
ARROW

EXPLORATION

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

AIM | TSXV : AXL
September 2024

Corporate Presentation



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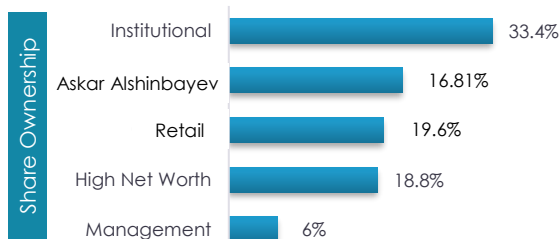
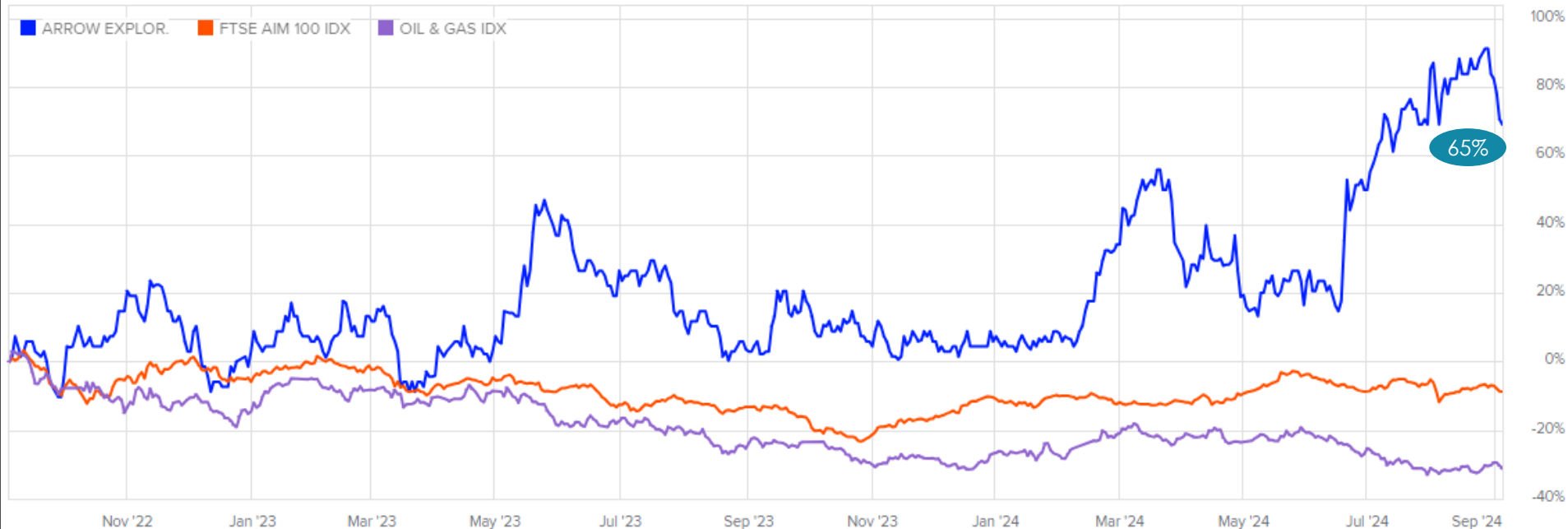
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Arrow Exploration

Growing & Socially-Responsible Colombia-Focused Energy Company



Corporate Snapshot



Analyst Coverage

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

Market at August 31, 2024

\$128M USD (\$170M CAD) Market Cap	\$1.02 USD 2P NAV/Share	\$12M USD Cash in Bank – August 1 st	286M Shares O/S (303M fully-diluted)
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Assets

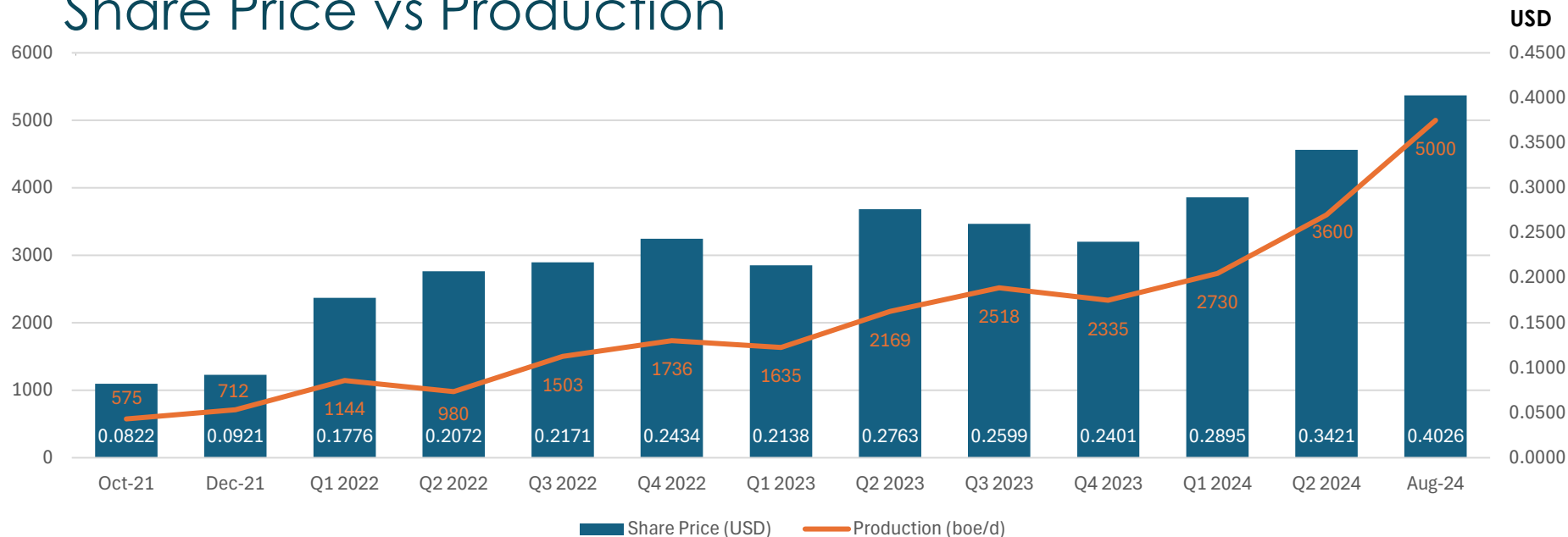
5,000+ BOE/D Production	11.8 MBOE 2P Reserves at Dec 31, 2023	\$54/bbl USD YTD 2024 Oil Netbacks
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Valuation

2.6X Price/2024E Cash Flow	\$25,600 Ent. Value ¹ /BOED Production	\$9.81 Ent. Value ¹ /2023 BOE 2P Reserves
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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
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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

Remainder 2024 Management Plans

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

3 Additional HZ wells (6 in total)

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

Baquiano Exploration Well

- Continuation of CN fault
- Possible HZ well development

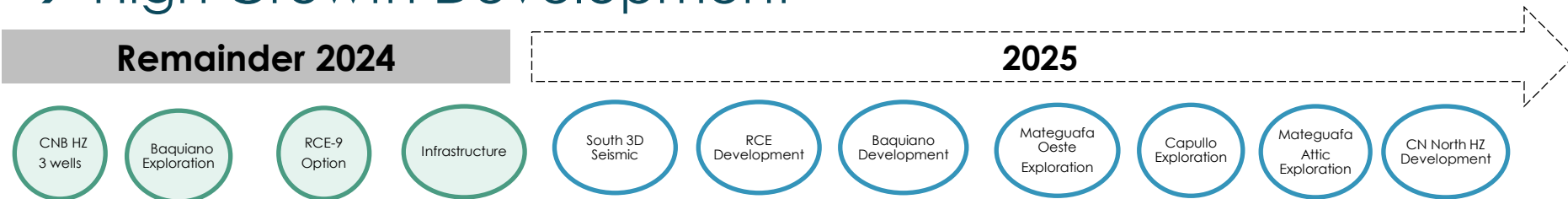
Option RCE Development Well

- 1 optional well 2024
- 4 additional development wells 2025

Infrastructure

- Pipeline from the pad CN to RCE pad
- Road from CN pad to C, MO and MA pads
- Water disposal well stimulation

→ High Growth Development



Seasoned Leadership and Board of Directors



Collectively we have proven success

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%

Historical Success
(8X Proven Executers)

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



Nilanjan Ganguly
SVP Exploration



Alex Mora
VP, Finance

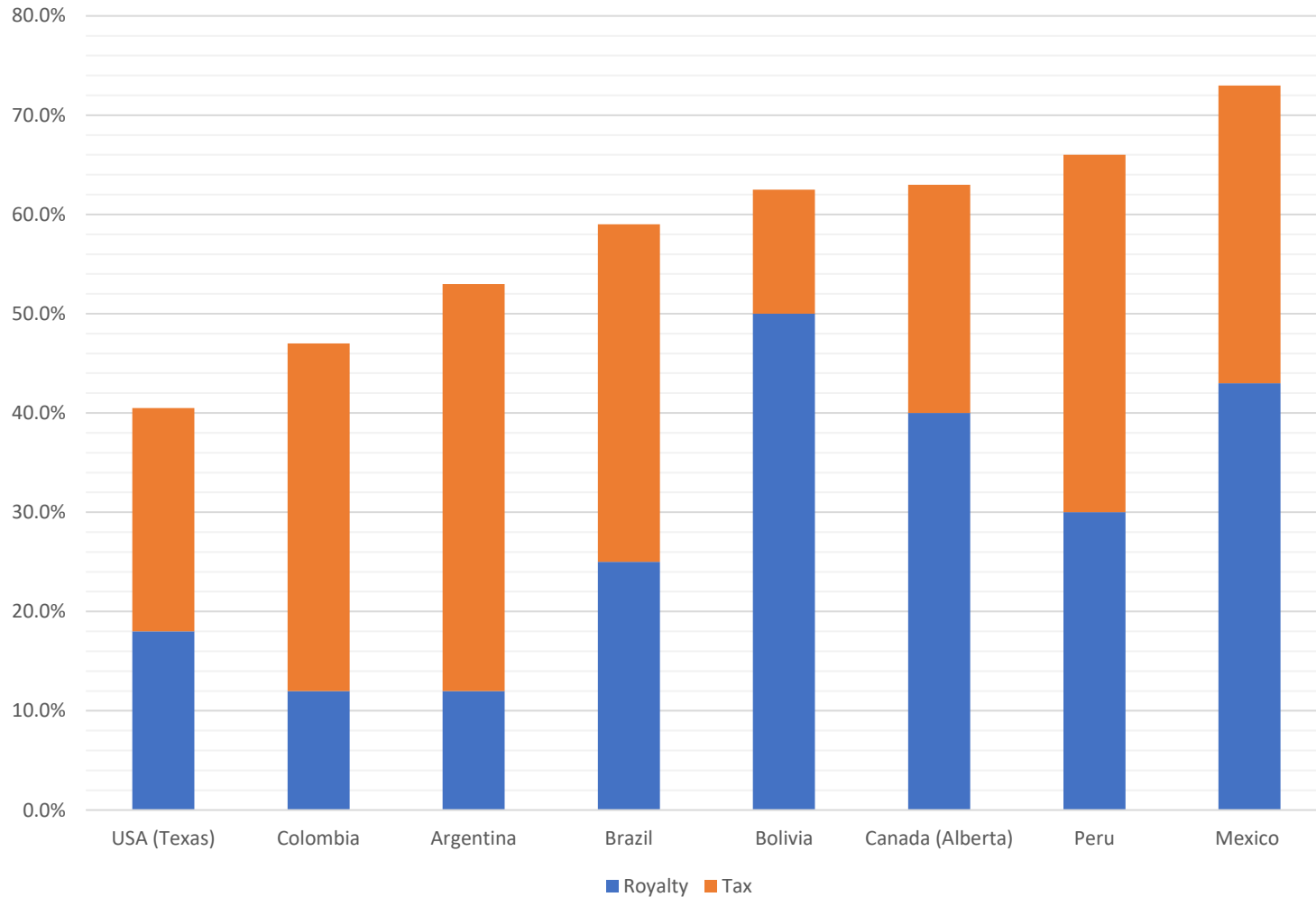


Andrew Jones
SVP Operations

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

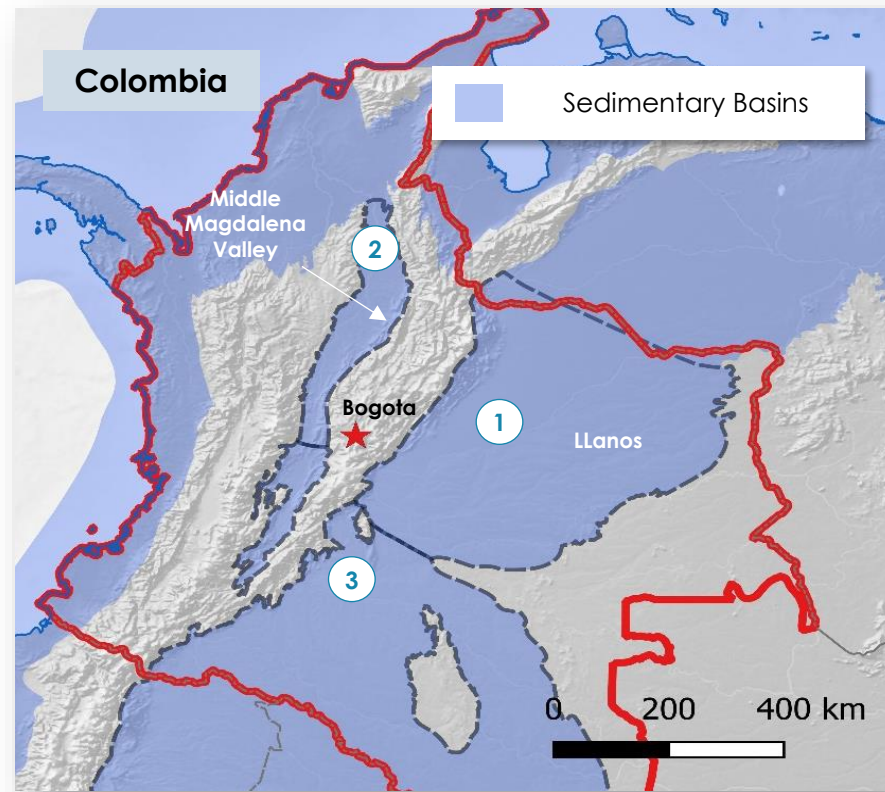
Attractive Fiscal Terms

Still top decile fiscal regime worldwide.



Asset Overview

Asset	Country	Basin	W.I.	Current Production (boe/d, net)	Operator
Core Assets					
1. Tapir	Colombia	Llanos	50% ⁽¹⁾	4,700	Arrow ⁽²⁾
2. Oso Pardo	Colombia	MMV	100%	200	Arrow
3. Ombu * Expect 280 Boe/d once back online	Colombia	Putumayo	10%	0*	Emerald
4. Alberta * Expect 250 Boe/d additional once gas price recovers	Canada	WCSB	100%	100	Arrow & other
Total Production				5,000+	

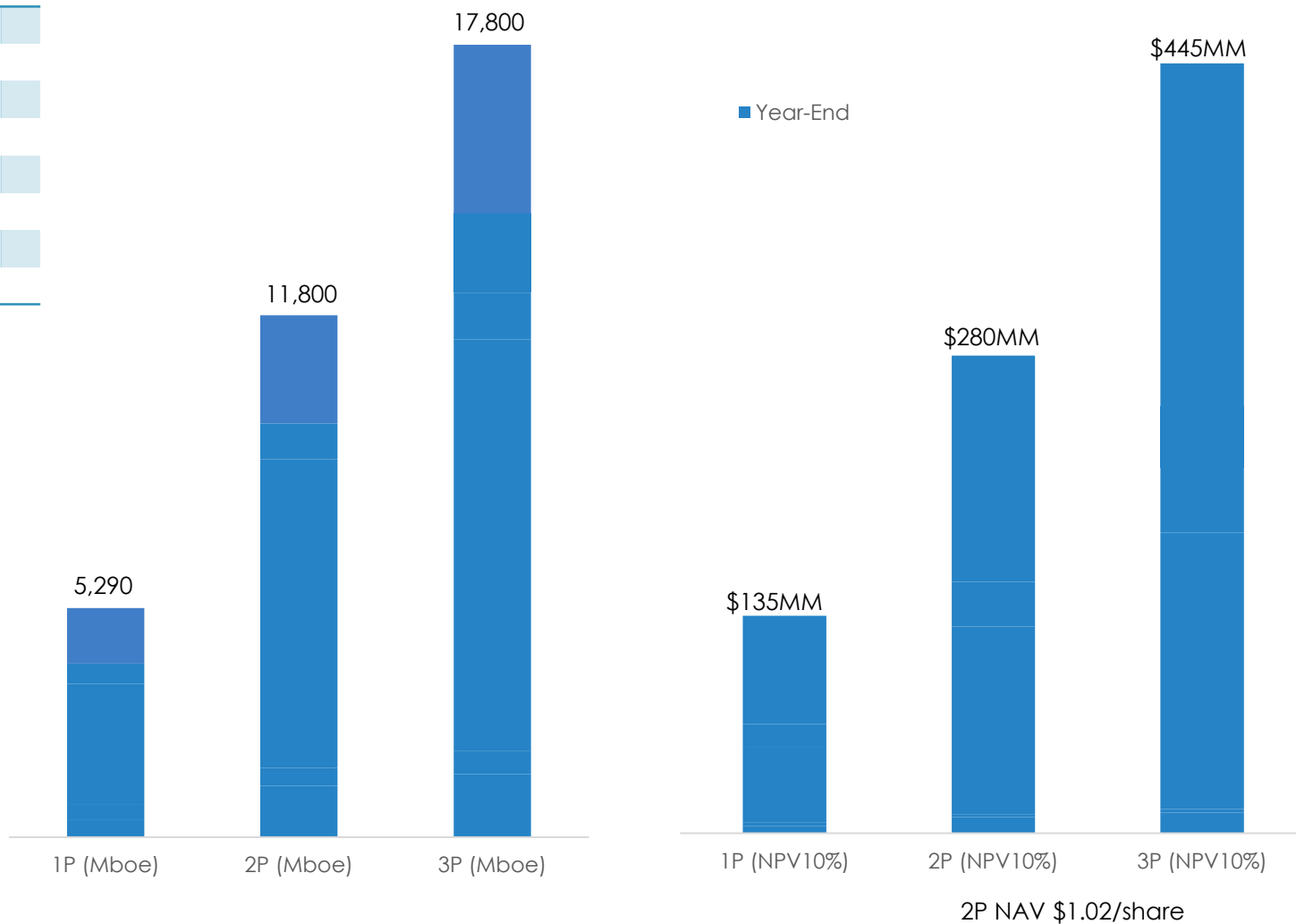


1. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is entitled to receive 50% of the production from the Tapir block.
 2. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is the contract operator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

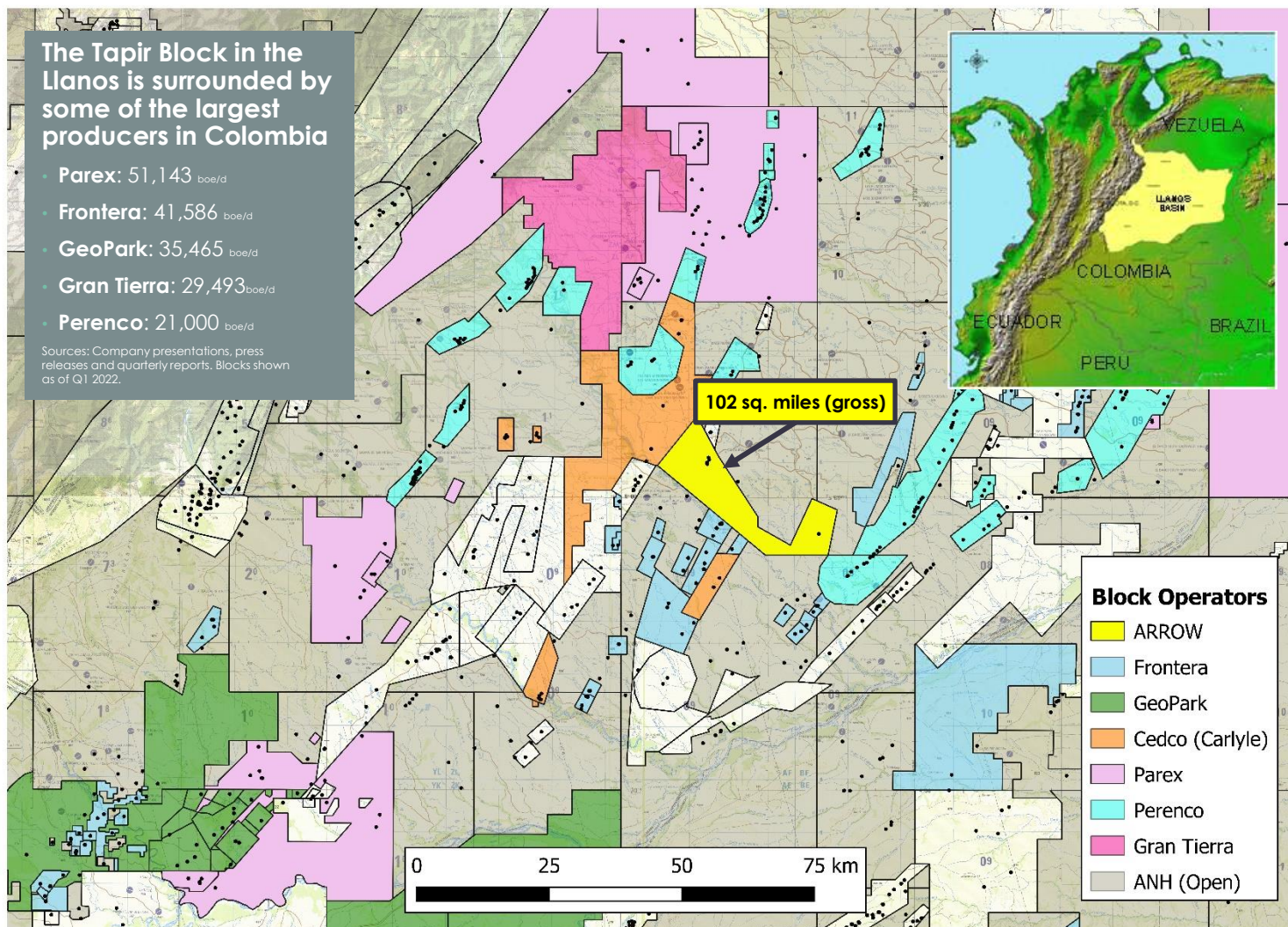




Colombian Oil Portfolio Llanos Basin

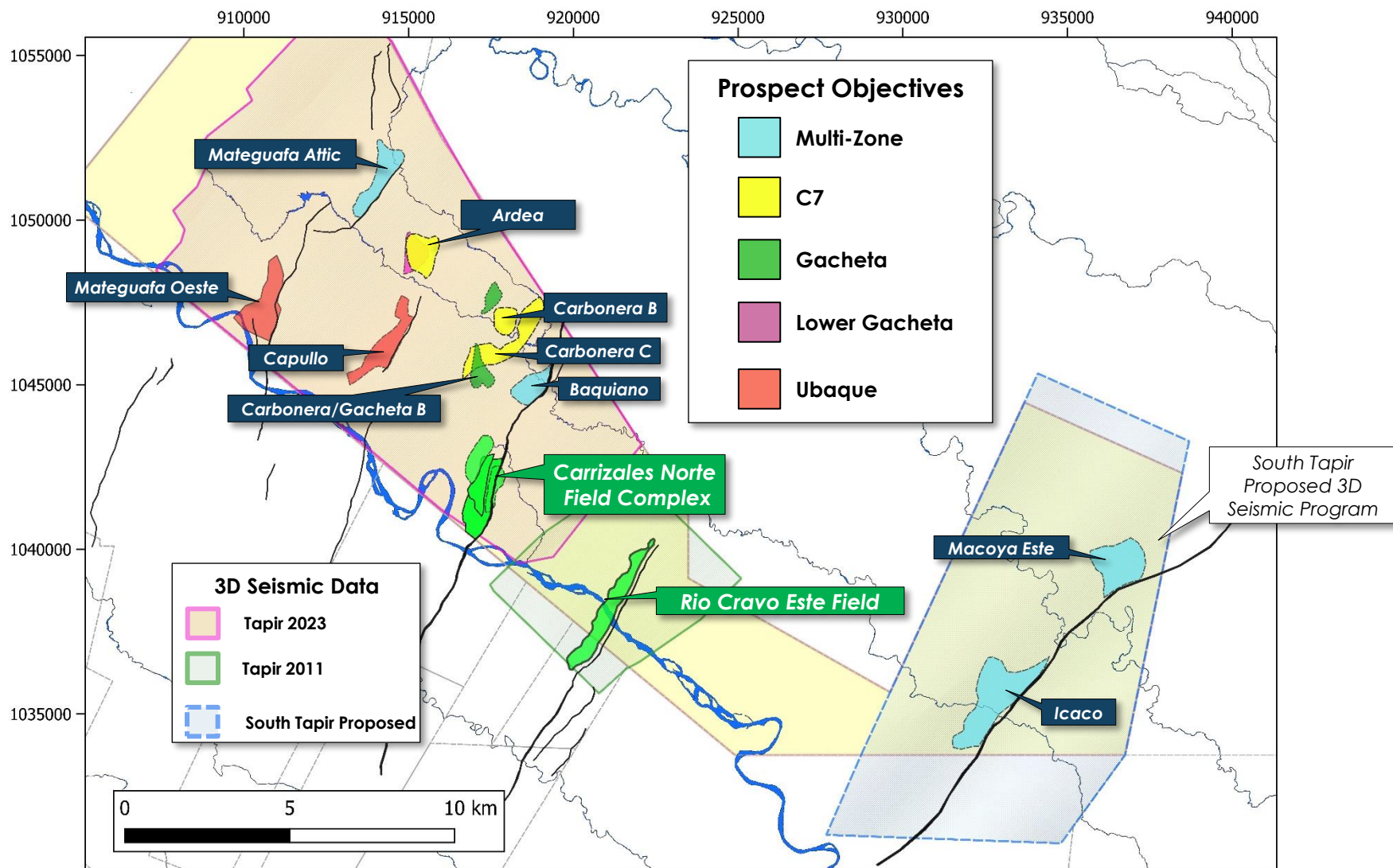
Llanos Basin

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

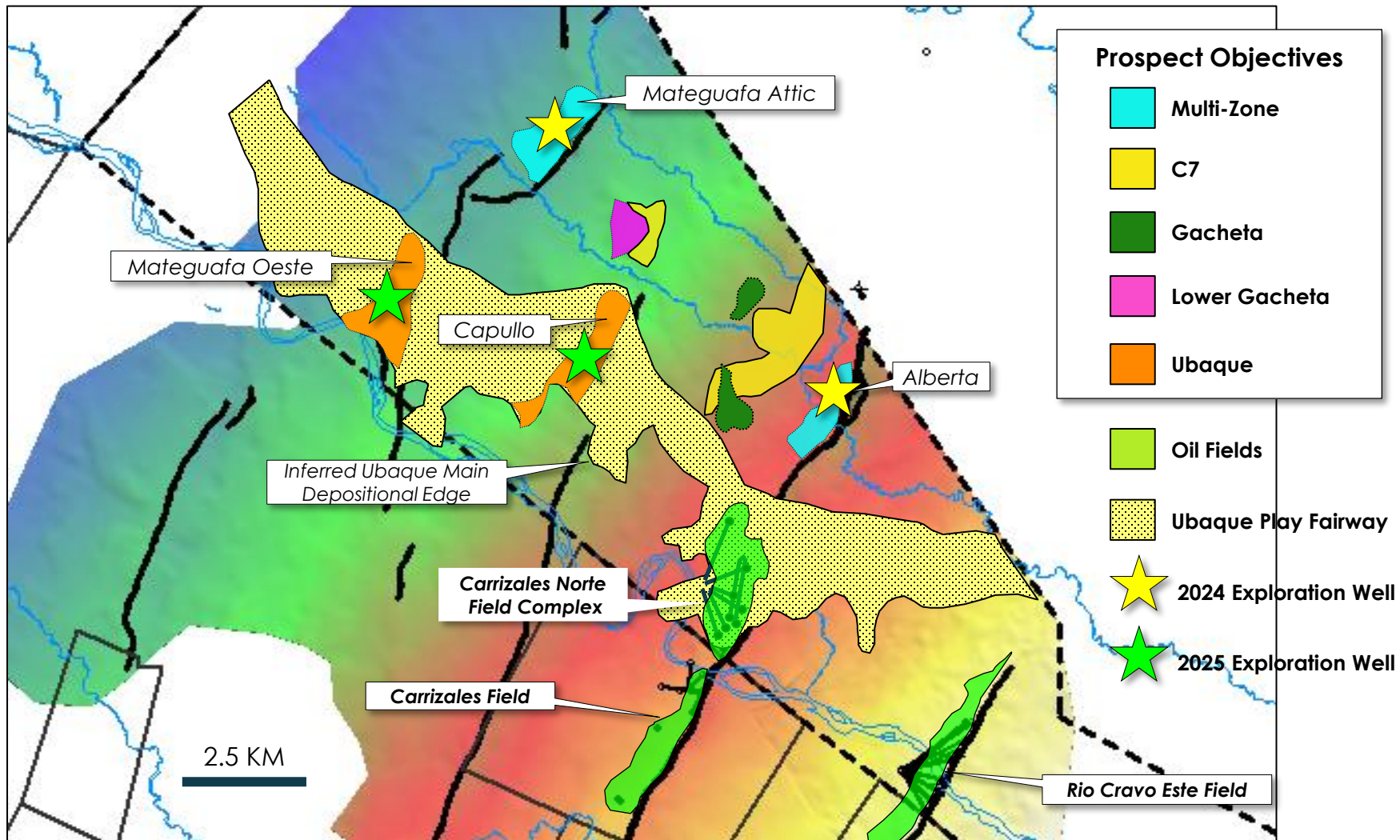


- Largely flat-lying areas with little vertical relief
- Year-round production (rainy season April-November)
- 80+ year history of hydrocarbon production
- Strong community support

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
- Additional drilling targets and recompletion opportunities
- Water disposal well capable of 20,000 bwpd

2. Carrizales Norte

- 7 producing wells
- CN-5 proved up stratigraphic trap in Ubaque
- Water disposal well licensed to 13,000 bwpd

3. Carrizales Norte B

- 3 HZ producing wells
- 3 additional HZ wells in 2024
- Additional development in 2025
- Water disposal well waiting on license approval

5 Dispersion Fields each licensed of 2,700 bwpd (13,500 bwpd)

Adequate water disposal capacity for current development plans

Vertical type well

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

Payback*: less than 3 months, 35,000 bbls

CF (Yr1)*: \$1.35M, net

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

Opex/bbl: < \$5.00

Horizontal type well (CNB HZ-1)

IP forecast: 1,575 bbls/d, net

Payback*: less than 2 months, 63,000 bbls

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

Well cost: \$2.1M net * (original budget \$3.5)

Opex/bbl: < \$8.50 estimated

* Well costs improving with every well drilled



* 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

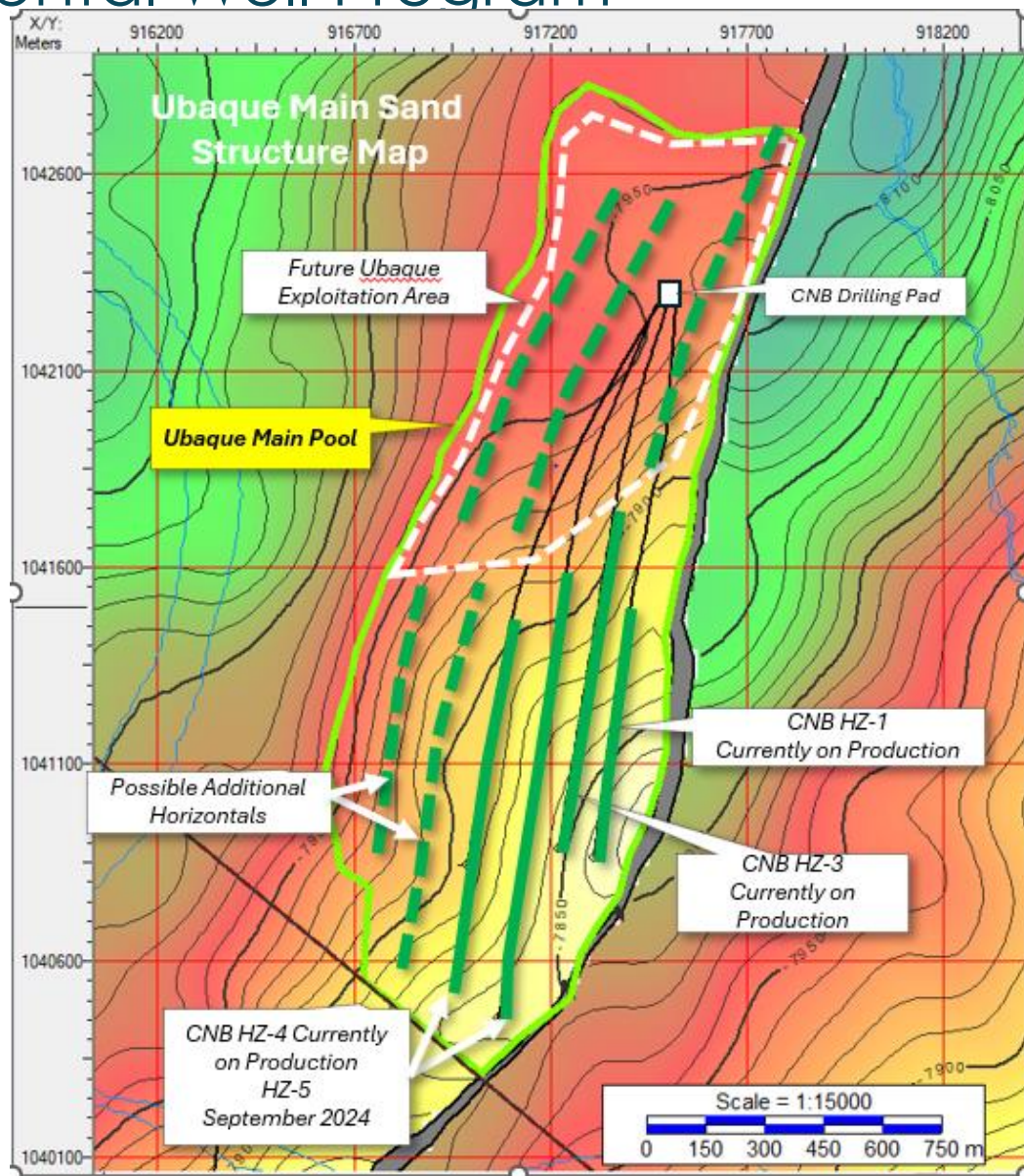
Carrizales Norte Field

CNB Pad



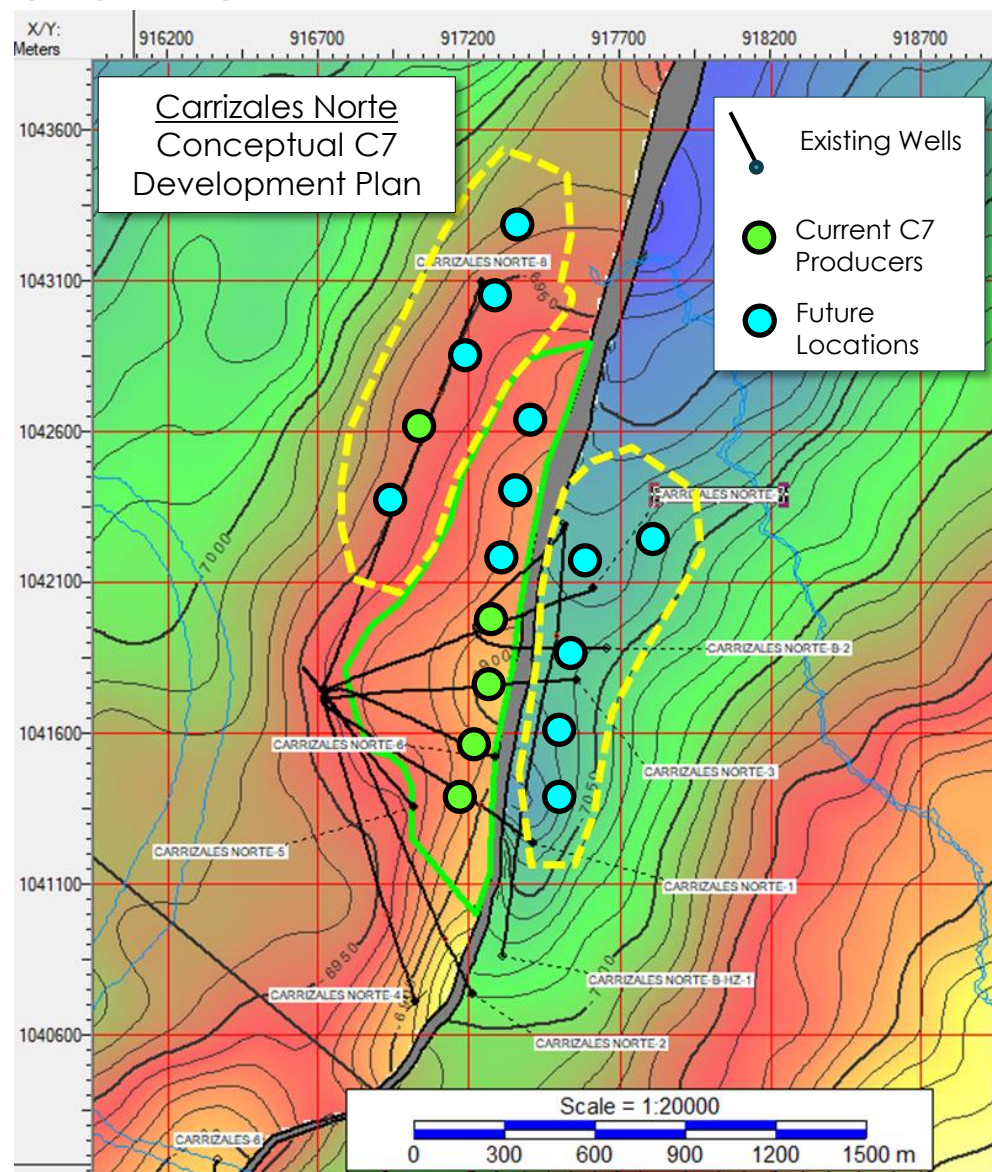
Carrizales Norte: Horizontal Well Program

- 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 and third HZ wells have been put on production. All wells have similar production rates. Three additional wells to follow.
- The Ubaque reservoir encountered at Carrizales Norte is material: 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%
- Proven completion technology is being utilized to manage water production, extending the economic life of each well



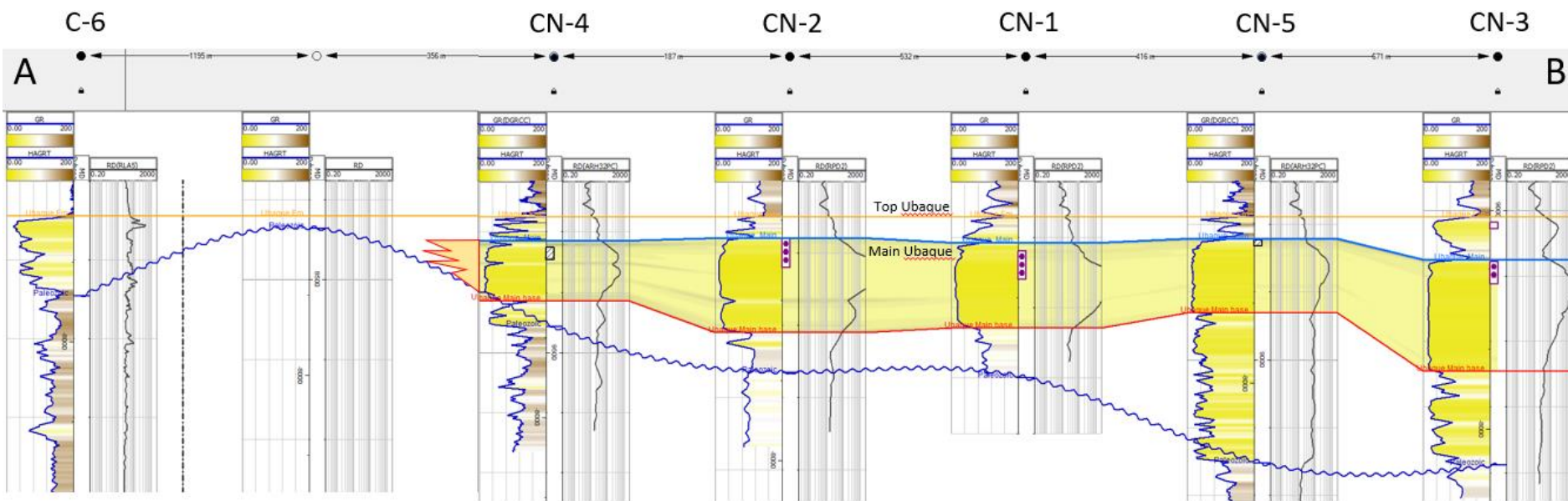
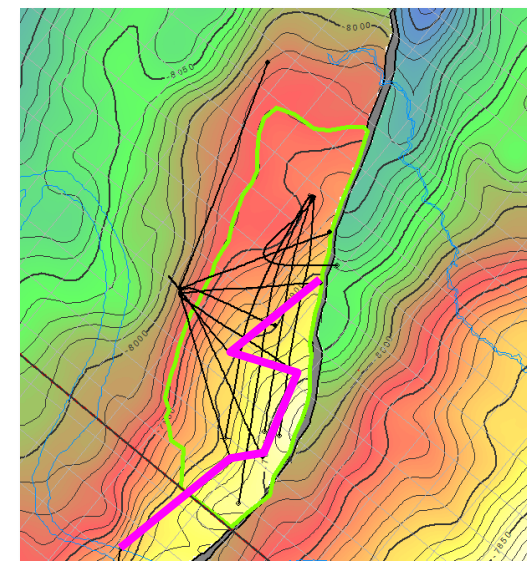
Carrizales Norte: C7 Potential

- 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

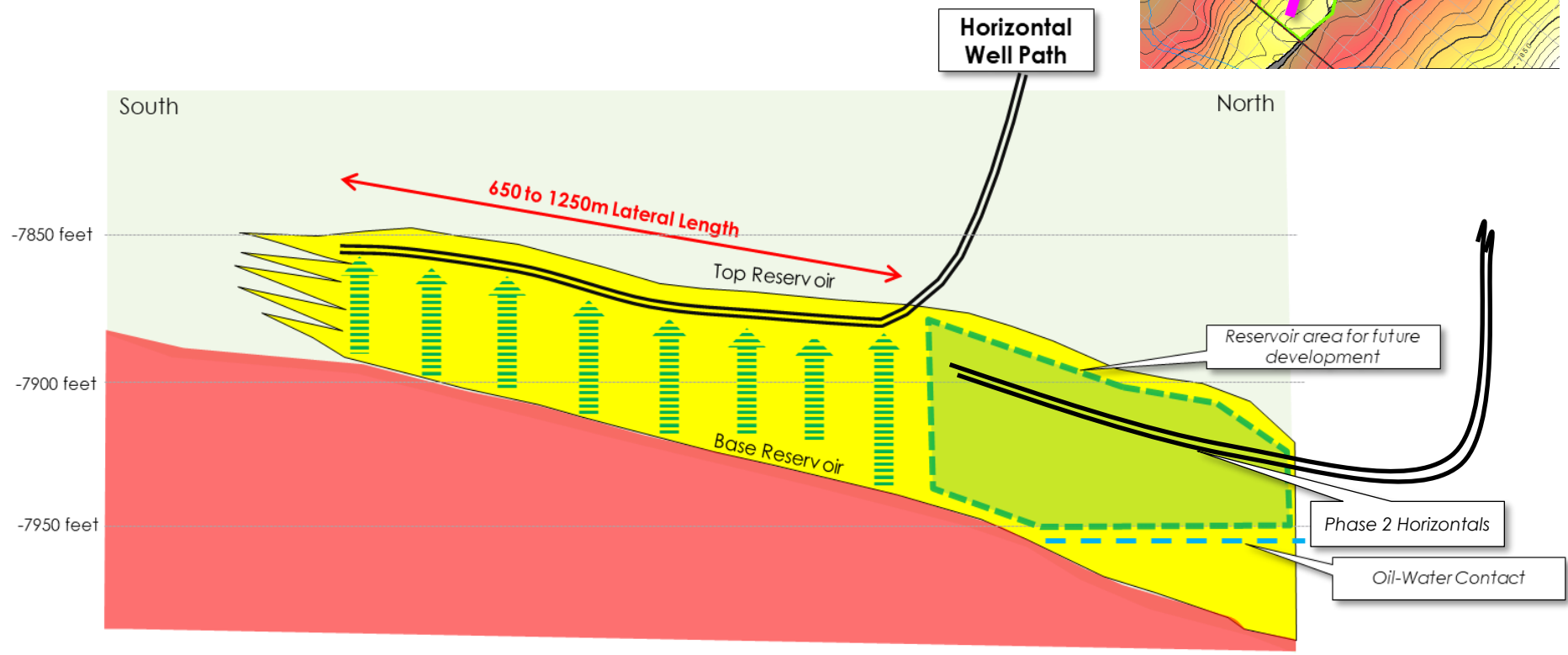
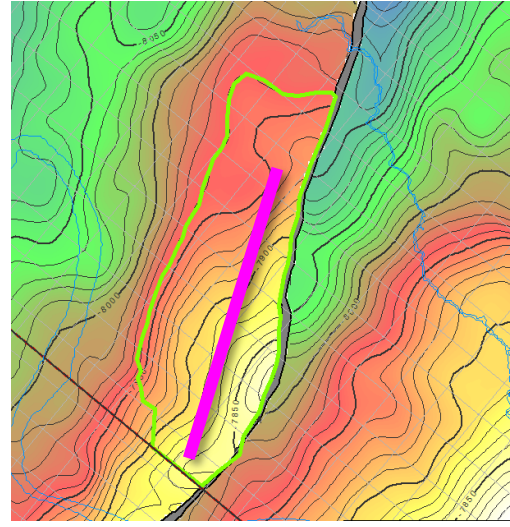


Cross Section Carrizales Norte Field

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

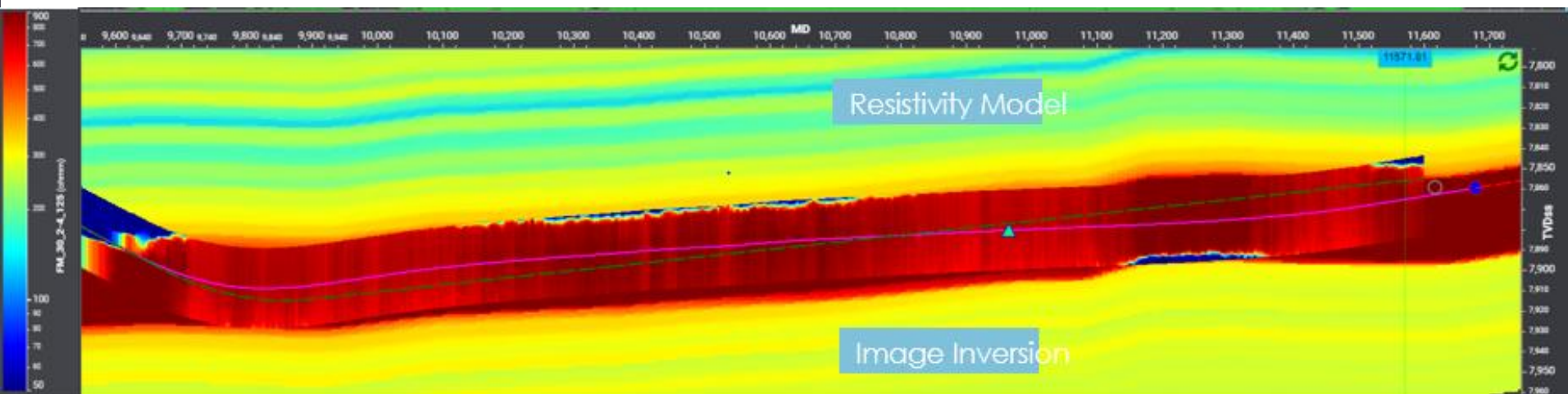
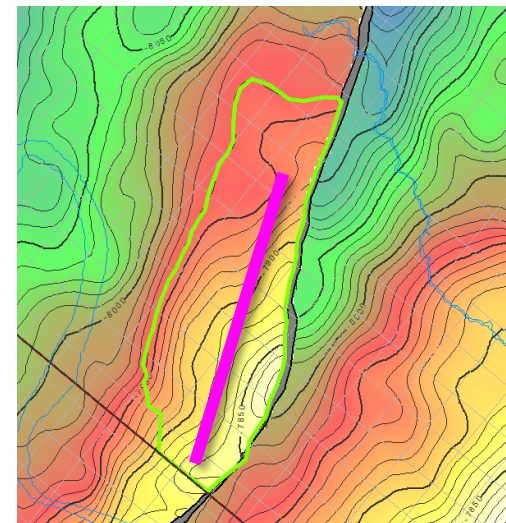


Typical Horizontal Well Cross-section

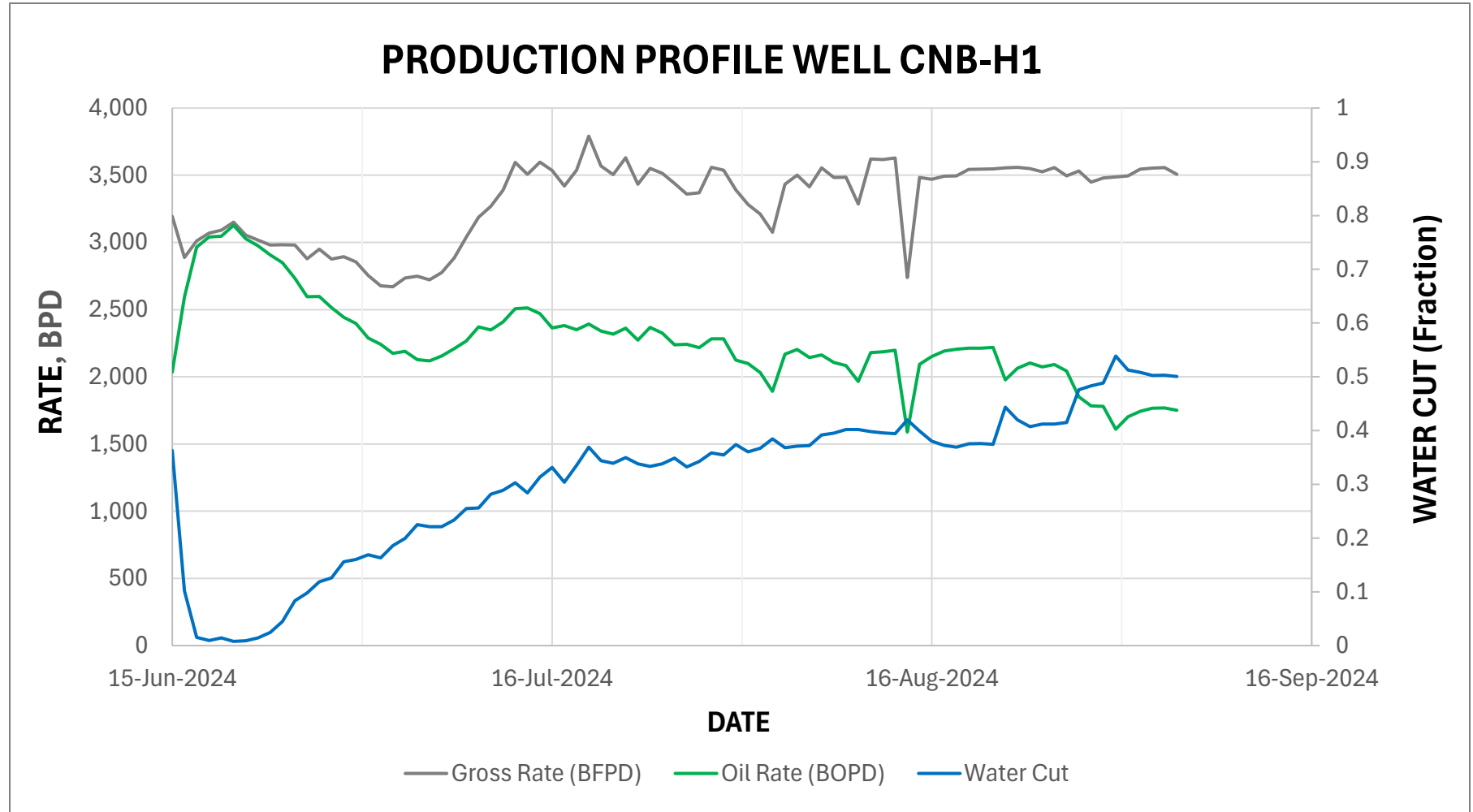


CNB HZ-1 Well Cross-section

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

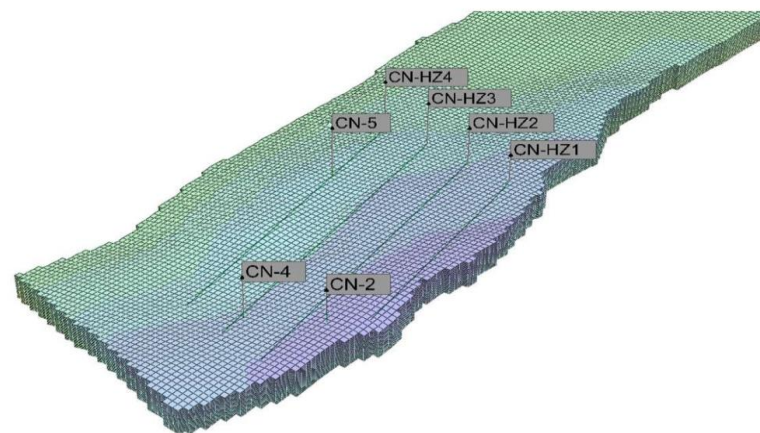
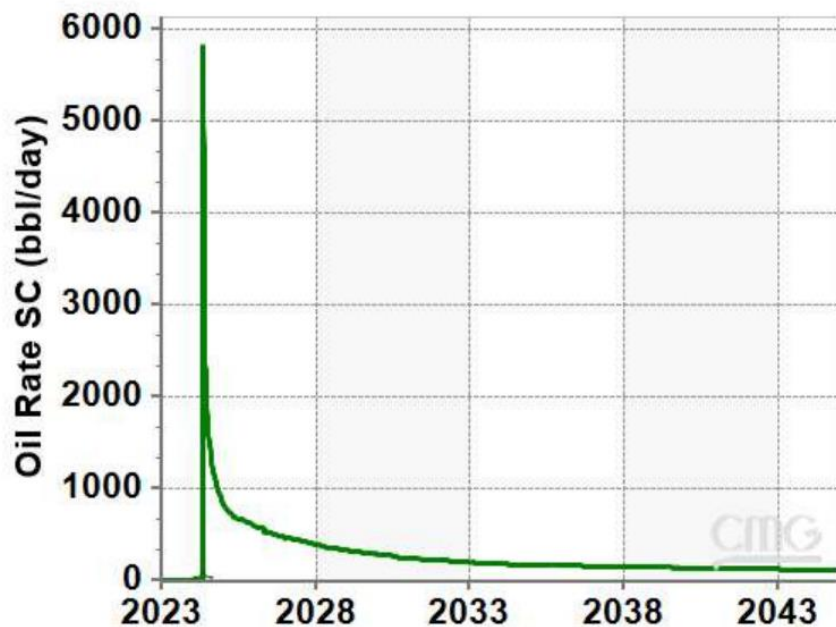


CNB HZ-1 Production

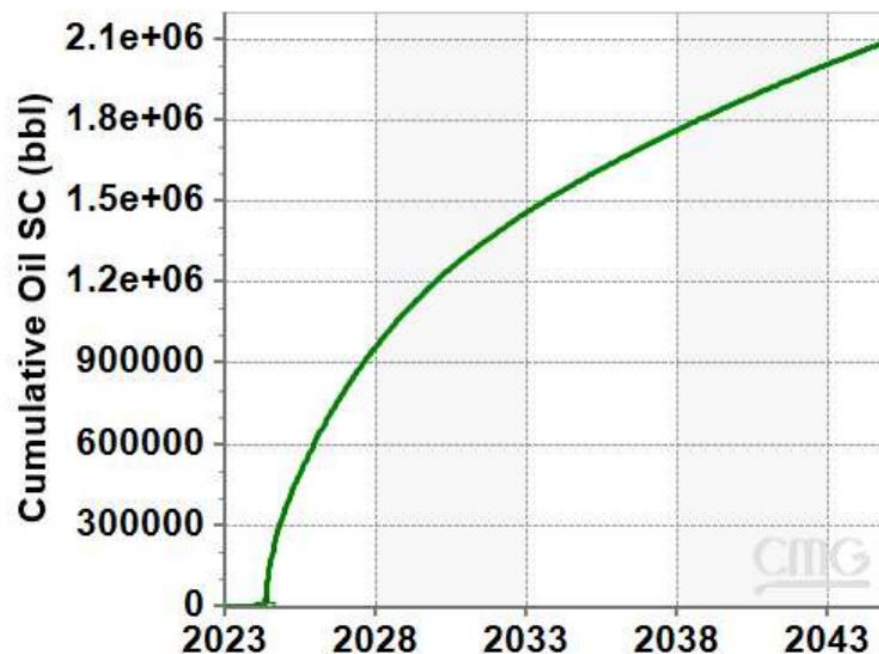


HZ Well Simulation – CMG

Oil Rate SC - (11)



Cumulative Oil SC - (11)

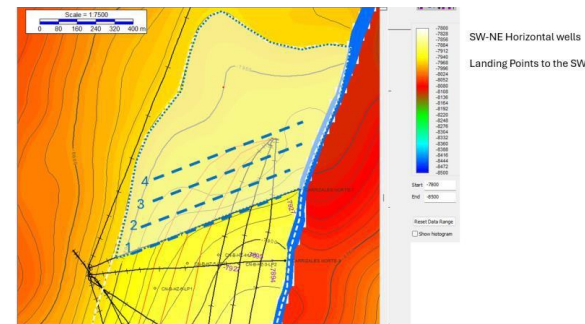
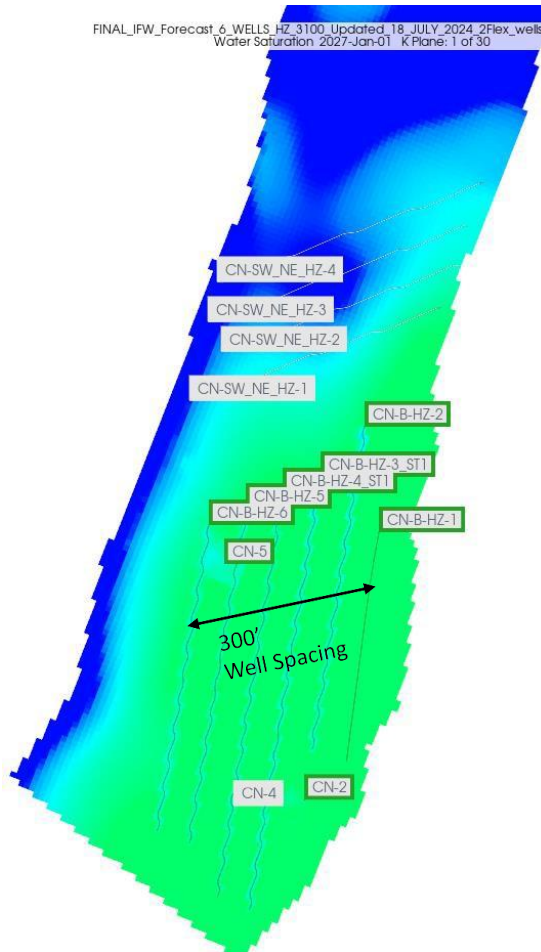


CNB HZ-1 is currently flowing at a restricted rate. Based on the simulation the well reservoir characteristics allow for higher production than the well is currently being produced at.

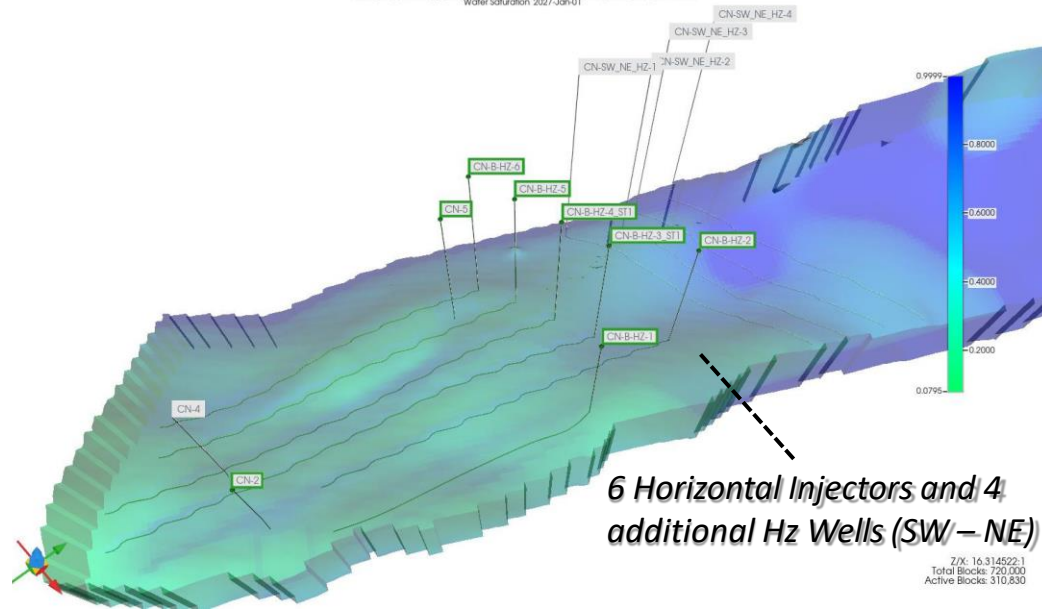
There is no guarantee that simulation production rates of recoveries will be achieved.

Additional Production Acceleration Case – 1

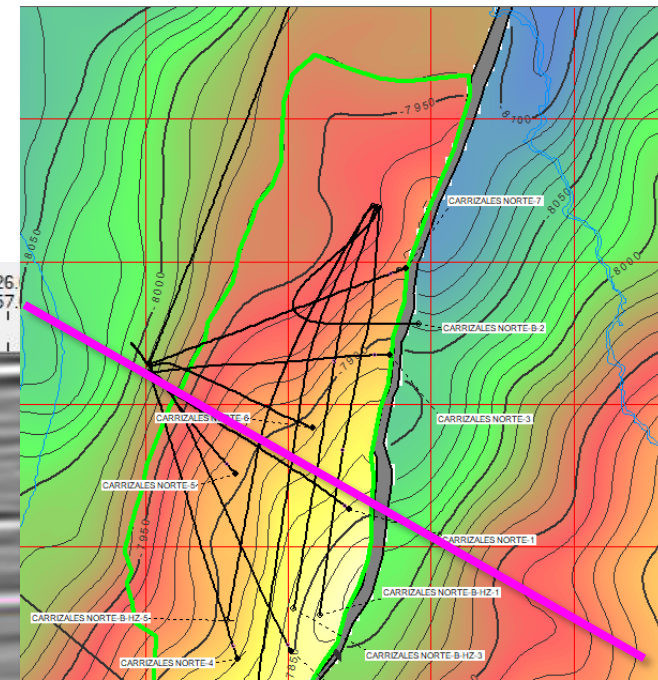
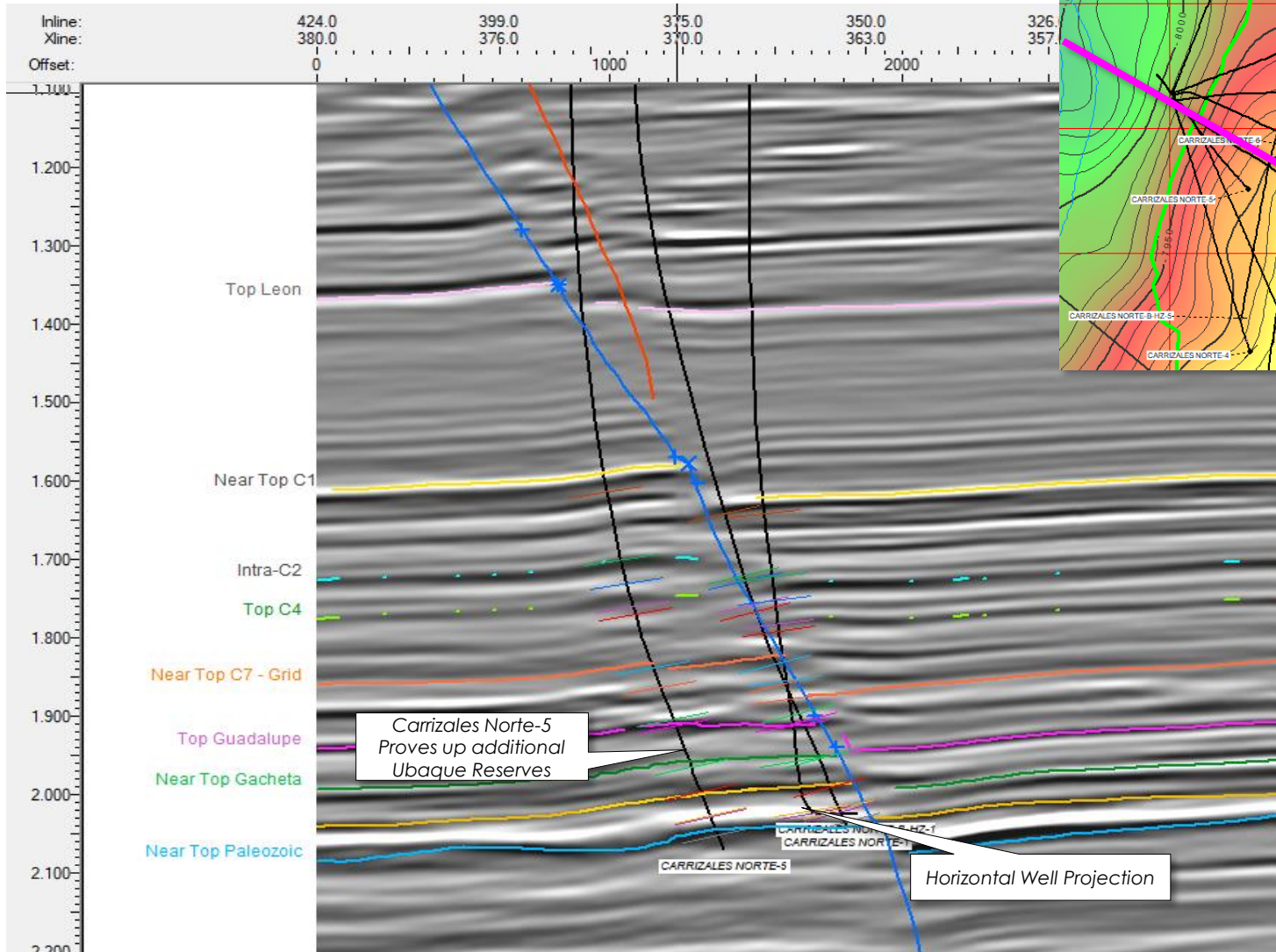
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Water Saturation 2027-Jan-01 K Plane: 1 of 30



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Water Saturation 2027-Jan-01

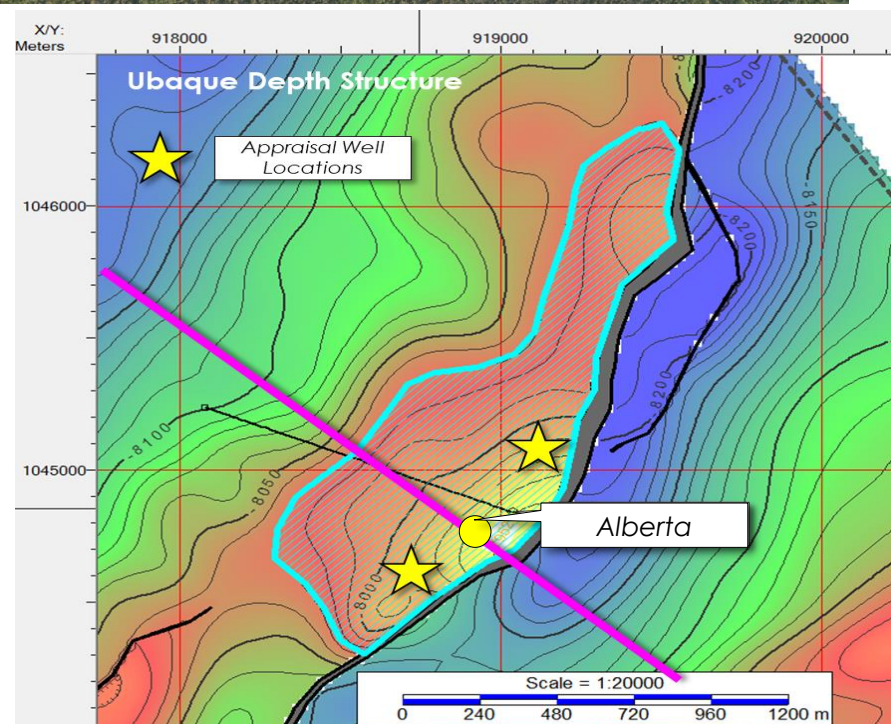
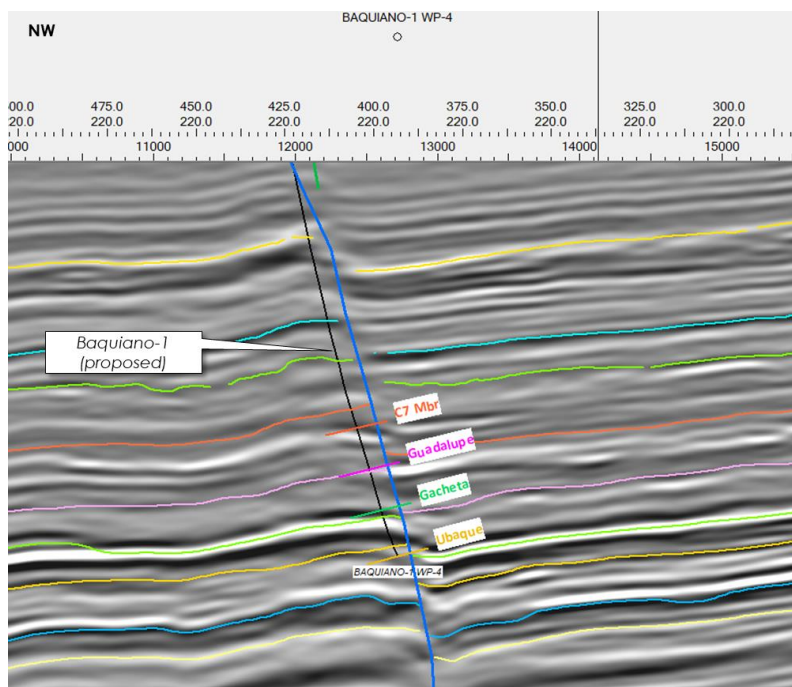


Carrizales Norte Seismic Profile



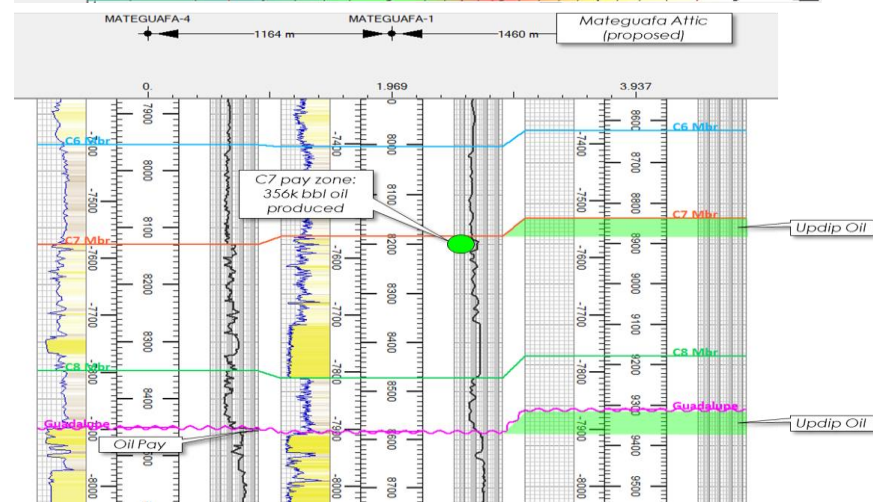
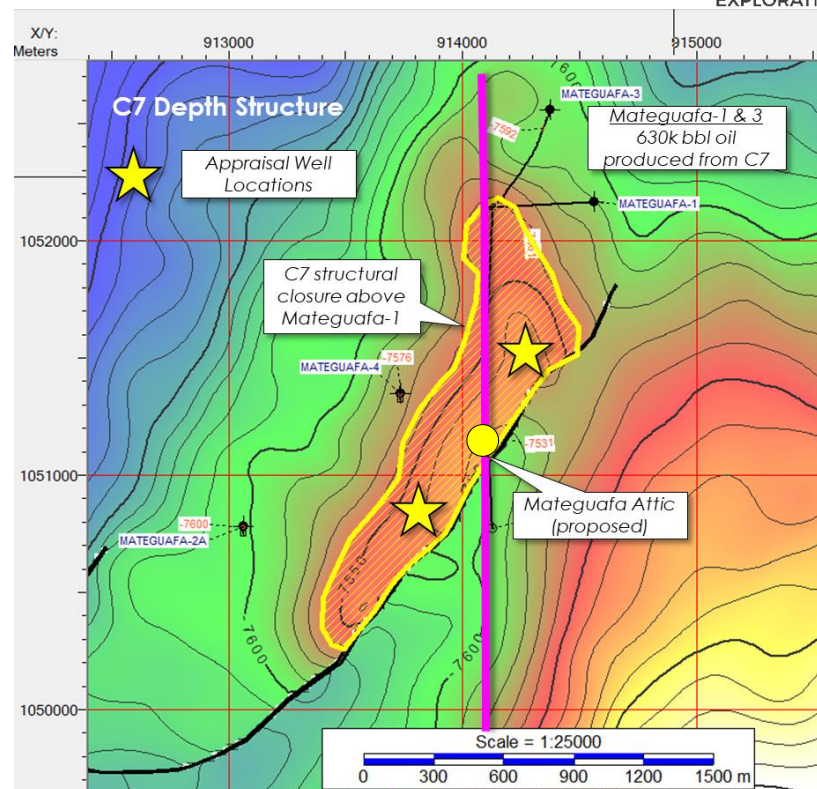
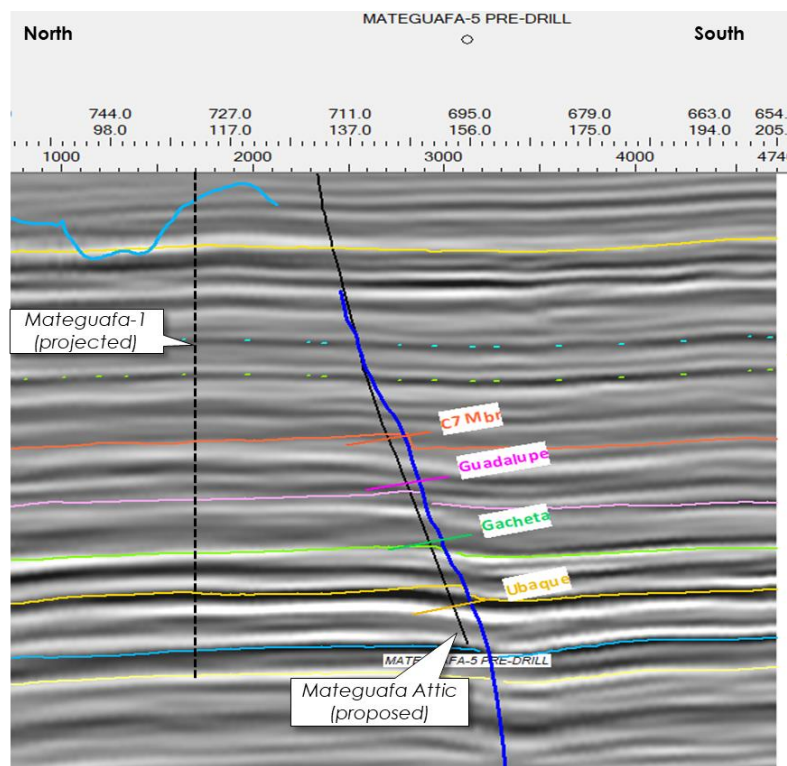
Alberta* Prospect

- 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



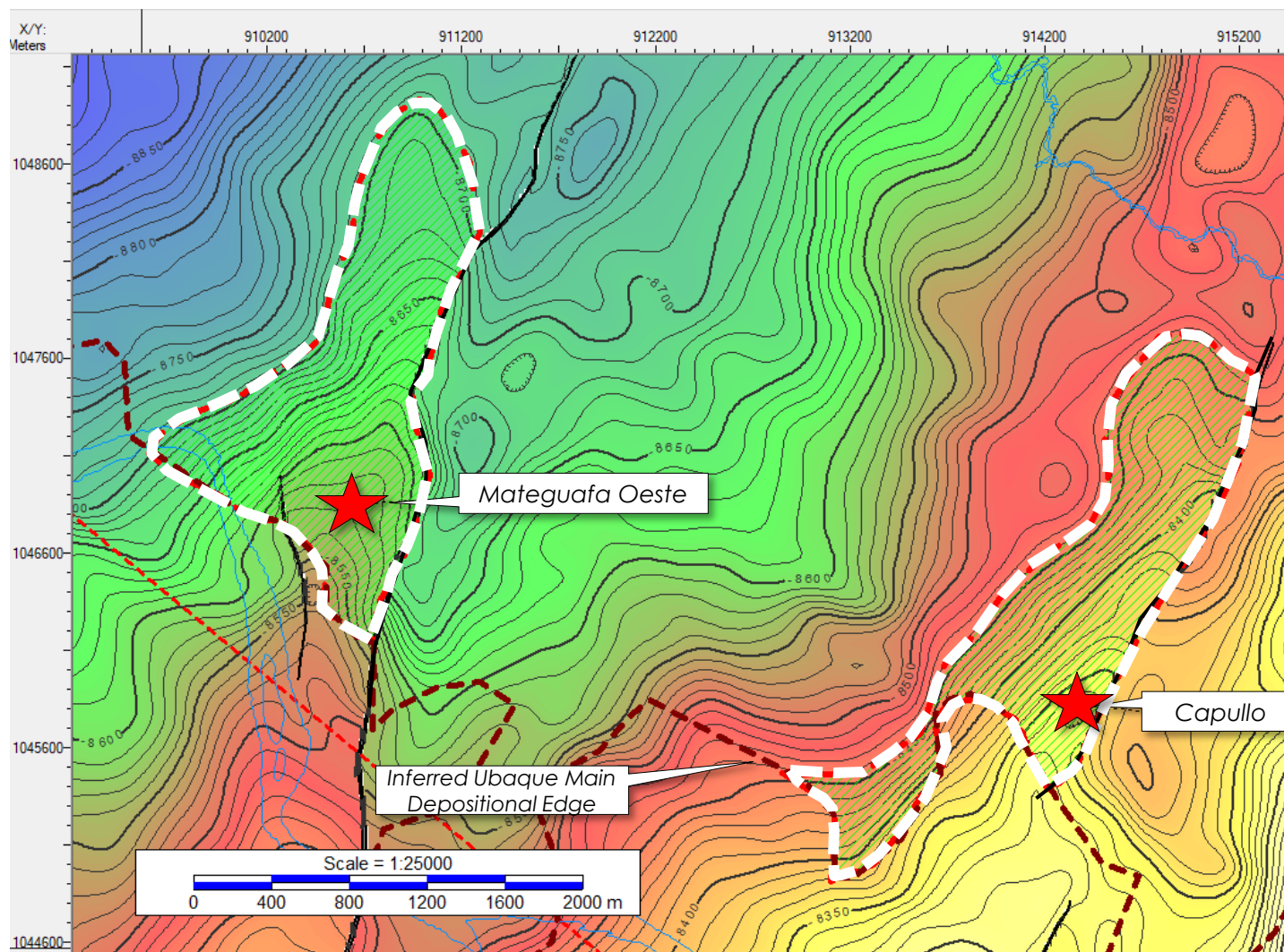
Mateguafa Attic Prospect

- 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

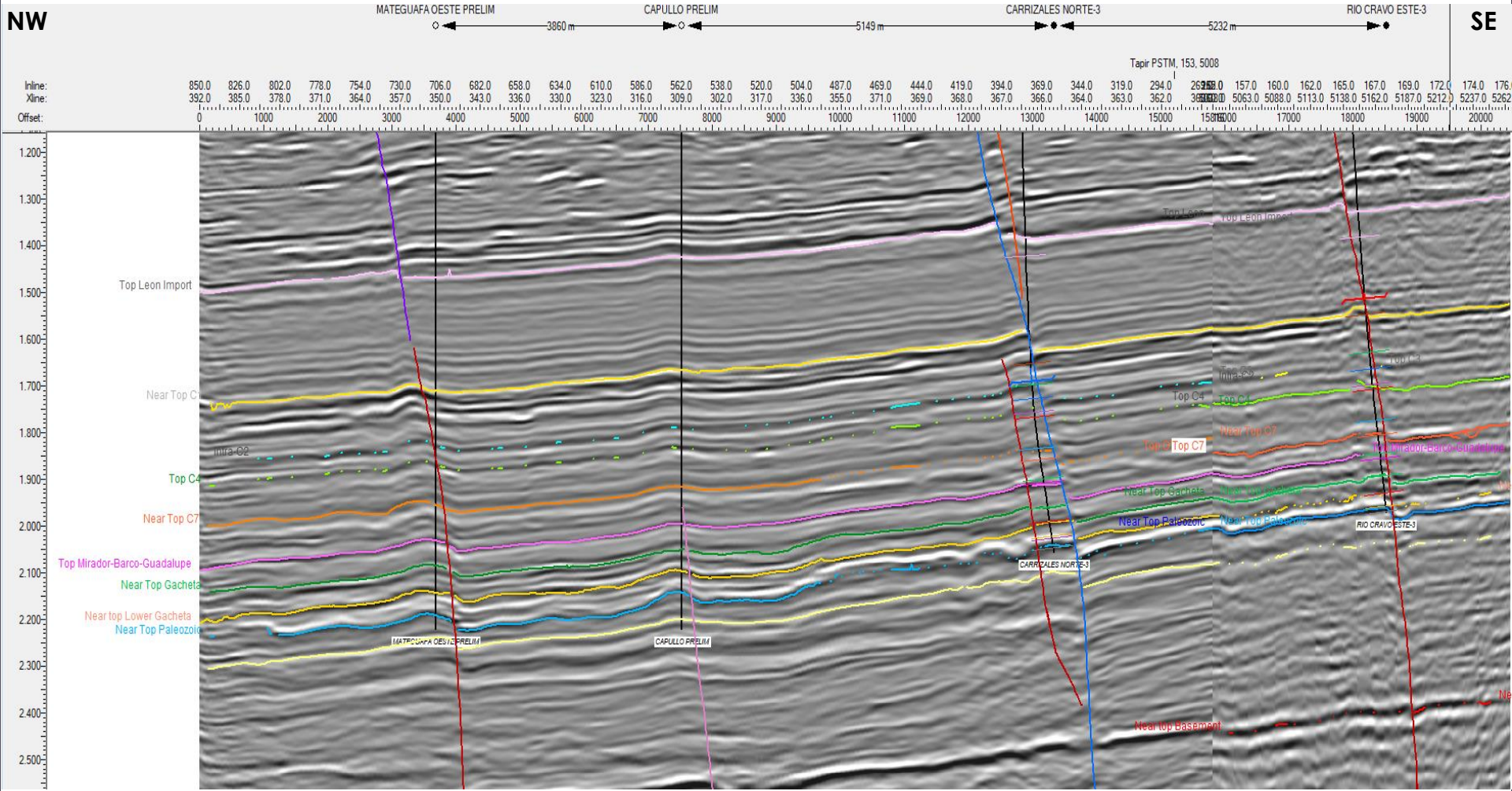
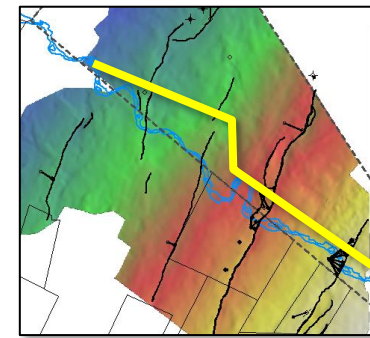


Mateguafa Oeste & Capullo Prospects

- 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

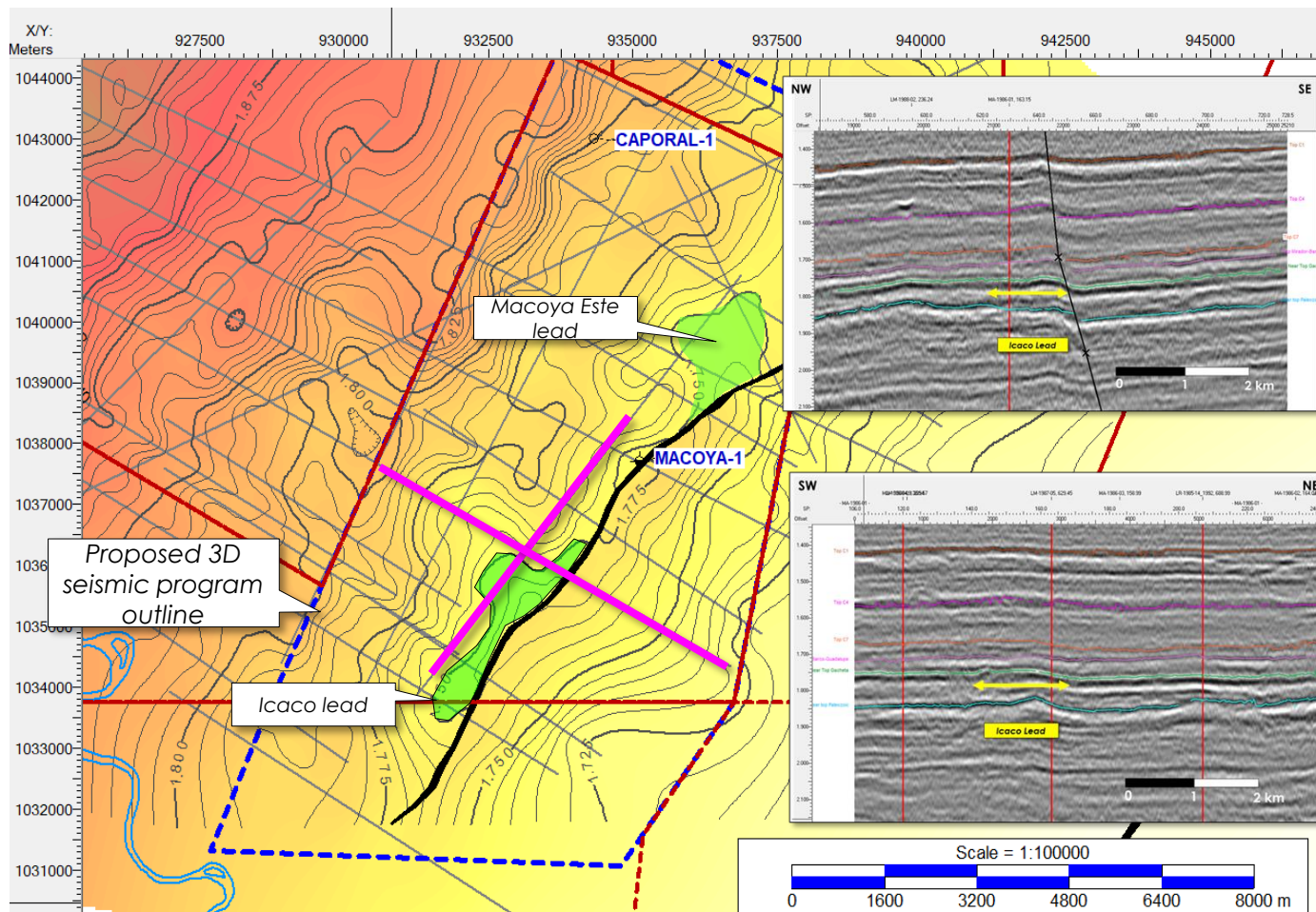


Regional Seismic Profile

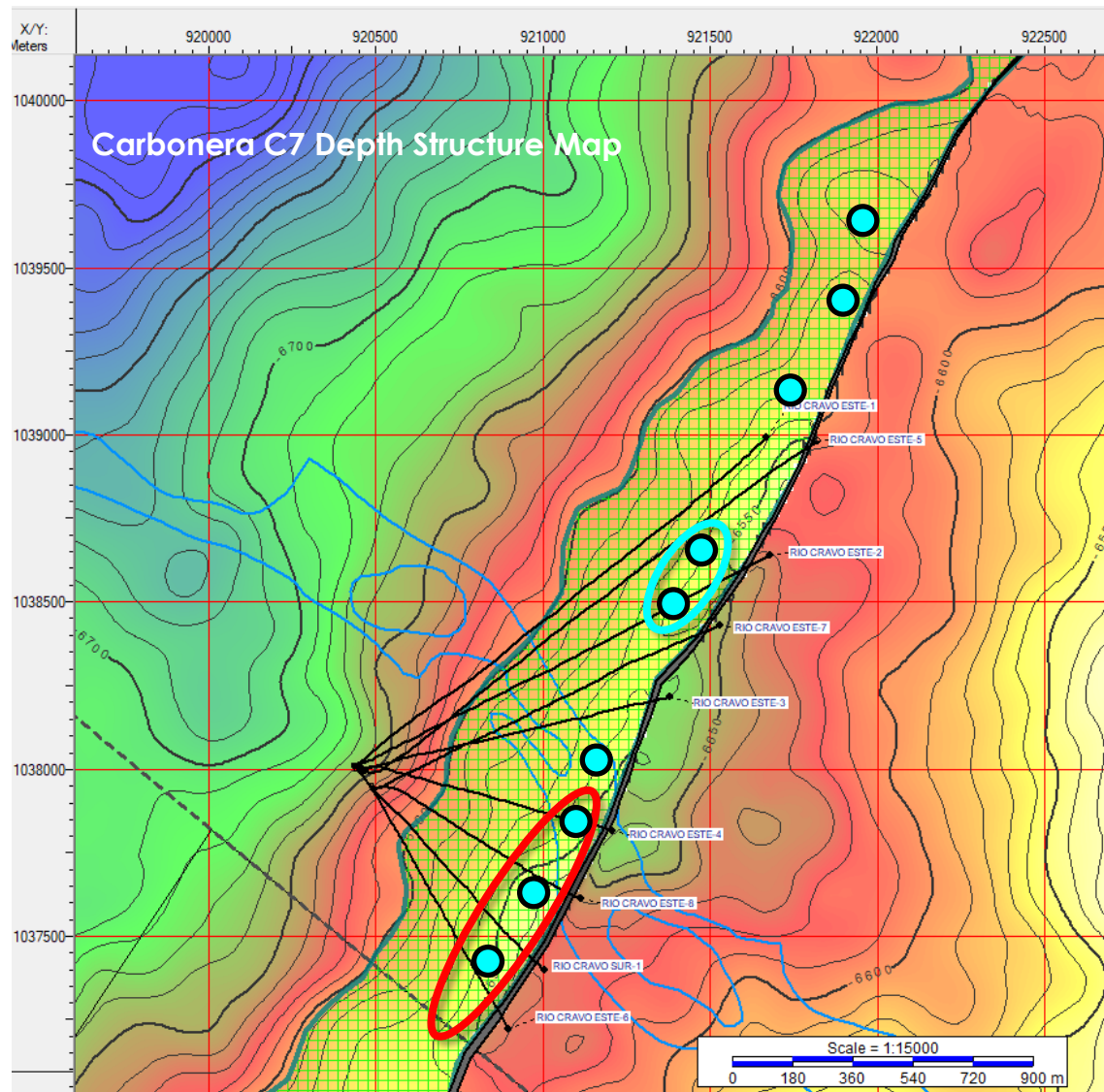






South Tapir Leads

- 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

Prospect Matrix – Tapir Block

Large inventory of strong prospects seismic ready (unrisked)

Based on indicative modelling assumptions by management.
Actual IP rates and NPVs Will only be determined once Wells have been successfully Drilled and completed

	COST (NET)	NPV10 (NET)	BREAKEVEN	IP Net
	MM\$	MM\$	MONTHS	BOPD
CNB-HZ4	2.30	24.86	2	1,300
CNB-HZ5	2.30	20.99	2	1,107
CNB-HZ6	2.30	13.55	3	687
CNB-HZ7	2.30	7.59	7	422
CNB NORTH - HZ1	2.30	19.48	2	802
CNB NORTH - HZ2	2.30	17.31	3	722
CNB NORTH - HZ3	2.30	15.31	3	642
CNB NORTH - HZ4	2.30	12.95	3	562
CN-9	1.45	7.83	3	321
CN-10	1.45	7.83	3	321
CN-11	1.45	7.83	3	321
MAT-5	1.60	6.22	5	196
MAT-6	1.60	6.22	5	196
AB-1	1.60	6.52	4	321
AB-2	1.45	6.67	4	321
AB-3	1.45	6.67	4	321
RCE-9	1.30	13.77	3	341
RCE-10	1.30	13.77	3	341
RCE-11	1.30	13.77	3	341
RCE-12	1.30	13.77	3	341
MAT-OESTE 1	1.60	6.52	4	321
MAT-OESTE 2	1.60	6.52	4	321
MAT-OESTE 3	1.60	6.52	4	321
CAP-1	1.60	6.52	4	321
CAP-2	1.60	6.52	4	321
CAP-3	1.60	6.52	4	321
AB-HZ1	2.30	23.84	2	963
AB-HZ2	2.30	21.23	2	866
AB-HZ3	2.30	19.92	2	818
AB-HZ4	2.30	18.61	2	770
MTO-HZ1	2.30	23.84	2	963
MTO-HZ2	2.30	21.23	2	866
MTO-HZ3	2.30	19.92	2	818
MTO-HZ4	2.30	18.61	3	770
CAP-HZ1	2.30	23.84	2	963
CAP-HZ2	2.30	21.23	2	866
CAP-HZ3	2.30	19.92	2	818
CAP-HZ4	2.30	18.61	3	770
CN-C7-HZ1	2.30	16.27	3	642
CN-C7-HZ2	2.30	16.27	3	642



Colombian Oil Portfolio MMV Basin

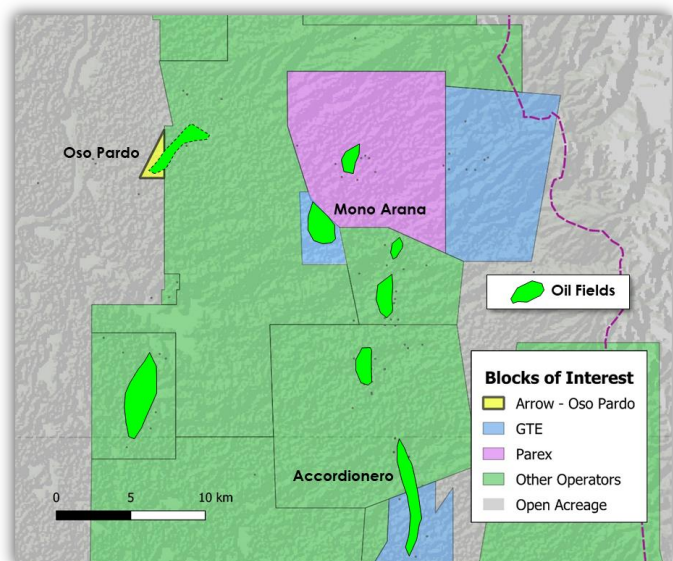
Current Production

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

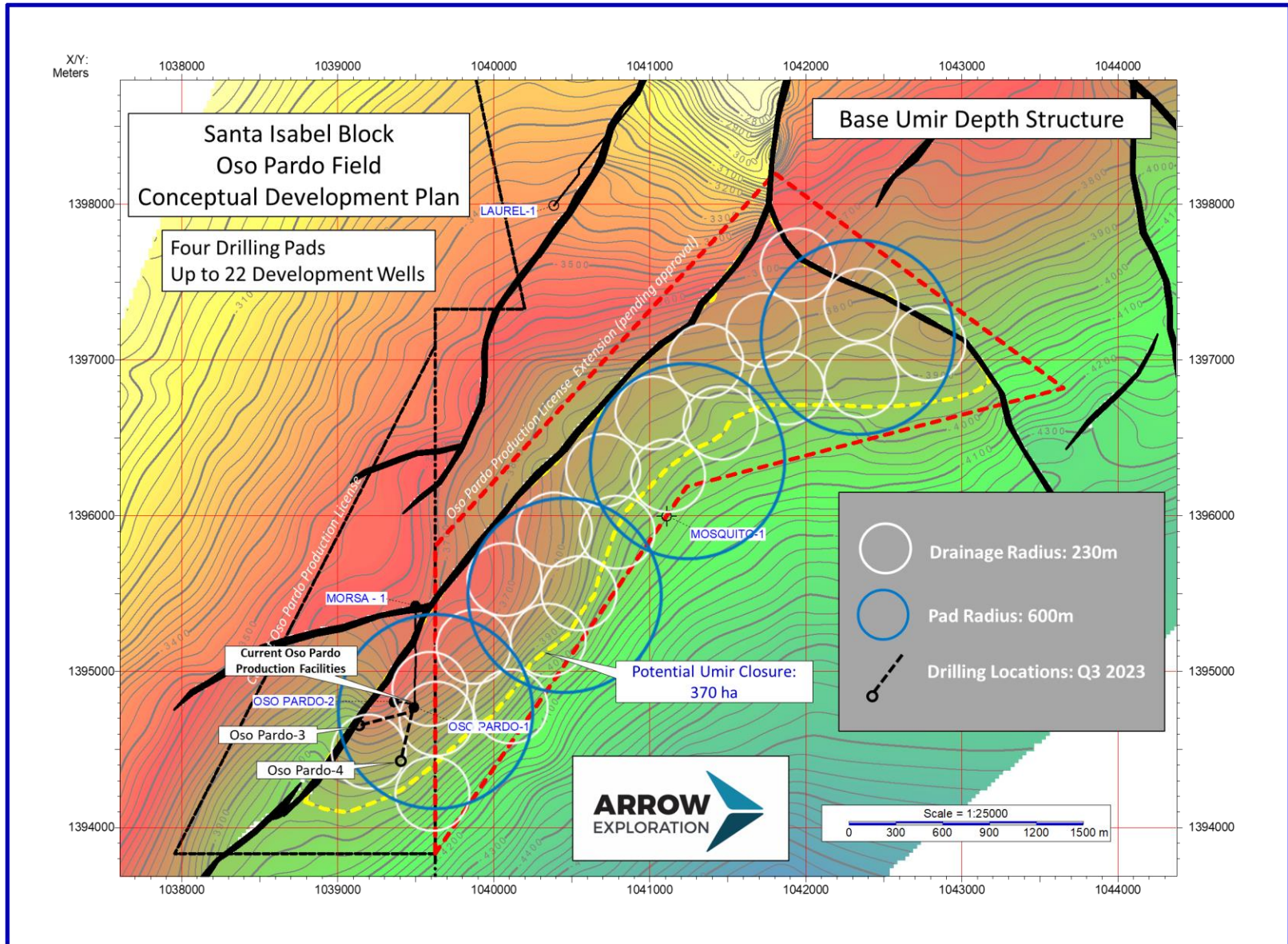


- Covered by 3D seismic – exclusive to Arrow
- Request to extend Oso Pardo Production License has been formally submitted to the ANH.

Oso Pardo Site Photos



Oso Pardo Development Concept



Future Opportunity Not Factored Into Production Forecast

Oso Pardo Extension (100% W.I.)

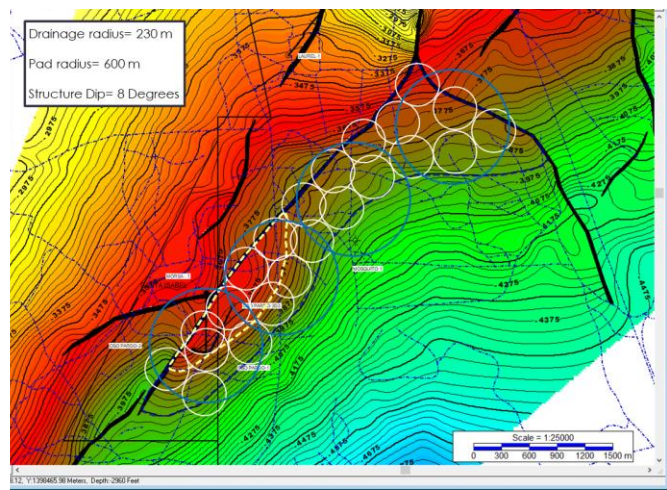
Existing block does not require a bid process

Overview

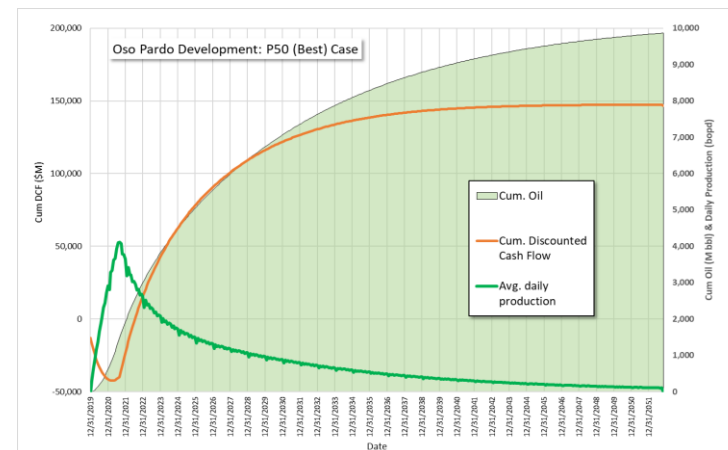
- Gaffney, Cline & Associates reserve study* snapshot:

GCA Cases	Oil EUR/well (Mbbbl)	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

2025 Plan

South 3D Seismic

RCE Development

Baquiano*
Development

Mateguafa Oeste
Exploration

Capullo
Exploration

Mateguafa
Attic Exploration

CN North HZ
Development

Accretive M&A

Colombia
attractive fiscal
regime
Near term
production
growth

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

2025 Fully
Financed –
accelerated
program
Including
horizontal well
development

3 New prospects
being tested for
2025

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



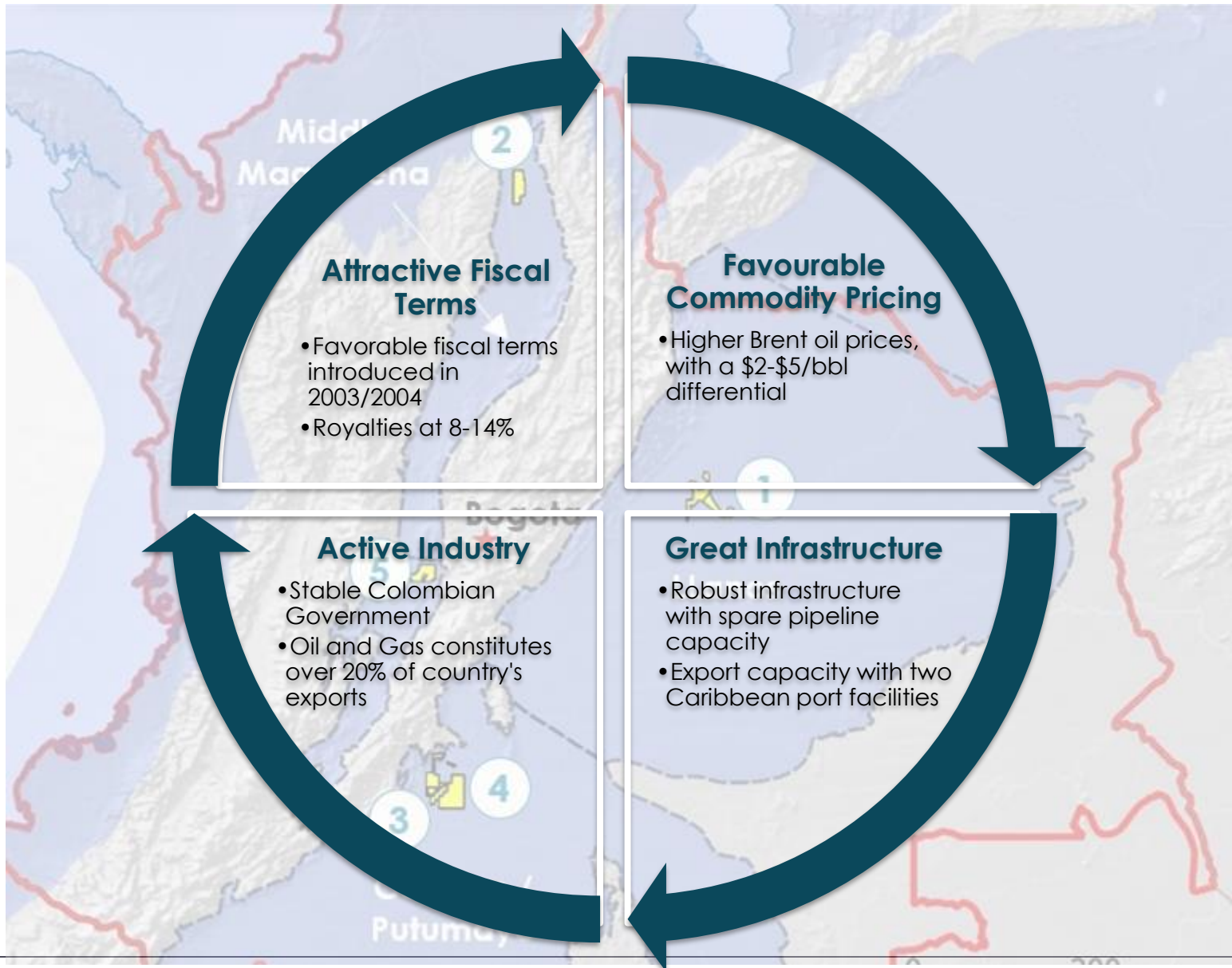
Structural reinforcement



Asbestos tile removal

Colombian Oil & Gas Industry

Key Takeaways



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Corporate Information