ARROW EXPLORATION CORP.
Strategic Alternatives Process

Introductory Letter
January 2020
ARROW EXPLORATION CORP.

2020 STRATEGIC ALTERNATIVES PROCESS

Arrow Exploration Corp. ("Arrow" or the "Company") has initiated a process to evaluate strategic alternatives to enhance shareholder value and has retained Stifel Nicolaus Canada Inc. ("Stifel FirstEnergy") as its exclusive financial advisor. Strategic alternatives include, but are not limited to a corporate sale or merger transaction, asset sale transaction(s), equity and/or debt financings and/or joint venture or partnership transactions.

Arrow holds an operated, high working interest position throughout Colombia including the highly prospective LLA-23 and Tapir blocks in the Llanos Basin and Santa Isabel (Oso Pardo) in the Middle Magdalena Valley Basin. The Llanos Basin blocks include well established light-medium crude oil production with several drill ready exploration and development opportunities. The Company also has producing assets in Canada with Montney rights in the Greater Pepper and Wapiti areas of Alberta.

**Established Operating Platform in Colombia Offers a Unique Opportunity**
- Q3 2019 production base of approximately 1,700 Bbl/d in Colombia.
- Attractive crude oil operating netbacks of $23.74/Bbl in the first nine months of 2019.
- Arrow is an ANH licensed operator, providing a unique "turn-key" platform in-country.
- No active exploration commitments or partner carry obligations.

**High Working Interest, Operated Asset Base Focused in Tightly Held Region**
- Arrow operates two contiguous blocks in the Llanos Basin, Colombia's leading oil producing region.
- Additional assets in Middle and Upper Magdalena Valley and Caguan/Putumayo basins.
- Acreage that is surrounded by premier operators in Colombia.

**Attractive Portfolio of Low Risk Drilling & Recompletion Opportunities**
- Drilled two highly successful exploration wells since 2018 with additional development locations identified.
- Several low-risk exploration targets identified based on 3-D seismic and offset drilling.
- Portfolio of highly economic recompletion opportunities to access bypassed pay.

**High Impact Upside Opportunities with Limited Capital Exposure**
- Large portions of Llanos acreage are unexplored; 3-D seismic may unlock prospects.
- Potential upside in stratigraphic traps in lower horizons.
- Oso Pardo field may offer significant prospectivity.
- Canada Montney option value with minimal capital to bring on behind pipe volumes.
In the Llanos Basin, oil fields are typically found in traps defined by three-way dip closures against NNE-SSW trending normal faults. There are up to eight productive horizons in the Llanos Basin that benefit from a natural water-drive mechanism which results in higher than normal oil recovery factor versus some other Colombian basins. Arrow’s blocks in Colombia all have multi-zone potential with the Company’s focus on the Carbonera, Gacheta and Ubaque formations.

The figure below represents Arrow’s leads, prospects and major oil fields in the Llanos Basin.

### Arrow Asset Overview

<table>
<thead>
<tr>
<th>Country/Block</th>
<th>Product Type</th>
<th>Status</th>
<th>W.I.</th>
<th>Q3 ‘19 Prod (BOE/d)</th>
<th>Contract Type</th>
<th>ANH Royalty</th>
<th>X Factor</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Colombia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LLA-23</td>
<td>Light - Medium Oil</td>
<td>Producing</td>
<td>100%</td>
<td>1,114</td>
<td>ANH</td>
<td>8%</td>
<td>3%</td>
<td>115,102</td>
</tr>
<tr>
<td>Tapir*</td>
<td>Light - Medium Oil</td>
<td>Producing</td>
<td>50%</td>
<td>190</td>
<td>Ecopetrol</td>
<td>8%</td>
<td>3%</td>
<td>65,125</td>
</tr>
<tr>
<td>Santa Isabel</td>
<td>Light - Medium Oil</td>
<td>Producing</td>
<td>100%</td>
<td>146</td>
<td>ANH</td>
<td>8%</td>
<td>3%</td>
<td>672</td>
</tr>
<tr>
<td>Ombu</td>
<td>Heavy Oil</td>
<td>Producing</td>
<td>10%</td>
<td>243</td>
<td>ANH</td>
<td>6%</td>
<td>-</td>
<td>56,482</td>
</tr>
<tr>
<td>COR-39**</td>
<td>Light - Medium Oil</td>
<td>Exploration</td>
<td>100%</td>
<td>-</td>
<td>ANH</td>
<td>-</td>
<td>-</td>
<td>95,111</td>
</tr>
<tr>
<td>Los Picachos**</td>
<td>Heavy Oil</td>
<td>Exploration</td>
<td>38%</td>
<td>-</td>
<td>ANH</td>
<td>-</td>
<td>-</td>
<td>52,772</td>
</tr>
<tr>
<td>Macaya**</td>
<td>Heavy Oil</td>
<td>Exploration</td>
<td>38%</td>
<td>-</td>
<td>ANH</td>
<td>-</td>
<td>-</td>
<td>195,255</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>Natural Gas &amp; NGLs</td>
<td>Producing</td>
<td>70%</td>
<td>106</td>
<td>N/A</td>
<td>5%</td>
<td>-</td>
<td>84,960</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,799</td>
</tr>
</tbody>
</table>

*3% payable to Ecopetrol and an additional 3% overriding royalty, net of OPEX and prior royalties, payable to Samaria Exploration
*Arrow holds a 50% beneficial interest. Official participating interest and operatorship are in process and subject to Ecopetrol’s approval
**Contracts suspended indefinitely

In the Llanos Basin, oil fields are typically found in traps defined by three-way dip closures against NNE-SSW trending normal faults. There are up to eight productive horizons in the Llanos Basin that benefit from a natural water-drive mechanism which results in higher than normal oil recovery factor versus some other Colombian basins. Arrow’s blocks in Colombia all have multi-zone potential with the Company’s focus on the Carbonera, Gacheta and Ubaque formations. The figure below represents Arrow’s leads, prospects and major oil fields in the Llanos Basin.
COLOMBIA ASSET OVERVIEW

The Company has announced two significant exploration successes in the Llanos Basin since 2018. The discoveries have successfully proved up a highly economic, development-ready medium-light oil drilling inventory.

» **LLA-23 Block: Danes-1 (November 2018)** – 44 feet net oil pay within 3 sands in the Gacheta and Ubaque formations with the Gacheta D2 sand testing at a peak rate 1,186 Bbl/d of 32° API oil at 0.1% water cut. Danes-1 production in Q3 ’19 averaged 413 Bbl/d with a 0.1% water cut.

» **Tapir Block: Rio Cravo Este (June 2019)** – 107 feet of net pay in the Carbonera, Gacheta and Ubaque formations with the Carbonera C7 testing at a peak rate of 1,172 Bbl/d of 28° API oil at 46.5% water cut. Two low-risk, drill ready development locations have been identified.

Arrow has identified an extensive inventory of recompletion opportunities in the Llanos Basin along with several prospects and leads. Large portions of the blocks remain unexplored and 3-D seismic may unlock prospects for exploration drilling. Additional potential upside exists in stratigraphic traps in various lower horizons.

### Arrow Llanos Basin Upside Potential

<table>
<thead>
<tr>
<th>Block/Field</th>
<th>Opportunity</th>
<th>Target Formation(s)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LLA-23</strong></td>
<td>Development</td>
<td>Various</td>
<td>18 recompletions identified and booked in the 2018 YE reserve report</td>
</tr>
<tr>
<td>Danes</td>
<td>Development</td>
<td>Ubaque, Mirador</td>
<td>Significant pay identified in the Gacheta and Ubaque for recompletion</td>
</tr>
<tr>
<td>Leono Norte</td>
<td>Prospect</td>
<td>Carbonera, Gacheta</td>
<td>Untested Carbonera stratigraphic trap, Company mean OOIP estimate of 11 MMBbl</td>
</tr>
<tr>
<td>Pan tro</td>
<td>Prospect</td>
<td>Carbonera</td>
<td>Well defined untested Carbonera structure</td>
</tr>
<tr>
<td>Perla Negra</td>
<td>Prospect</td>
<td>Carbonera, Mirador</td>
<td>Analogues Pumara field shows thick Carbonera (C7) development</td>
</tr>
<tr>
<td>Pumara</td>
<td>Prospect</td>
<td>Gacheta, Ubaque</td>
<td>Previous modelling inconsistent with mapping, well may have missed closures</td>
</tr>
<tr>
<td>Chitara</td>
<td>Prospect</td>
<td>Carbonera, Mirador</td>
<td>Analogous Pumara field shows thick Carbonera (C7) development</td>
</tr>
<tr>
<td><strong>Tapir</strong></td>
<td>Development</td>
<td>Gacheta, Ubaque</td>
<td>Currently producing from the Carbonera (C7) at 400 Bbl/d, two drill ready opportunities</td>
</tr>
<tr>
<td>Carrizales</td>
<td>Prospect</td>
<td>Carbonera</td>
<td>Identified prospect immediately north and on-trend with existing Carrizales oil field</td>
</tr>
<tr>
<td>Mateguafa</td>
<td>Lead</td>
<td>Carbonera, Guadalupe</td>
<td>Previously productive field, logs indicate pay in both the Guadalupe and Carbonera</td>
</tr>
</tbody>
</table>

### LLA-23 Pointer Facility - Strategic Processing for the LLA-23 and Tapir Blocks

» Newly constructed facility in 2014 with 30,000 Bbl/d of fluid handling capacity (22,000 Bbl/d water handling).
» Current excess capacity of 12,750 Bbl/d of water and 7,100 Bbl/d of oil.
» Opportunity to capitalize rental equipment to reduce operating costs.
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COLOMBIA ASSET OVERVIEW (CONT’D)

Middle Magdalena Basin: Santa Isabel Block - Light Medium Oil Production with Significant OOIP

» Q3 2019 average production of 146 Bbl/d from 3 wells with cumulative production to date of over 400 MBbl from the Umir Formation.
» New potential play type identified based on recently acquired third party reservoir simulation model that indicates high recoverable oil under primary production with waterflood upside potential.

Caguan/Putumayo Basin: Ombu Block - Massive Heavy Oil Trend that Extends from Venezuela to Ecuador

» Capella Field operated by Emerald Energy (Sinochem), currently producing 2,400 Bbl/d (240 Bbl/d net).
» Contains three reservoirs, 2 in the Mirador Formation and one in the underlying Conglomerate Unit with oil gravity in the 8° to 11° API range.
» As at 2018 year end, DeGolyer & McNaughton had assigned 307 Proved plus Probable plus Possible undeveloped locations to the Mirador and Conglomerate (101 Proved Undeveloped locations).

Colombian Tax Pools

» Estimated total of $40.6 MM as at September 30, 2019.

CANADIAN ASSET OVERVIEW

Arrow holds interests in various fields in the northwest Alberta Deep Basin, which includes interests in the Montney Formation in the Wapiti and Pepper areas.

Significant Contiguous Montney Rights at Wapiti and Pepper

» Exposure to 119 (88.5 net) Montney sections in the Alberta Montney Basin.
» Two wells drilled on the Pepper property in 2017 and 2018 - currently suspended.
  • 1,500 BOE/d productive capability.
  • 100/14-21-052-22W5 – peak test rate of 5 MMcf/d in January 2017.
  • 100/06-26-052-23W5 – peak rate of 4 MMcf/d in May 2017.
  • Short tie in with capital requirement of C$1.2 MM per well to bring on production.

Cretaceous Production at Fir

» Q3 2019 average production 106 BOE/d (6% liquids) from the Cadomin, Gething and Dunvegan formations and operated by Tourmaline Oil Corp.

Material Canadian Tax Pools

» C$13.9 MM Non-Capital Losses, C$9.1 MM CEE and C$11.7 MM CDE.
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CORPORATE PRODUCTION, FINANCIAL AND RESERVES SUMMARY

<table>
<thead>
<tr>
<th>Production and Financial Summary</th>
<th>Reserves Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td><strong>2018 YE Reserves Volumes</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Oil &amp; NGLs</strong> (Bbl/d) 1,699</td>
<td><strong>Colombia</strong> (MBOE) 1,501</td>
</tr>
<tr>
<td><strong>Natural Gas</strong> (Mcf/d) 598</td>
<td><strong>Canada</strong> (MBOE) 295</td>
</tr>
<tr>
<td><strong>Total (6:1)</strong> (BOE/d) 1,799</td>
<td><strong>Total</strong> (MBOE) 1,796</td>
</tr>
<tr>
<td>% Oil &amp; NGLs (%) 94%</td>
<td><strong>Total Proved</strong> (MBOE) 4,042</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Financials</strong>&lt;sup&gt;1&lt;/sup&gt;</th>
<th><strong>Q3 2019</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized Price (Net of Trans.) ($/BOE)</td>
<td>$43.41</td>
</tr>
<tr>
<td>Royalties ($/BOE)</td>
<td>$4.17</td>
</tr>
<tr>
<td>Operating Expense ($/BOE)</td>
<td>$17.56</td>
</tr>
<tr>
<td>Operating Netback ($/BOE)</td>
<td>$21.68</td>
</tr>
<tr>
<td>Annualized 2019 NOI ($MM)</td>
<td>$14.9</td>
</tr>
</tbody>
</table>

<sup>1</sup> Operating netback prior to hedging.

<sup>2</sup> Reserves as at December 31, 2018 as per DeGolyer & MacNaughton using D&M January 1, 2019 price forecast.

DESCRIPTION OF THE PROCESS

Arrow has initiated a process to review strategic alternatives with a view to maximizing value for its shareholders. This may include, among other alternatives, a merger, the sale of the Company or a portion of the Company's assets, or other such options as may be determined by the Company.

A detailed marketing presentation and Confidentiality Agreement ("CA") will be made available on Stifel FirstEnergy's website or can be obtained by contacting Stifel FirstEnergy directly. Parties who execute a CA will have access to the confidential information available in an online data room which will open the week of January 13, 2019. Technical presentations with Arrow's management team will be available starting the week of January 20, 2019. Please direct all correspondence and inquiries to Stifel FirstEnergy:

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DISCLAIMER

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In preparing this document, Stifel FirstEnergy relied without any independent verification on information provided or that is publicly available. The information and any analyses in this document are preliminary and the prospective counterparty will conduct its own independent evaluation and analysis of the information and satisfy itself as to the quality, accuracy, completeness and materiality of this information. Prospective counterparties will rely solely on their own due diligence and investigation in respect of any decision of whether or not to submit a proposal, enter into a definitive agreement and complete a Transaction.

This document may include certain statements, estimates, forecasts and projections provided by the Company and with respect to the anticipated future performance of the assets. Such statements, estimates, forecasts and projections reflect various assumptions made by the Company and/or Stifel FirstEnergy concerning anticipated results, which may or may not prove to be correct. No representations or warranties are made as to the accuracy of such statements, estimates, forecasts or projections.

GLOSSARY

ANH - Agencia Nacional de Hidrocarburos  
Bbl - Barrel  
BOE - Barrels of oil equivalent volumes (natural gas converted at 6 Mcf/Bbl)  
CDE - Canadian Development Expense  
CEE - Canadian Exploration Expense  
C$ - Canadian Dollars  
US$ - U.S. Dollars  
(e) - Estimate  
E&D - Exploration and Development  
FDC - Future Development Capital  
NOI - Net Operating Income  
M - Thousand  
MM - Million  
$M - Thousands of Dollars  
$MM - Millions of Dollars  
NPV - Net Present Value  
BT - Before Tax  
OOIP - Original Oil in-Place  
PDP - Proved Developed Producing  
PDNP - Proved Non-Producing  
PUD - Proved Undeveloped  
P+PDP - Proved plus Probable Producing  
P+P - Proved plus Probable  
scf - standard cubic feet of natural gas (Mcf is thousands, MMcf is millions)

Note: Dollar amounts are in USD unless otherwise noted.