



Arrow Exploration Corp. Announces Definitive Agreement to Sell a Partial Working Interest in the VMM-2 Block in Colombia to Boost Financial Flexibility

Calgary, Alberta – December 10, 2018 - ARROW Exploration Corp. (operating in Colombia via a Colombian branch of its 100% owned subsidiary, Carrao Energy S.A.) (“Arrow” or the “Company”) (TSXV: AXL) is pleased to announce it has signed a definitive agreement (the “Agreement”) for the sale of both a 20% working interest in the Shallow Section (defined below) and a 46.9% working interest in the Deeper Section (defined below) in the VMM-2 Block located in the Middle Magdalena Basin in Colombia for the sum of US \$5 million, subject to adjustments (the “Transaction”). The Transaction provides an important boost to Arrow's financial flexibility while retaining exposure to results of an expected capital program on the VMM-2 Block in 2019. Arrow's net production is estimated to be reduced by approximately 85 barrels of oil per day (“bbl/d”) as a result of the Transaction as at the Effective Date for the Agreement of December 1st, 2018.

The Transaction is expected to close on or about December 14, 2018. Following closing of this Transaction, Arrow will retain a 20% working interest in both the Shallow Section and the Deeper Section in the VMM-2 Block. The formal transfer of legal ownership of the working interests contemplated in the Agreement is subject to ultimate approval by the Agencia Nacional de Hidrocarburos (“ANH”).

For purposes of this press release, the Shallow Section in the VMM-2 Block is defined as the portion of the VMM-2 contract area at a depth greater than 150ft above the top of the “La Luna” formation, and the Deeper Section is defined as the portion of the contract area below the Shallow Section.

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 underexploited, underexplored and offer high potential growth. The Company's self-funding business plan is to rapidly expand oil production from some of Colombia's most active basins, including the Llanos, Middle Magdalena Valley (MMV) and Caguan/ Putumayo Basin. The asset base is 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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