

# Arrow Exploration Announces 2019 Year-End Audited Financial Statements and MD&A, and Filing of 2019 Year-End Reserve Report

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CALGARY, June 02, 2020 - [Arrow Exploration Corp.](#) (TSXV: AXL) is pleased to announce the filing of its 2019 year-end audited Financial Statements and MD&A, and the filing of its 2019 year-end reserve report, all of which are available on SEDAR ([www.sedar.com](#)).

## FINANCIAL AND OPERATING HIGHLIGHTS

(in United States dollars, except as otherwise noted)	Three months ended December 31, 2019	Year ended December 31, 2019	Three months ended December 31, 2018	Year ended December 31, 2018
Total natural gas and crude oil revenues, net of royalties	5,585,531	25,440,370	5,911,425	6,077,4
Funds flow from (used in) operations <sup>(1)</sup>	(165,879 )	3,281,216	(855,321 )	(2,671,5
Per share <sup>(1)</sup> ; basic (\$) and diluted (\$)	(0.00 )	0.05	(0.01 )	(0.04
Net income (loss)	(2,089,036 )	(5,976,895 )	1,242,936	(665,12
Per share <sup>(1)</sup> ; basic (\$) and diluted (\$)	(0.03 )	(0.09 )	\$0.02	(\$0.01
Adjusted EBITDA <sup>(1)</sup>	(126,893 )	5,206,566	1,120,369	(693,68
Weighted average shares outstanding <sup>(1)</sup> ; basic and diluted	68,674,602	68,674,602	68,674,602	68,674,
Common shares end of period	68,674,602	68,674,602	68,674,602	68,674,
Capital expenditures	(171,138 )	9,414,464	7,007,580	7,007,5
Cash and cash equivalents	1,085,655	1,085,655	1,994,233	1,994,2
Current Assets	7,811,889	7,811,889	8,599,160	8,599,1
Current liabilities	10,675,530	10,675,530	17,157,942	17,157,
Working capital (deficit) <sup>(1)</sup>	(2,863,641 )	(2,863,641 )	(8,558,782 )	(8,558,
Long-term portion of restricted cash <sup>(2)</sup>	449,288	449,288	3,154,839	3,154,8
Total assets	72,750,706	72,750,706	76,962,315	76,962,
Operating				
Natural gas and crude oil production, before royalties				
Natural gas (Mcf/d)	531	623	733	734
Natural gas liquids (bbl/d)	6	6	7	7
Crude oil (bbl/d)	1,502	1,671	1,553	1,547
Total (boe/d)	1,595	1,781	1,682	1,676
Operating netbacks (\$/boe) <sup>(1)</sup>				
Natural gas (\$/Mcf)	\$0.25	(\$0.43 )	(\$1.97 )	(\$1.92
Crude oil (\$/bbl)	\$13.95	\$21.22	\$19.15	\$19.22
Total (\$/boe)	\$13.14	\$19.86	\$16.88	\$16.96

<sup>(1)</sup>Non-IFRS measures <sup>(1)</sup>; see <sup>(1)</sup>Non-IFRS Measures<sup>(1)</sup>; section within the MD&A

<sup>(2)</sup>Long term restricted cash not included in working capital

Marshall Abbott, CEO of Arrow commented, <sup>(1)</sup>2019 represented the first full year of operations for Arrow as a new company. The Company made a significant commercial discovery in May 2019 on its Tapir Block, through successfully drilling the Rio Cravo Este-1 (RCE-1) well. We have identified two additional

RCE well locations on the Tapir Block. On our LLA-23 block, production rates over the past several months have been negatively impacted by significantly lower oil prices, in addition to well-specific issues which Arrow's new management team intends on addressing contingent on the availability of additional capital. Production at Ombu (Arrow holds 10%) remains shut-in pending the recovery of oil prices and the resolution of community issues.

Mr. Abbott continued, "The Company wishes to extend our gratitude to all of its stakeholders for their continued support of Arrow during these exceptionally challenging times for our industry. Arrow's management and Board, including myself, are committed to creating value from the Company's significant asset base."

#### 2019 Year-End Reserves

Arrow has filed, on SEDAR, the Company's Statement of Reserves Data and Other Oil and Gas Information, Report on Reserves Data by Independent Qualified Reserves Evaluator, and Report of Management and Directors on Oil and Gas Disclosure for the year ended December 31, 2019, as required by section 2.1 of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (together, the "Reserve Report").

To recap, the Company's Year-End 2019 Company Gross Reserves Highlights include:

- 4.10 MMboe of Proved Reserves
- 10.32 MMboe of Proved plus Probable Reserves
- Proved Reserves estimated net present value before income taxes of US \$34.7 million calculated at a 10% discount rate
- Proved plus Probable Reserves estimated net present value before income taxes of US \$86.7 million calculated at a 10% discount rate
- Reserve Life Index of 7.0 for Proved Reserves and 17.7 for Proved plus Probable Reserves based on average fourth quarter 2019 corporate production of 1,595 boe/d
- Proved plus Probable Reserve Replacement Ratio of 154% and F&D costs of US \$9.47/boe

Arrow refers readers to the Company's press release of April 14, 2020 for additional details, as well as to the Reserve Report filed on SEDAR.

#### About ARROW Exploration

[Arrow Exploration Corp.](#) (operating in Colombia via a branch of its 100% owned subsidiary Carrao Energy S.A.) is a publicly-traded company with a portfolio of premier Colombian oil assets that are under-exploited, under-explored and offer high potential growth. The Company's business plan is to expand oil production from some of Colombia's most active basins, including the Llanos, Middle Magdalena Valley (MMV) and Putumayo Basin. The asset base is predominantly operated with high working interests, and the Brent-linked light oil pricing exposure combines with low royalties to yield attractive potential operating margins. Arrow's seasoned team is led by a hands-on and in-country executive team supported by an experienced board. Arrow is listed on the TSX Venture Exchange under the symbol "AXL".

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#### Forward-looking Statements

