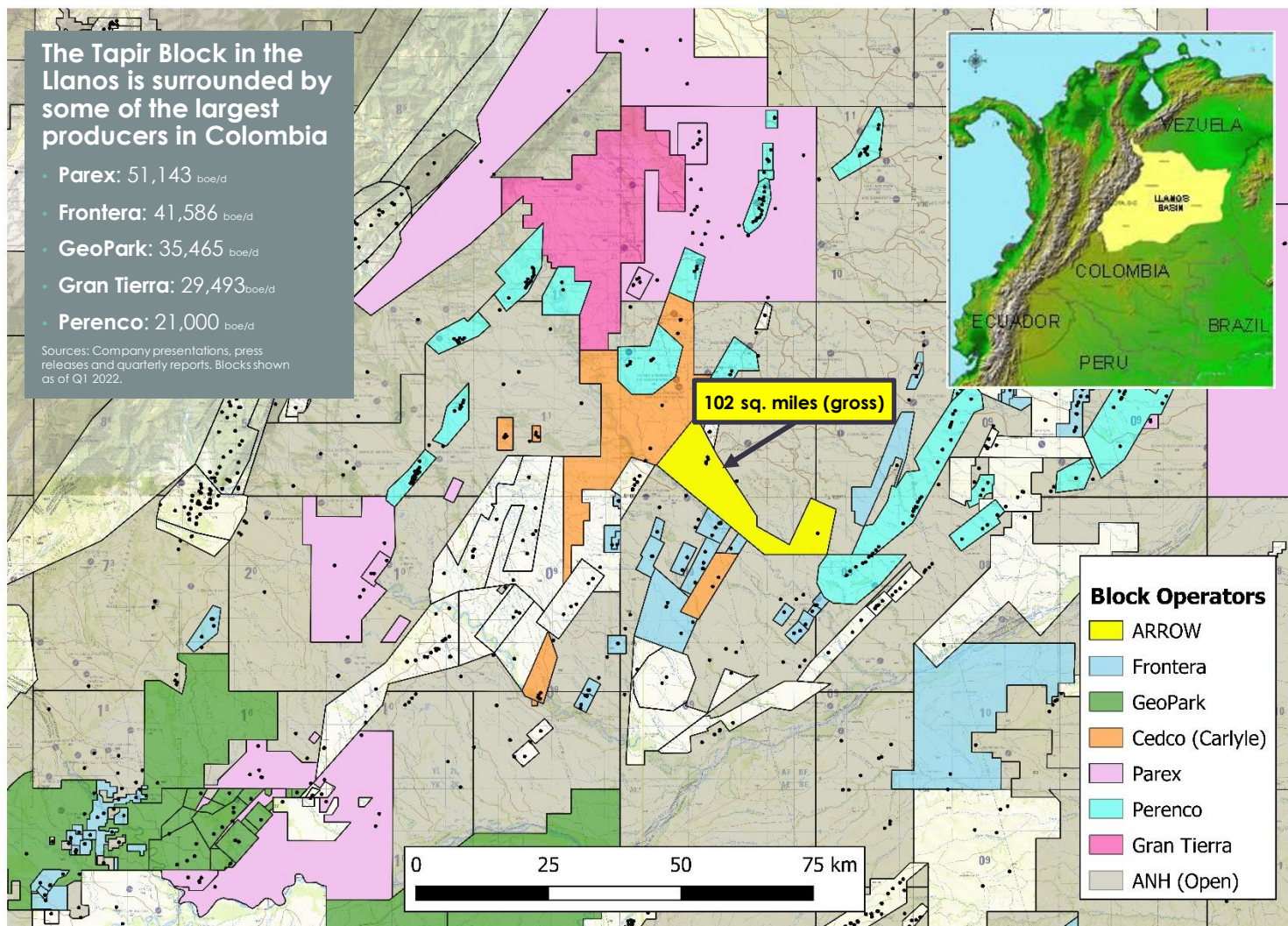




Colombian Oil Portfolio Llanos Basin

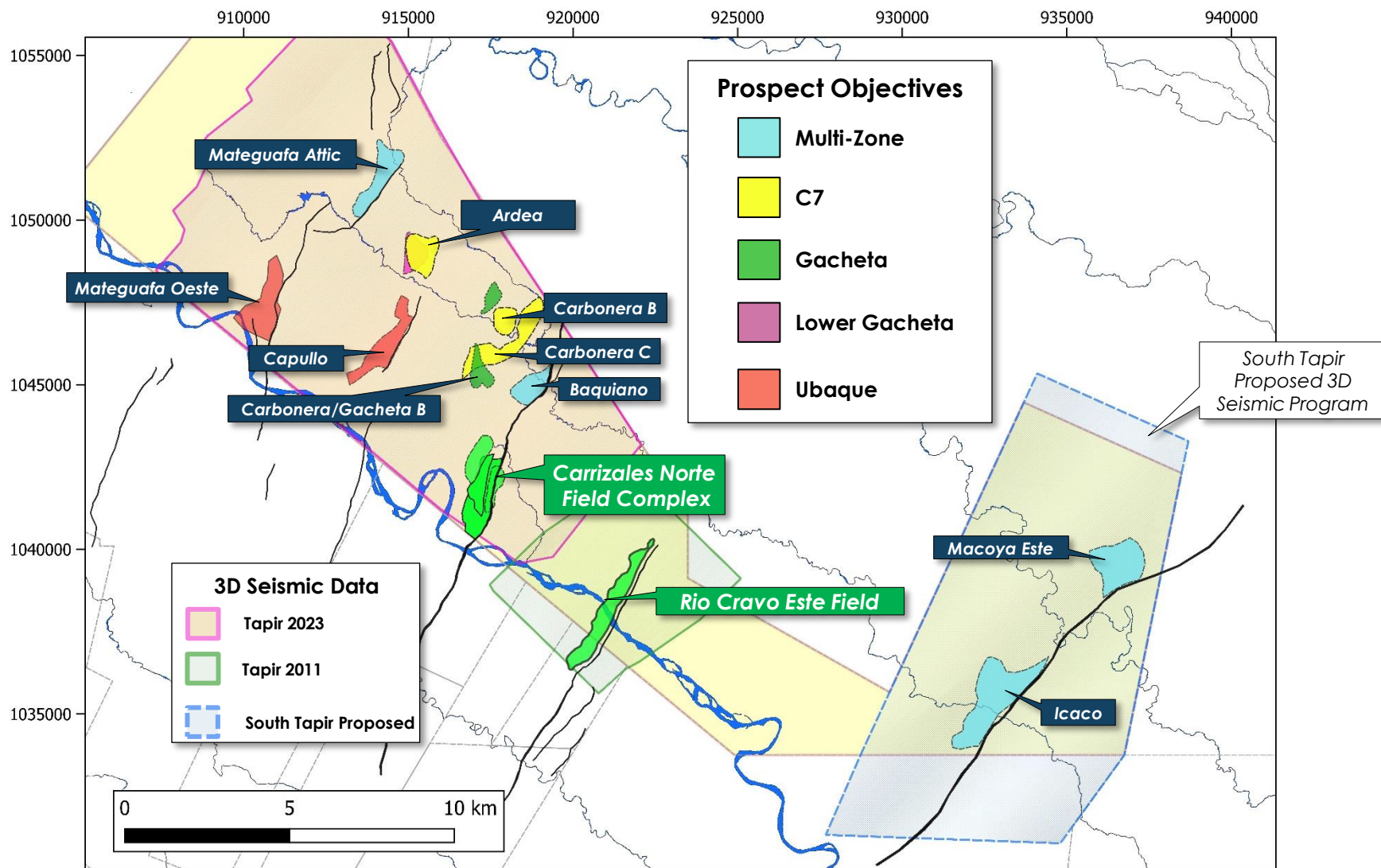
Llanos Basin

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

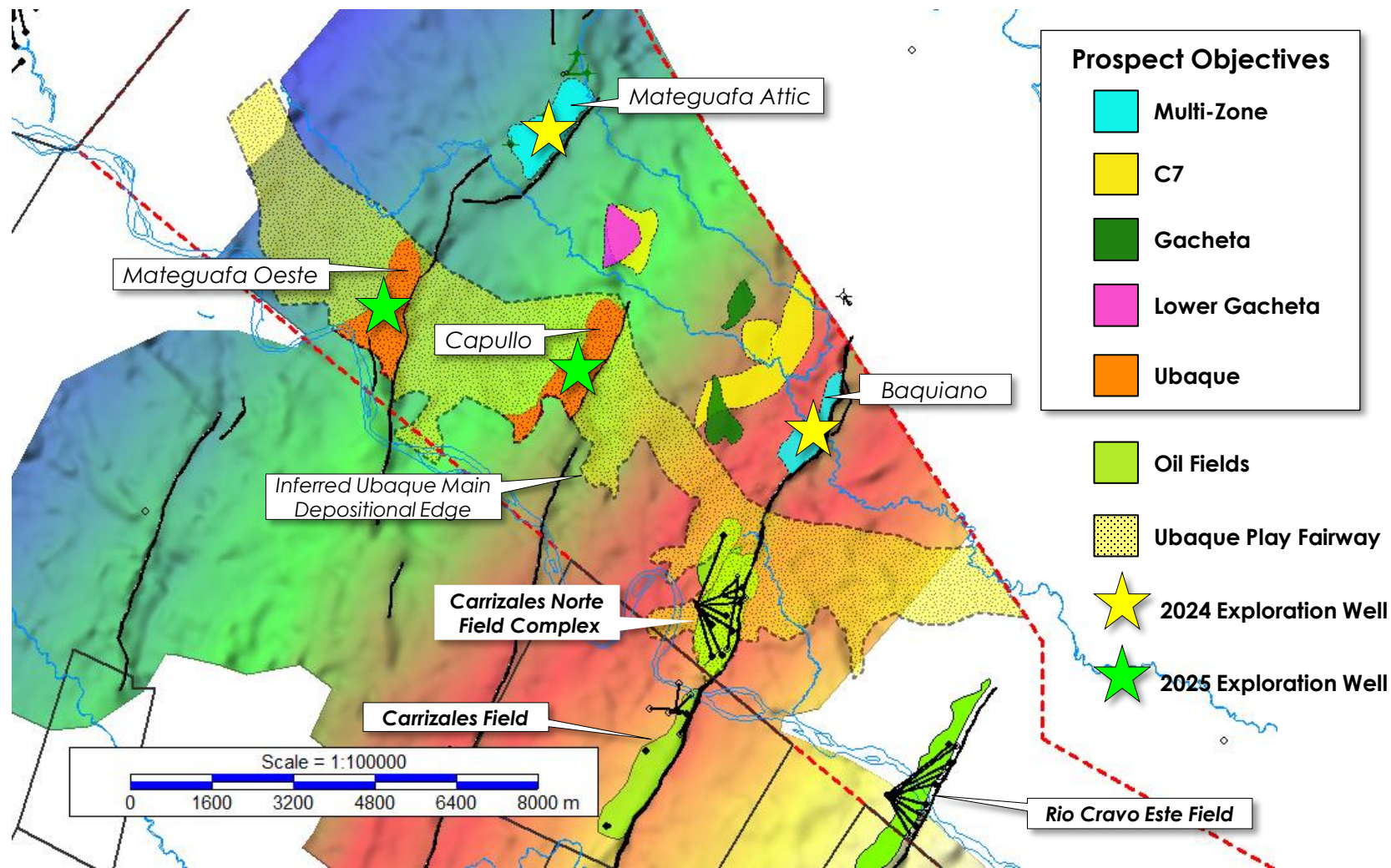


- Largely flat-lying areas with little vertical relief
- Year-round production (rainy season April-November)
- 80+ year history of hydrocarbon production
- Strong community support

Tapir Block: Prospects & Leads



New 3D Data Reveals North Tapir Prospectivity



Current & Future Production

Tapir Block (50% W.I.)*

Overview

1. Rio Cravo Este (RCE)

- 8 producing wells
- RCE-7 and RCE-8 on production
- Additional drilling targets and recompletion opportunities

2. Carrizales Norte

- 8 producing wells
- CN-5 proved up stratigraphic trap in Ubaque
- 3 additional Horizontal wells planned for 2024
- Future horizontal development planned for 2025

RCE Drilling Operation | Oil Production Facilities



Vertical type well

IP forecast (per zone): 321 bbls/d, net

Payback*: less than 3 months, 61,000 bbls

CF (Yr1)*: \$2.7M, net

Well cost: \$1.6M net * (original budget \$2.0)

Opex/bbl: < \$5.00

Horizontal type well

IP forecast (per zone): 1,575 bbls/d, net

Payback*: less than 2 months, 75,000 bbls

CF (Yr1)*: \$8.9M, net

Well cost: \$2.6M net * (original budget \$3.5)

Opex/bbl: < \$8.50 estimated

* Well costs improved with every well drilled in 2023

* 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

CN Pad



Carrizales Norte Drilling Operations

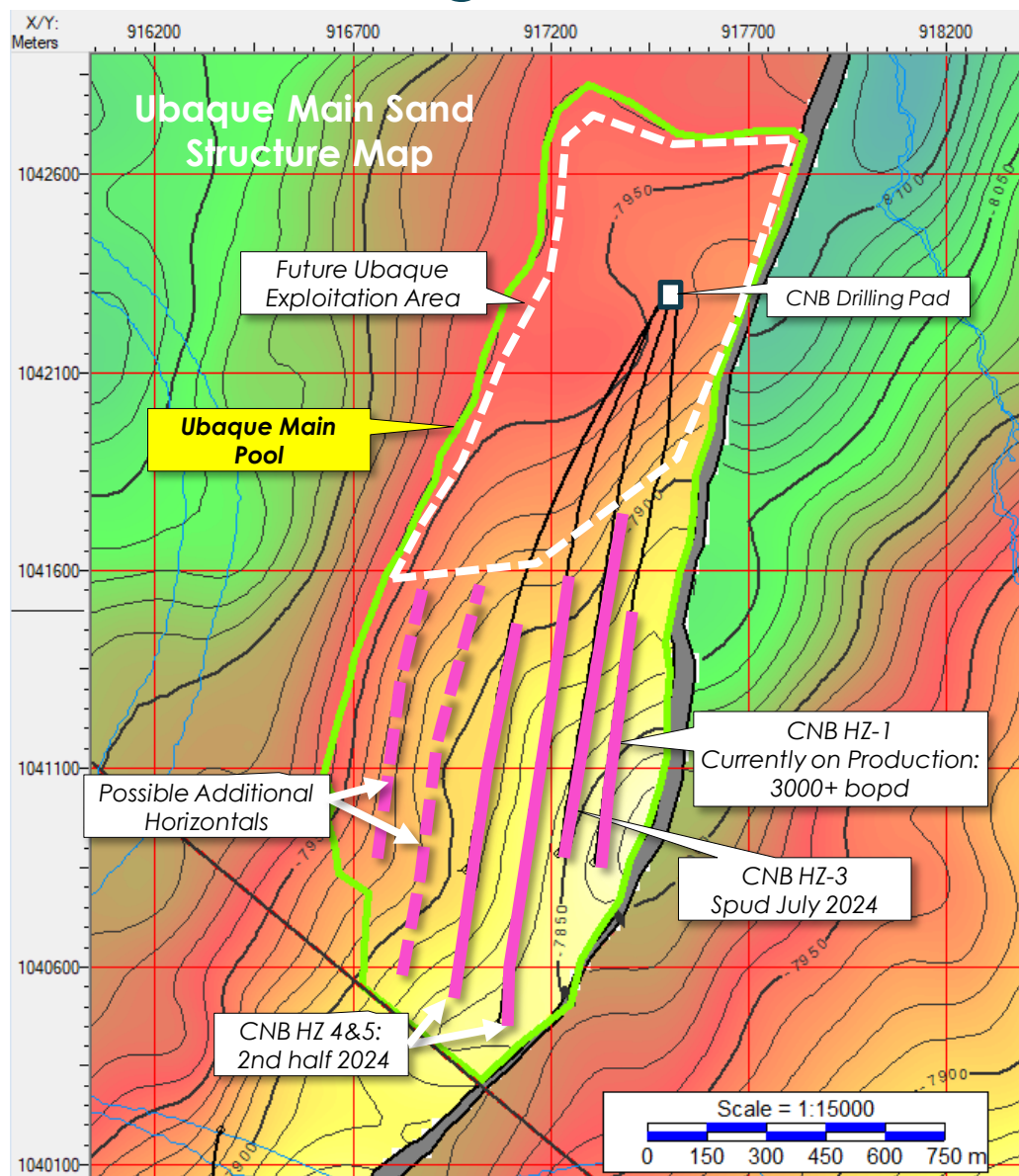
Carrizales Norte Field

CNB Pad



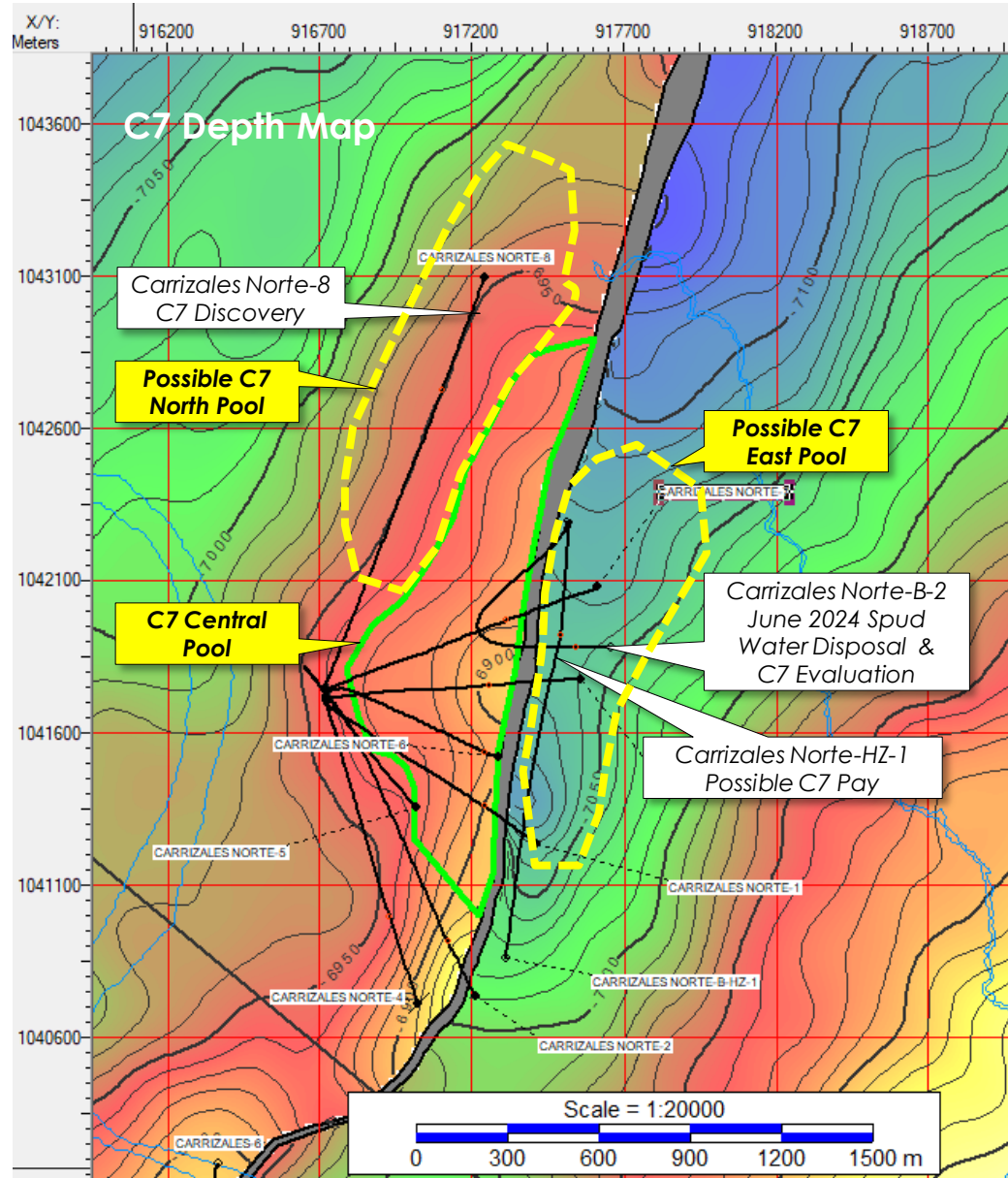
Carrizales Norte: Horizontal Well Program

- The first horizontal well was spud on May 14th, 2024. A 622 m horizontal section was drilled within the Main Ubaque reservoir. The well was brought on production on June 15, 2024 and is currently producing over 3,000 bbl/d gross (1,500 net) oil
- The second HZ well in the program, CNB-HZ-3, will be spud in Summer 2024, with two additional wells to follow
- The Ubaque reservoir encountered at Carrizales Norte is world-class: up to 80 feet of stacked shoreface sands with 26-30% porosity and 7-10 Darcies permeability
- Low viscosity 13.4^o crude and strong water drive allows for recovery factors of 30-35%
- Reservoir modeling and data from other fields in the basin suggest that the Ubaque reservoir is an excellent candidate for horizontal wells – initial production rates could be two to three times higher than a vertical well
- Proven completion technology can be utilized to manage water production, extending the economic life of each well



Carrizales Norte Field Development (50% W.I.*)

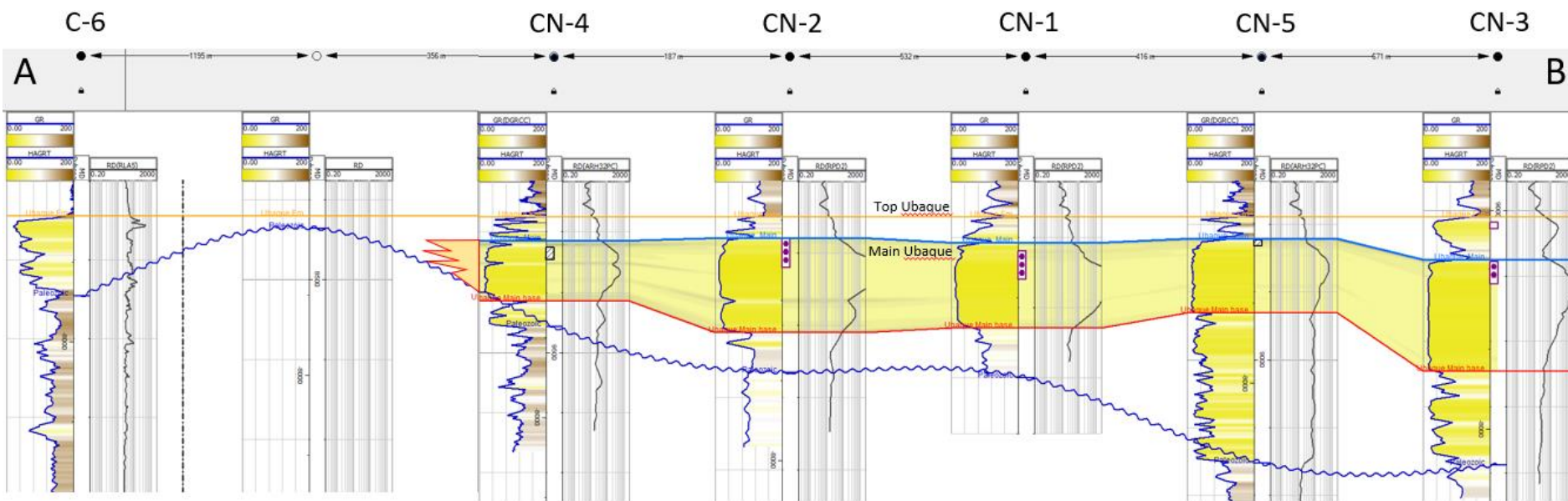
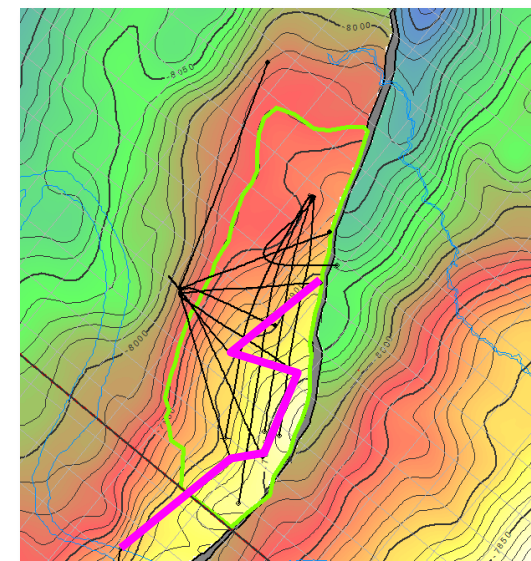
- Two additional development wells drilled in April & May – CN-8 and the first Ubaque horizontal well, CNB-HZ-1
- CN-8:
 - Long reach outpost well to evaluate the northern flank of the structure
 - 10 feet net oil pay (MD) in C7A formation
 - Possible stratigraphic trap that could add material volumes to the field
- CNB-HZ-1:
 - Primary objective in Ubaque formation
 - While drilling, potential oil pay was encountered in C7 and Gacheta sands
 - C7 pay encountered on downthrown side of fault, opening up a potential new C7 oil accumulation
- CNB-2 will be drilled in June. Main objectives are to test for water disposal capability, but will also allow for a test of the C7 pay zone encountered in the CNB-HZ-1 well



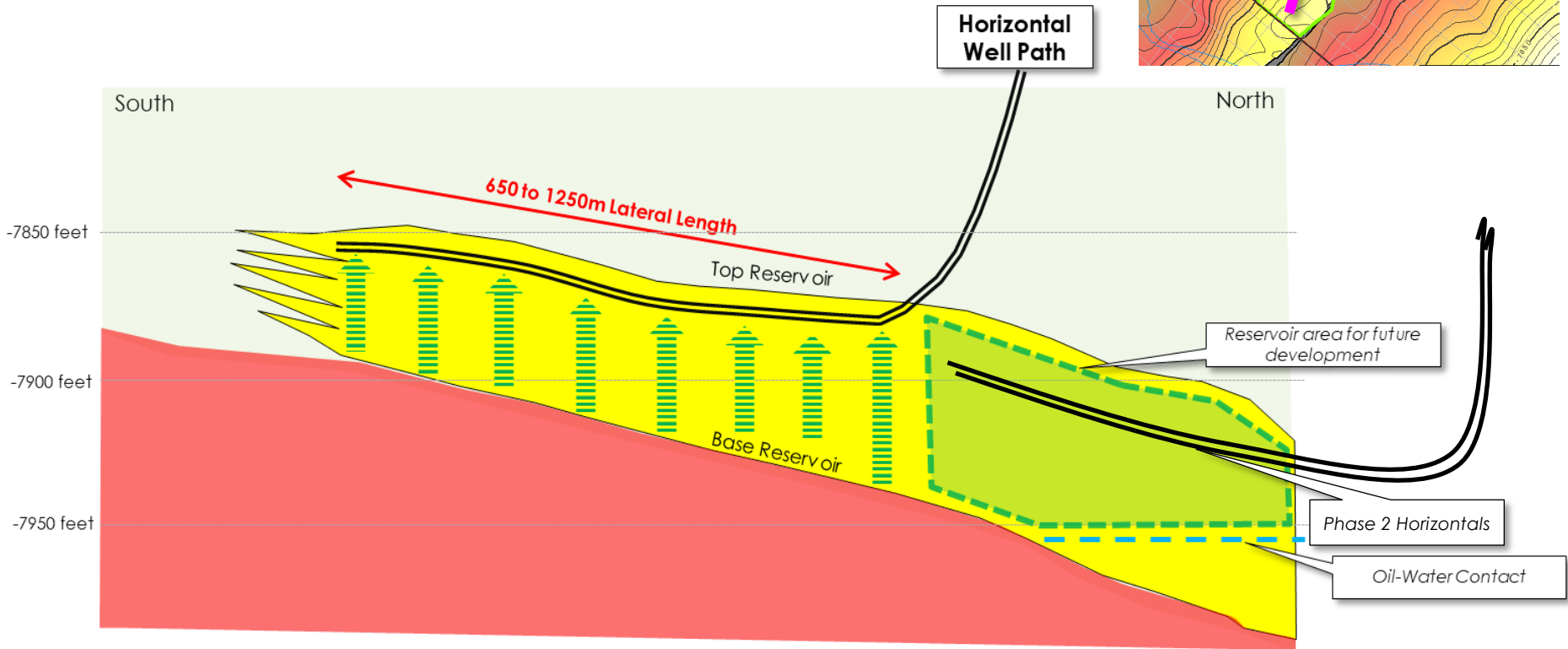
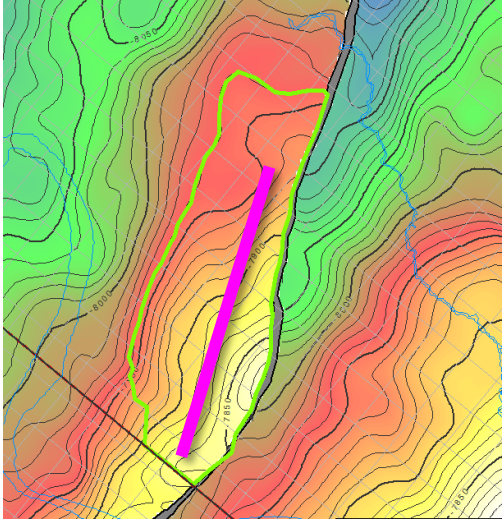
* Arrow's 50% interest in the Tapir block is contingent on the assignment by Ecopetrol of such interest to Arrow.

Cross Section Carrizales Norte Field

Stratigraphic Cross Section (Datum= top Ubaque)
Shows Main Ubaque truncation to the southwest

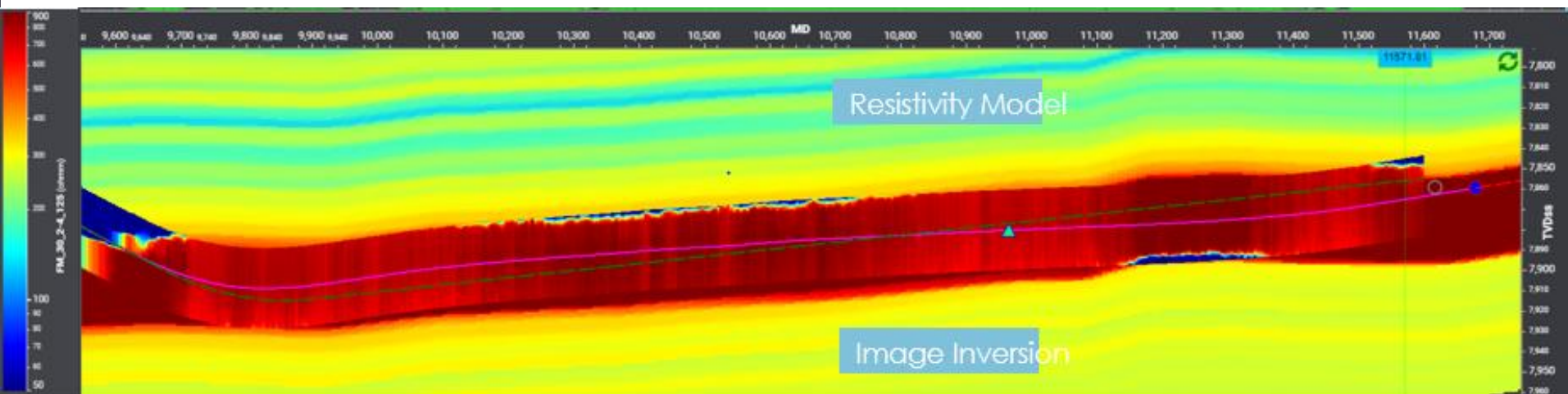
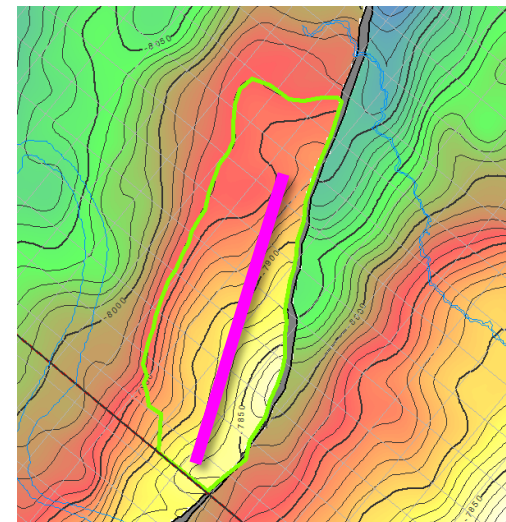


Typical Horizontal Well Cross-section



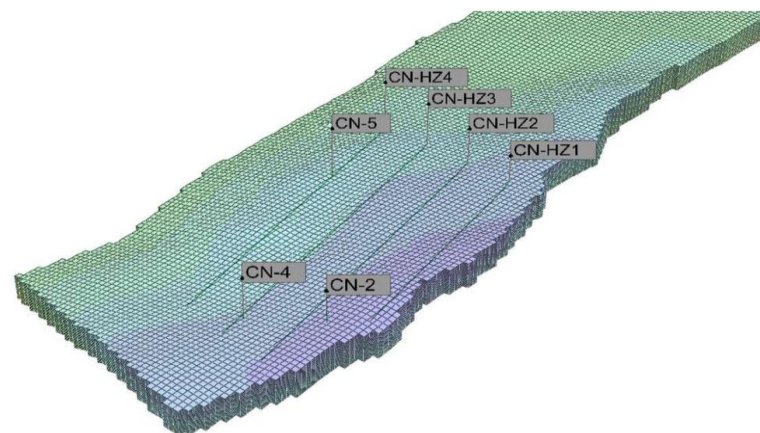
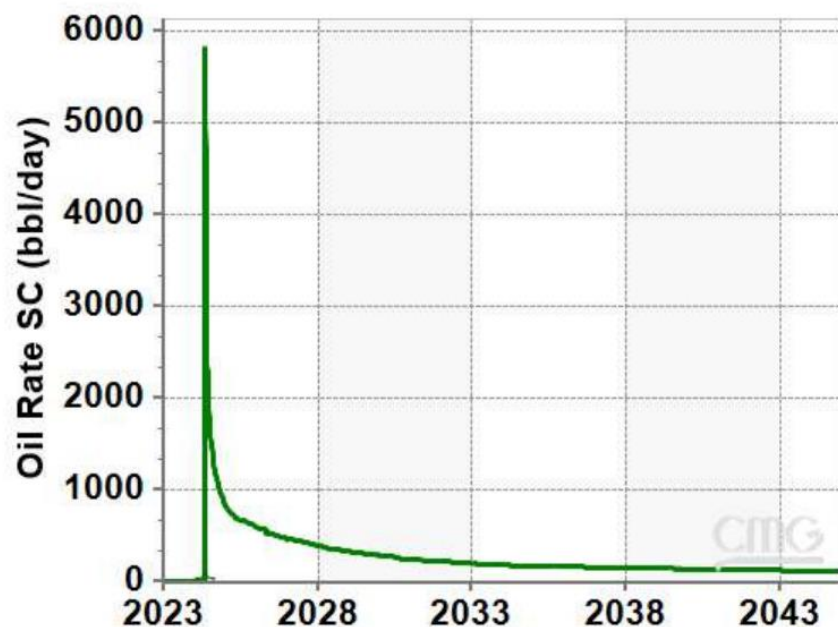
CNB HZ-1 Well Cross-section

CNB HZ-1 drilled 100% in Ubaque zone with advanced sensor technology heretofore unseen in Colombia

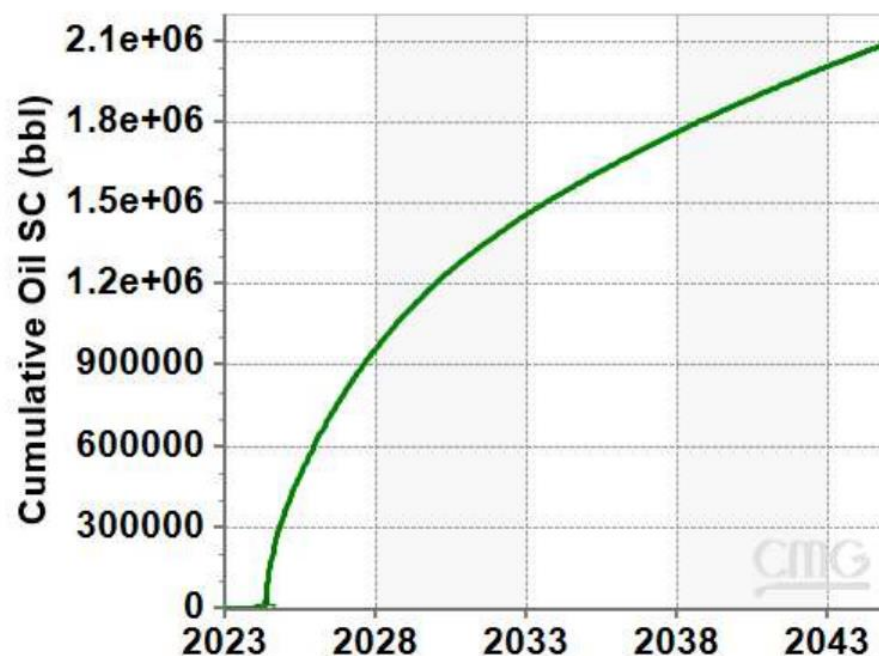


HZ Well Simulation – CMG

Oil Rate SC - (11)



Cumulative Oil SC - (11)

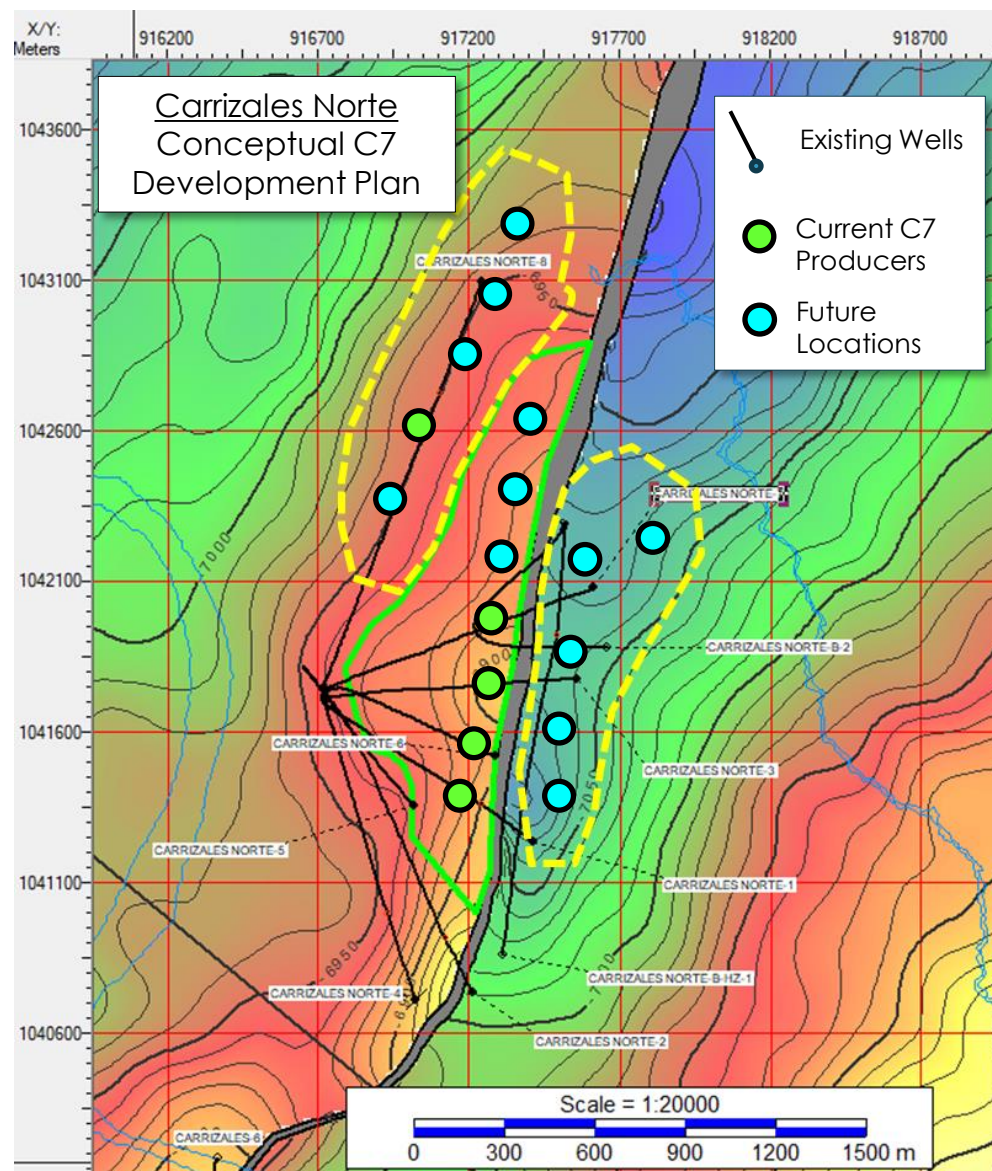
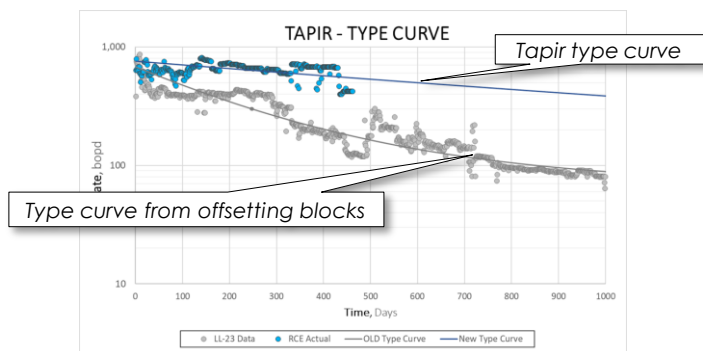


CNB HZ-1 is currently flowing at a restricted rate. Based on the simulation the well reservoir characteristics allow for higher production than the well is currently being produced at.

There is no guarantee that simulation production rates or recoveries will be achieved.

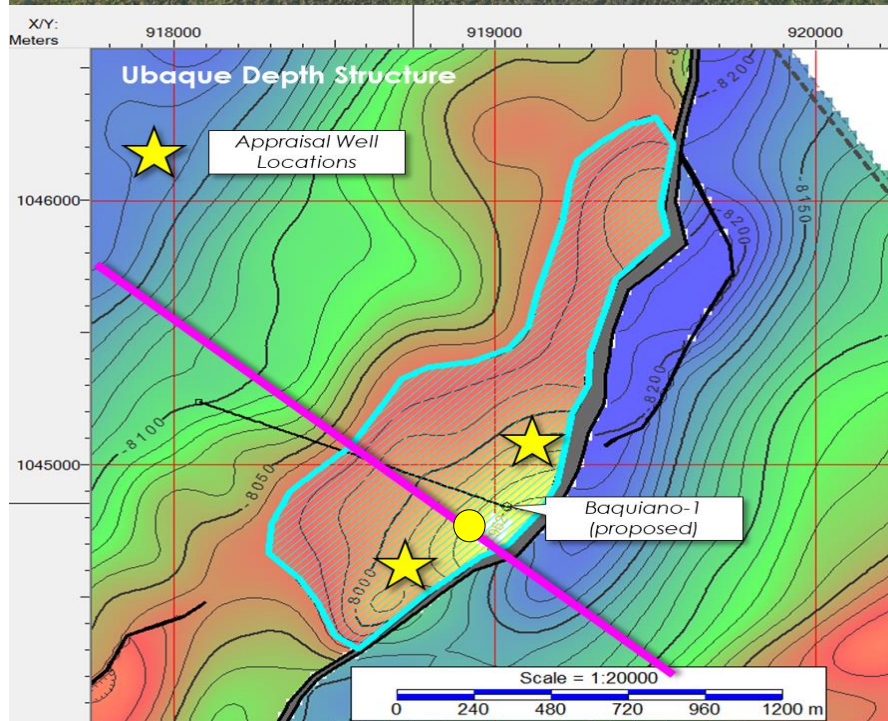
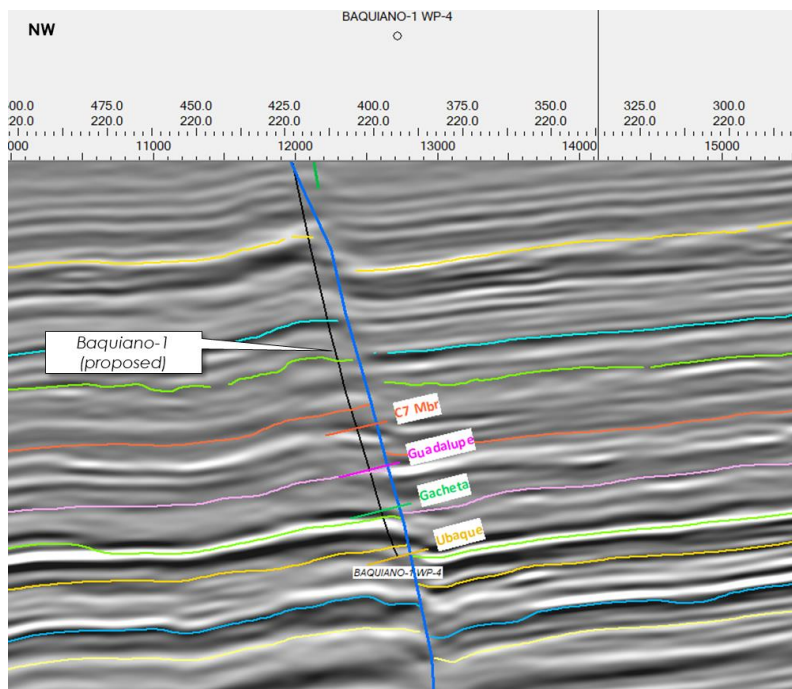
Carrizales Norte: C7 Potential

- Reservoirs consist of channelized sand bodies with excellent characteristics – porosity of 28 – 34% and multi-Darcy permeabilities
- Light oil (>30° API) and strong water drive allow for very high initial production rates and quick economic payback (~60 days/well)
- Superior reservoir characteristics and prudent reservoir management results in significantly lower decline rates and higher EUR relative to other C7 wells in the basin
- Recent drilling has revealed two additional C7 pools, both likely to be stratigraphic traps. Confirmation of the extent of these pools will add significant drilling opportunities



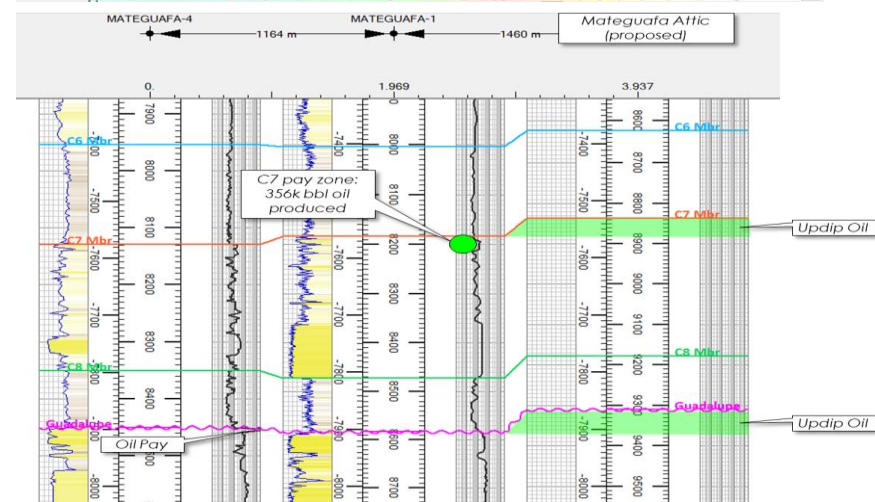
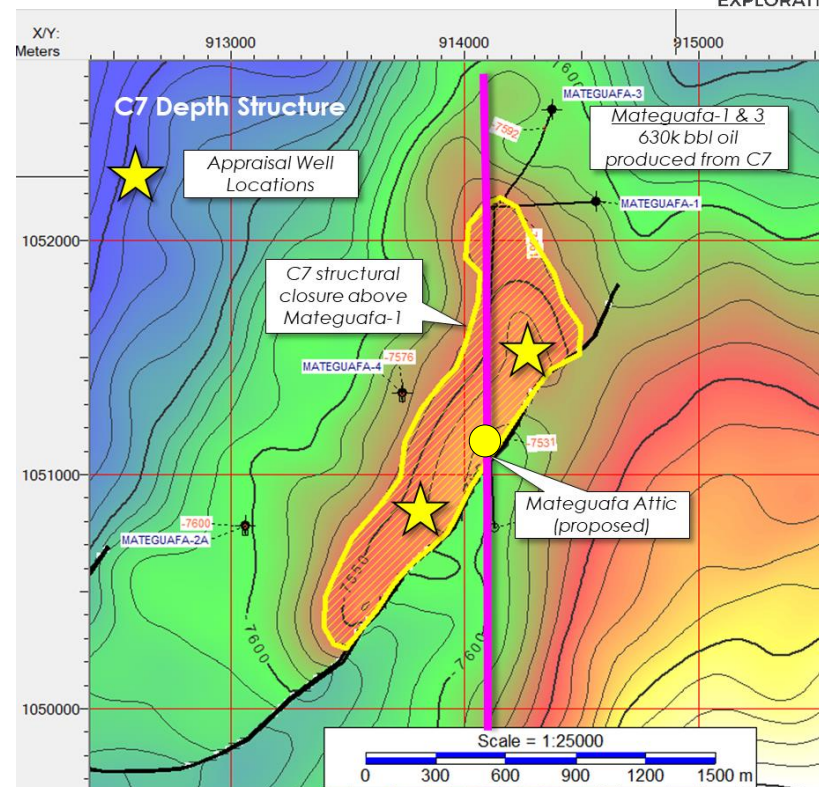
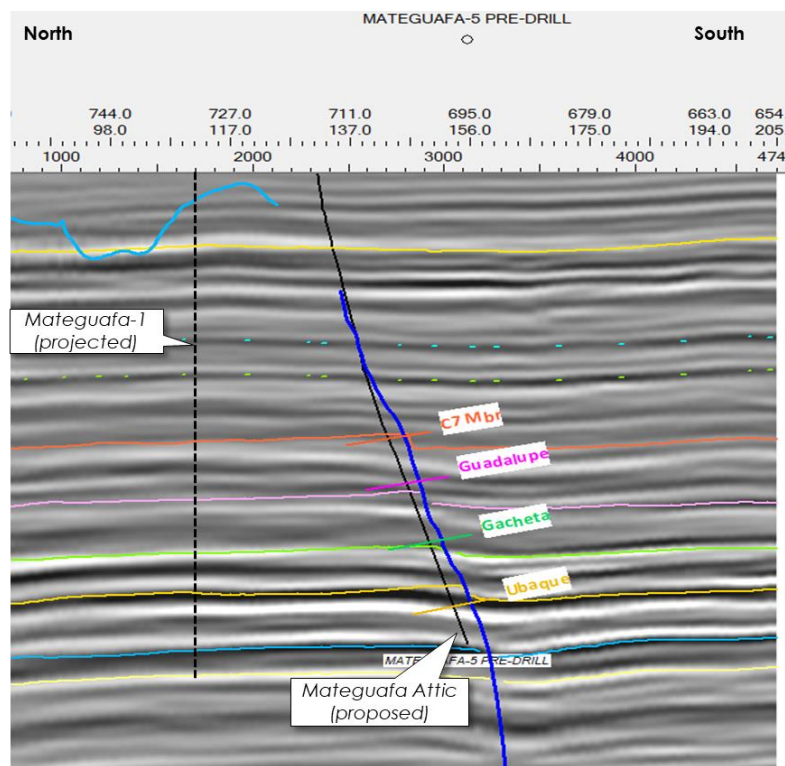
Baquiano Prospect

- Typical Llanos Basin prospect: three-way structural closure against a fault
- Multiple reservoir targets: C7, Guadalupe, Gacheta, & Ubaque
- Located approximately 3.5 km northeast of Carrizales Norte discovery on same fault trend



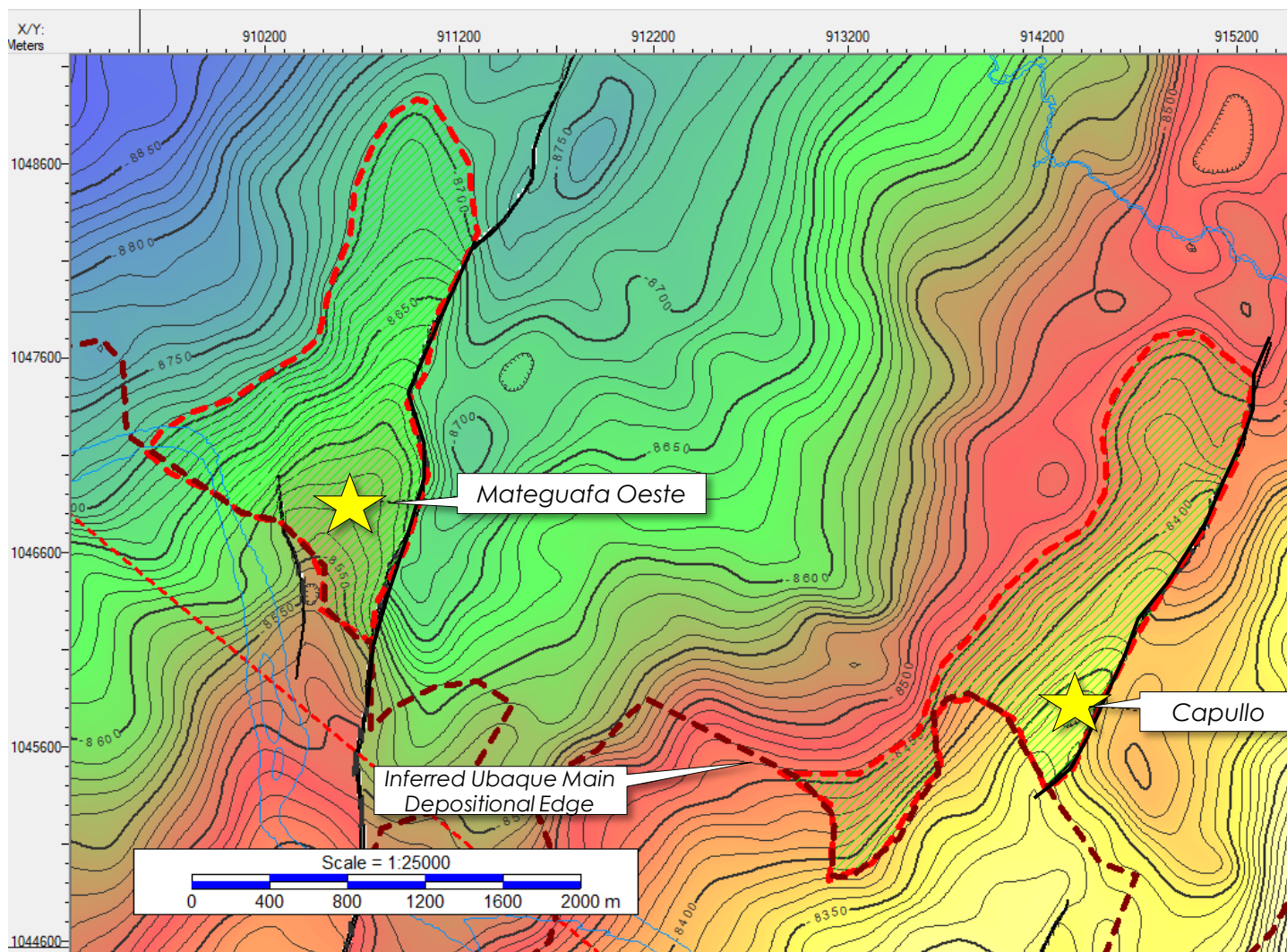
Mateguafa Attic Prospect

- Mateguafa field discovered in 1998. Four wells were drilled, two produced oil from Carbonera C7 sands (total 630k barrels)
- Original wells drilled on poor quality 2D seismic grid. Recently acquired 3D data shows a different fault configuration and a large area of closure updip from existing wells

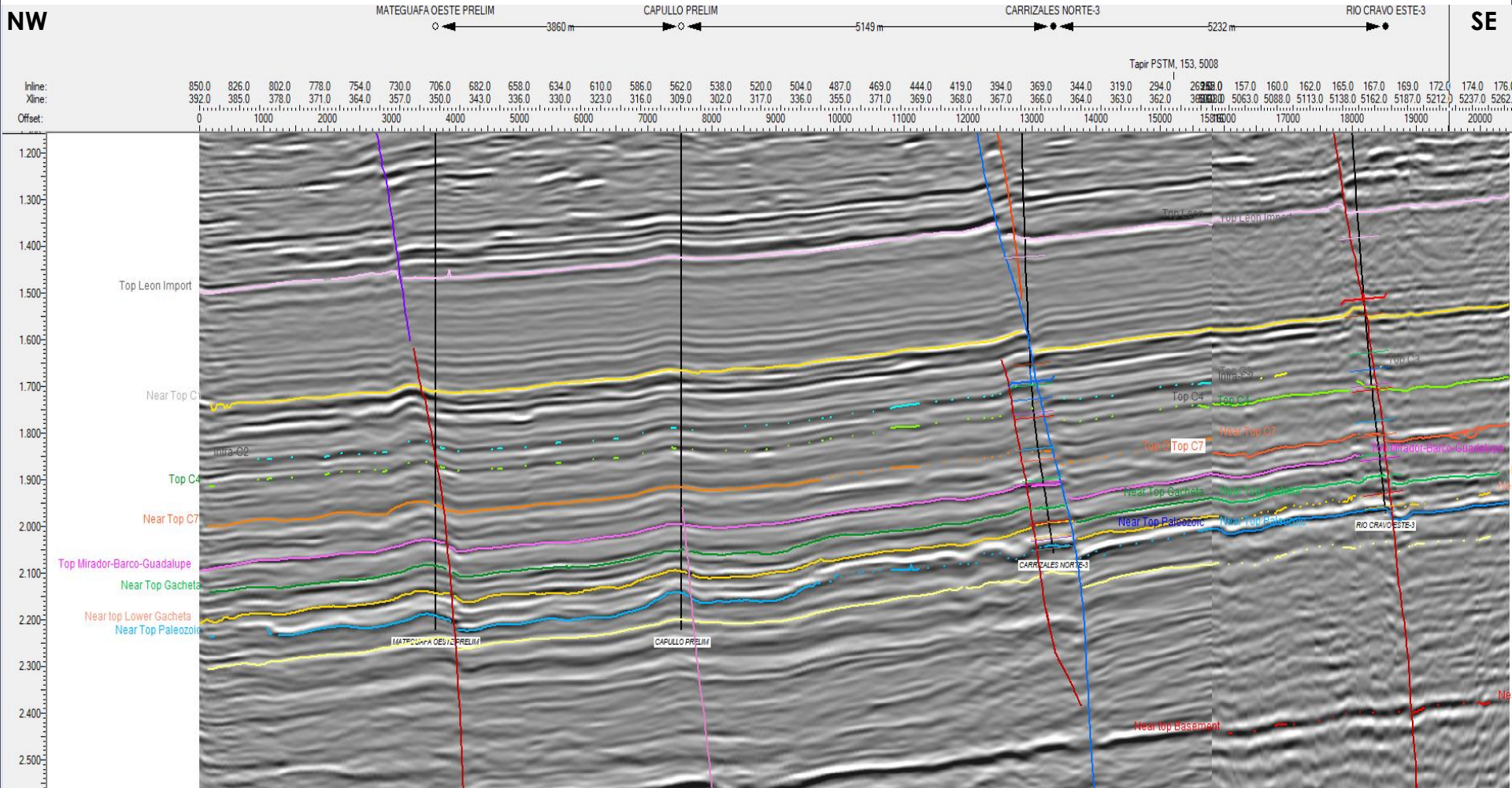
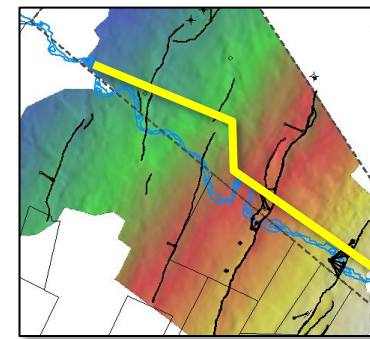


Mateguafa Oeste & Capullo Prospects

- Large prospects enhanced by fault trends
- Truncation of Ubaque Main sands against depositional edge
- Look-alikes to Carrizales Norte Ubaque discovery
- Land acquisition complete, with environmental studies to follow

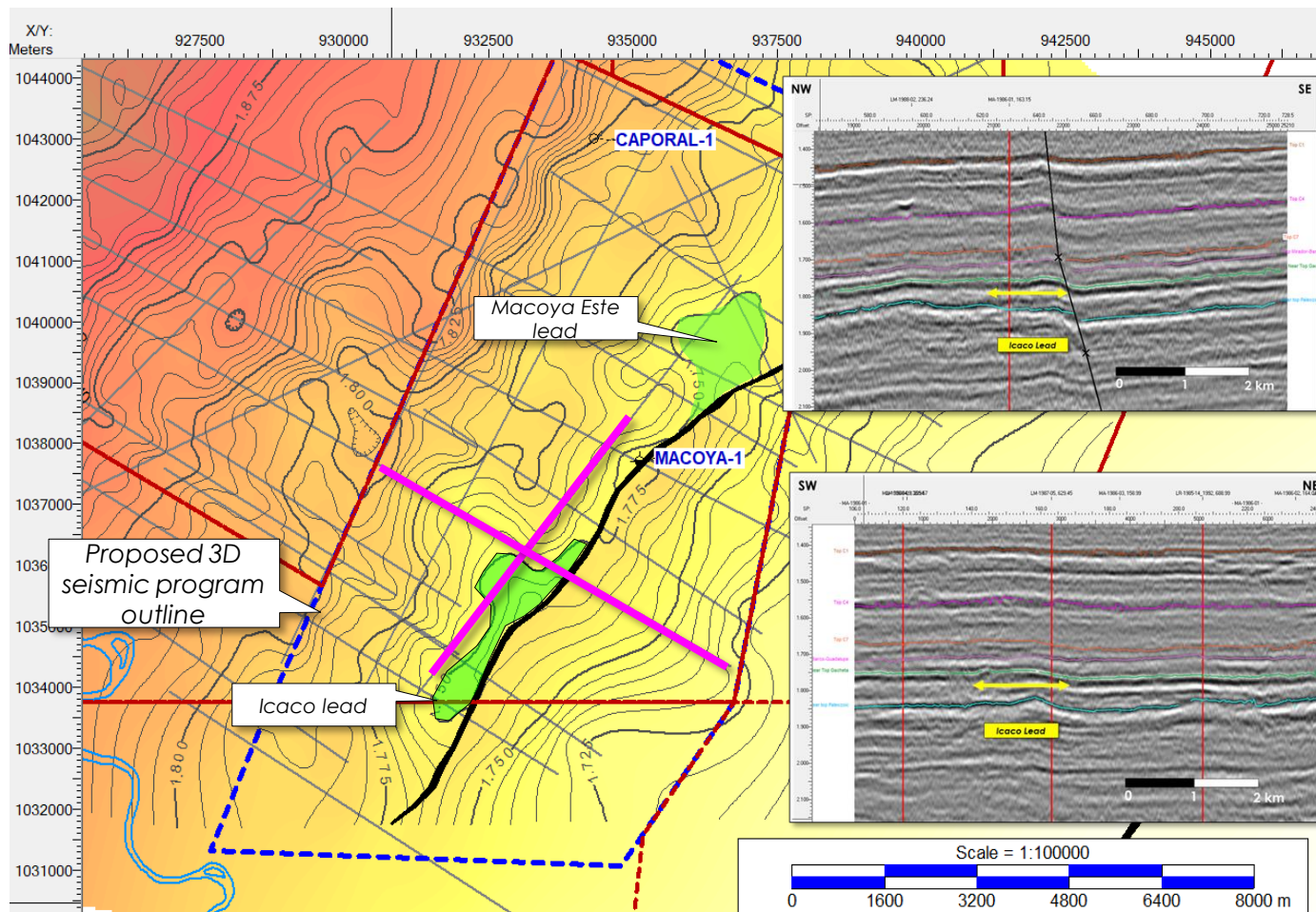


Regional Seismic Profile

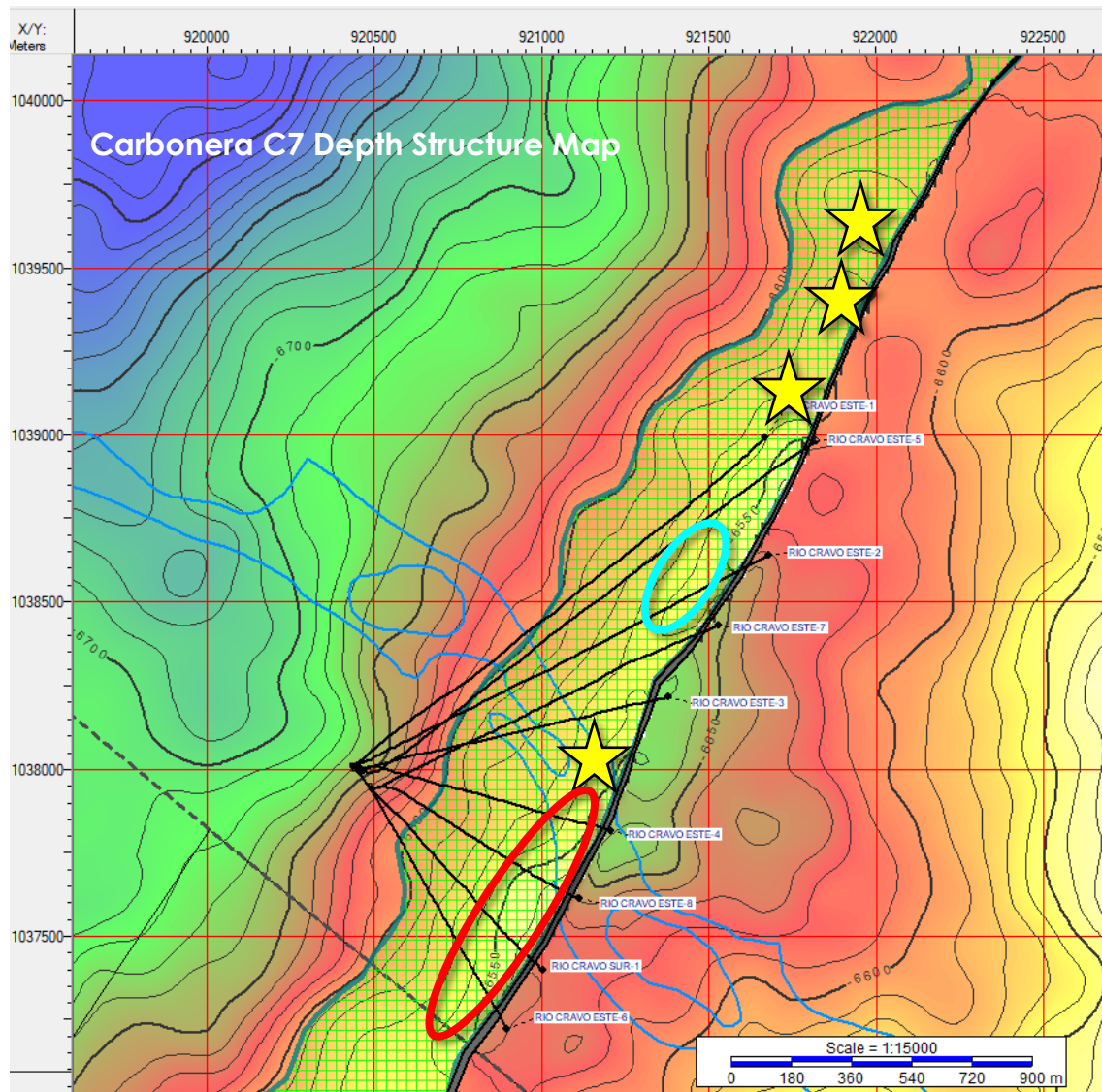






South Tapir Leads

- Southern area of the Tapir block remains very under-explored
- Two wells were drilled in early 1990's on 2D seismic. One of these, Macoya-1, had oil shows despite being located outside of any structural closure
- Two large structural leads have been identified but 3D seismic will be required to mature these to drillable prospects
- Seismic environmental baseline study (MMA) and 3D design were completed in 2023



Rio Cravo Este Field – Future Development



-  Carbonera C7 Pool Outline
-  Future C7 Development Locations
-  Future Gacheta Development Area
-  Future Ubaque Development Area

2024 Prospect Matrix – Tapir Block

Large inventory of strong prospects drill ready for 2024

	MM\$	MM\$	KBbls	MONTHS	BOPD		
	COST (NET)	NPV10 (NET)	OIL RECOVERY (NET)	BREAKEVEN	IP Gross	IP Net	RANKING
CNB-H4	2.60	23.86	681	1	4,565	2,283	1
CNB-H5	2.60	19.32	576	2	3,395	1,698	2
CNB-H3	2.60	18.22	541	1	3,913	1,957	3
CNB-H1	2.60	17.91	531	1	3,641	1,821	4
CNB-H6	2.60	9.83	335	4	1,941	971	5
CNB-H7	2.60	6.33	237	7	1,407	704	6
CNB-H8	1.60	5.94	199	5	642	321	7
CNB-H9	1.60	5.94	199	5	642	321	8
CNB-H10	1.60	5.94	199	5	642	321	9
MAT-5	2.25	4.67	140	13	325	163	10
MAT-6	2.25	4.67	140	13	325	163	11
MAT-7	2.25	4.67	140	13	325	163	12
BAQ-1	2.25	4.43	139	8	449	225	13
BAQ-2	2.25	4.43	139	8	449	225	14
BAQ-3	2.25	4.43	139	8	449	225	15

* Values are estimated up to 2033

Oil Recovery 100% WI (Gross).

Based on indicative modelling assumptions. Oil Recovery per well should not be interpreted as an overall reserve or resource



Colombian Oil Portfolio MMV Basin

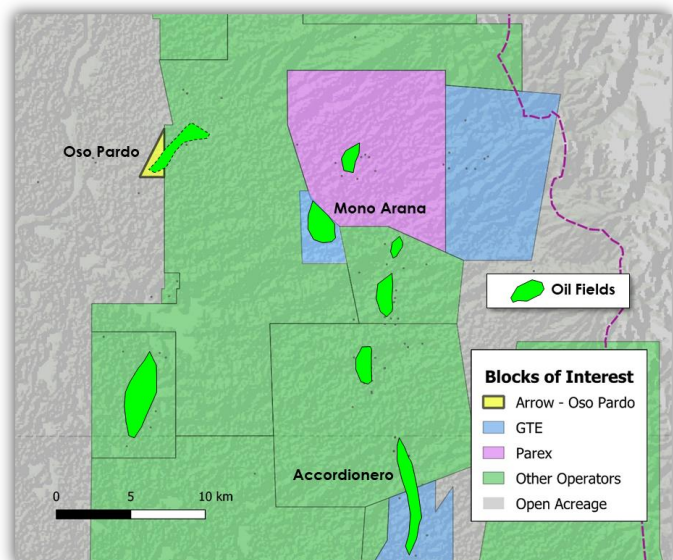
Current Production

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
- 2024 - OP-3, OP-4 – waiting on stimulation
- Independent study by Gaffney, Cline & Associates supports a much larger field area than originally interpreted by Canacol

Location | Map

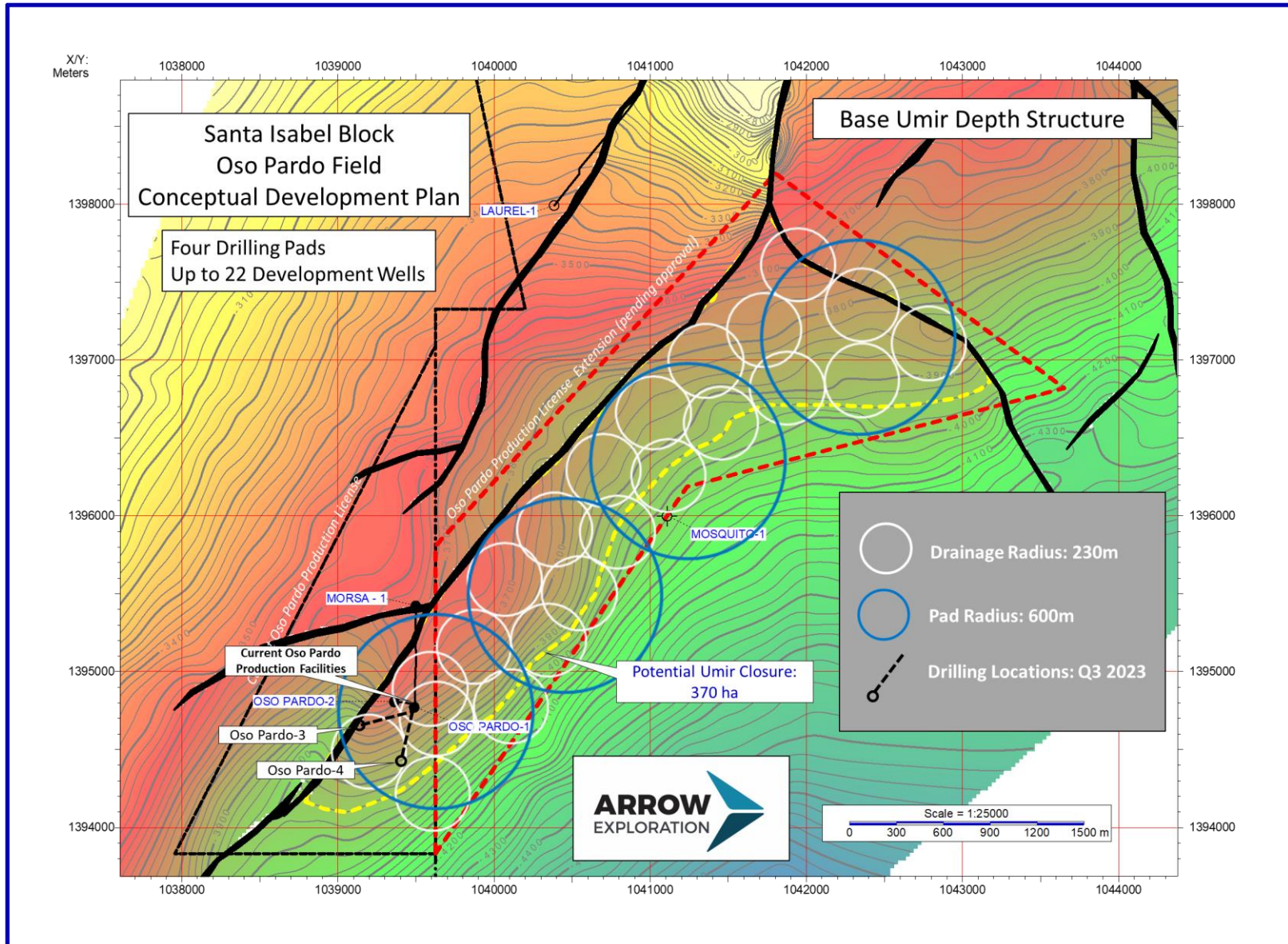


- Covered by 3D seismic – exclusive to Arrow
- Request to extend Oso Pardo Production License has been formally submitted to the ANH.

Oso Pardo Site Photos



Oso Pardo Development Concept



Future Opportunity Not Factored Into Production Forecast

Oso Pardo Extension (100% W.I.)

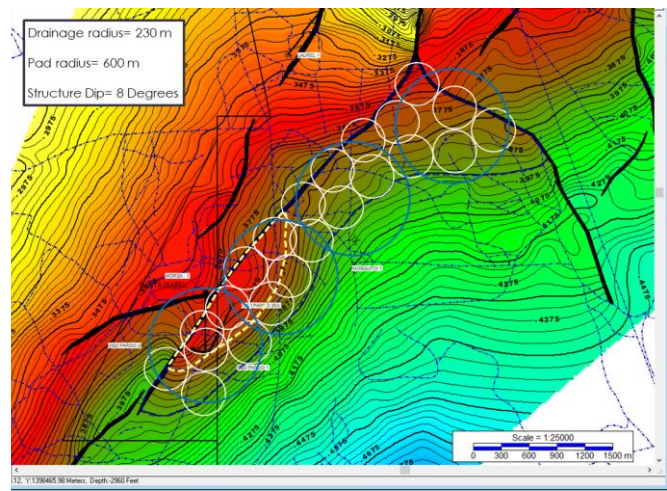
Existing block does not require a bid process

Overview

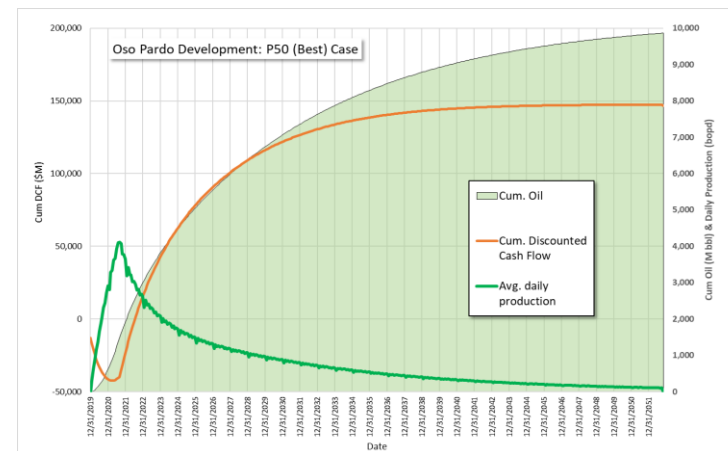
- Gaffney, Cline & Associates reserve study* snapshot:

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

Potential Field Development Configuration



Oso Pardo Extension Potential Production Profile*



- 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 9.6MMbbls
- 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%

Near Time Catalyst

Complete

In Progress

Future

CN discovery well and two follow up wells

3D on the Tapir Block

Drill 6 Rio Cravo Este wells on Tapir Block, Llanos Basin

New Discovery Multiple development wells at CN.

Horizontal development program in progress

Pivot into low-risk exploration drilling. Multiple prospects generated by 3D

Tapir East Seismic Project 3D

Oso Pardo Extension

Accretive M&A

Colombia attractive fiscal regime
Near term production growth

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

2024 Fully Financed – 15 well program including horizontal wells at Carrizales Norte

3 New prospects being tested for 2024

ESG Overview

We prioritize ESG initiatives to create value for stakeholders, enhance business resilience, and benefit our broader community. Our inaugural **ESG Report** outlines the following focal areas:



Committed to developing and implementing sustainable strategies focused on land preservation, wildlife conservation, water resource management, responsible carbon footprint management, and waste reduction optimization.



Committed to supporting local communities through initiatives in health and safety, diversity, equity, and inclusion, employee development, stakeholder engagement, supply chain management, and community investment.



Committed to upholding rigorous ethical standards and accountability in our business operations, taking purposeful actions to maintain the highest standards in anti-corruption, ethical business practices, governance, data protection, cybersecurity, and risk management.

Community & Stakeholder Engagement



Prioritizes stakeholder collaboration and supporting local communities

In 2023 spent +\$500k on social and environmental projects

Employed +1,600 Colombians over 5+ years

Spent + \$3M with local companies



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



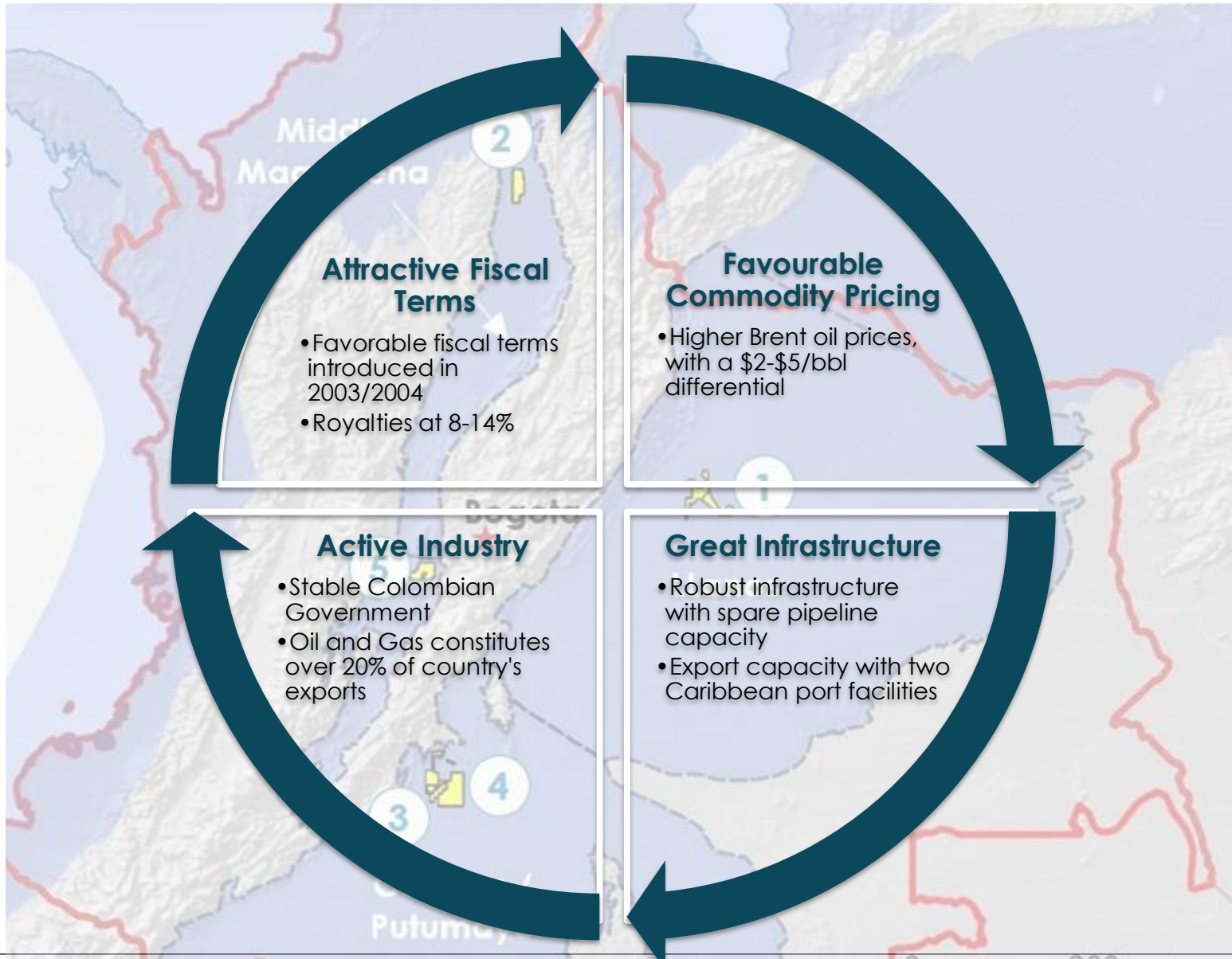
Structural reinforcement



Asbestos tile removal

Colombian Oil & Gas Industry

Key Takeaways



ARROW EXPLORATION



203, 2303 – 4th Street SW
Calgary Alberta T2S 2S7

Marshall Abbott
CEO

T: 1 (403) 651 5995

E: mabbott@arrowexploration.ca

Joe McFarlane
CFO

T: 1 (403) 818 1033

E: jmcfarlane@arrowexploration.ca

Auditors:

Ernst & Young LLP

Legal Counsel:

Gowling WLG (Canada) LLP

NOMAD:

Canaccord Genuity Limited

Brokers:

Auctus Advisors LLP

Canaccord Genuity Limited

Analyst Coverage:

Auctus Advisors LLP

Canaccord Genuity Limited

Zeus Capital

Corporate Information