Arrow Exploration Corp. Announces Year-End Audited Financial Statements, MD&A and Operational and Management Update

Calgary, Alberta – April 30th, 2019 - ARROW Exploration Corp. ("Arrow" or the "Company") (TSXV: AXL) is pleased to announce the filing of its 2018 year-end audited Financial Statements and MD&A and to provide an operational and management update. The Company's Financial Statements and Annual Information Form ("AIF") are available on SEDAR (www.sedar.com). All numbers are expressed in US dollars unless otherwise noted.

Financial	**Three months ended, December 31**			**Year ended, December 31**		
	2018	**2017**	**Change**	2018	**2017**	**Change**
Total natural gas and crude oil revenues, net of royalties	**$ 5,911,425**	-	n/a	**$ 6,077,423**	-	n/a
Funds from (used in) from operations [1]	**922,280**	(2,887)	n/a	**(971,986)**	(3,987)	n/a
Per share – basic ($) and diluted ($)	**0.01**	(0.00)	n/a	**(0.01)**	(0.00)	n/a
Net income (loss)	**1,242,936**	(3,078)	n/a	**(665,123)**	(4,228)	n/a
Per share – basic ($) and diluted ($)	**$0.02**	($0.00)	n/a	**($0.01)**	($0.00)	n/a
EBITDA [1]	**1,170,678**	(2,887)	n/a	**(719,478)**	(3,987)	n/a
Weighted average shares outstanding – basic and diluted	**68,674,602**	61,591,065	11%	**64,056,032**	61,591,065	4%
Common shares end of year				**68,674,602**	61,591,065	11%
Capital expenditures	**7,007,580**	-	n/a	**7,007,580**	-	n/a
Net proceeds on disposal	**4,875,000**	-	n/a	**4,875,000**	-	n/a
Cash and cash equivalents				**$1,994,233**	7,966	n/a
Restricted cash				**3,154,839**	-	n/a
Working capital				**(8,558,782)**	3,598	n/a
Total current debt				**17,157,942**	4,368	n/a
Total assets				**76,962,315**	7,966	n/a
Operating						
Natural gas and crude oil production, before royalties						
Natural gas (Mcf/d)	733	-		734	-	
Natural gas liquids (bbl/d)	7	-		7	-	
Crude oil (bbl/d)	1,553	-		1,547	-	
Total (boepd)	**1,682**	**-**		**1,676**	**-**	
Operating netbacks ($/boe) [1]						
Natural gas ($/Mcf)	($1.97)	-		($ 1.92)	-	
Crude oil ($/bbl)	$19.15	-		$19.22	-	
Total ($/boe)	**$16.88**	**-**		**$16.96**	**-**	

(1) Non-IFRS Measures – see "Non-IFRS Measures" section within MD&A

John Newman, CFO of Arrow commented, "The fourth quarter of 2018 represented the first full quarter of operations for Arrow and we're pleased to have meaningfully grown our production in the quarter while reducing corporate operational commitments in Colombia and protecting our balance sheet. The fourth quarter saw higher G&A costs than we would expect going forward given significant one time legal and transaction costs associated with the new management team taking over the Company."

Operational Update

As announced on April 26, 2019, Arrow spud its Rio Cravo Este-1 ("RCE-1") exploration well with the Weatherford 839 rig on the Tapir Block in the Llanos Basin of Colombia. Drilling is on schedule with the well expected to reach total depth near the end of May, 2019.

Arrow's current corporate production, after accounting for the asset sales announced on April 26, 2019, is approximately 1,700 boe/d matching first quarter average corporate production. Arrow is pleased to provide 2019 corporate guidance of 1,600 – 1,700 boe/d average production and $14 - $15 million capital spending without accounting for any potential success at RCE-1. Following completion of RCE-1, production and capital guidance numbers will be adjusted accordingly.

The Company is pleased to announce that its Danes-1 well, which was brought on production in December 2018, is currently producing 400 – 450 bbl/d of oil which is in-line to slightly better than management's expectations as outlined in the Llanos Basin type curve in Arrow's corporate presentation available on its website at www.arrowexploration.ca . The Company is encouraged with recent developments which have seen pressure and production rates begin to stabilize with no material water production to date.

Given the challenging commodity environment in the first quarter of 2019, Arrow chose to redirect capital towards low risk pump changes and away from relatively higher risk recompletions. Arrow completed a total of three new pump changes and two recompletions at a cost of $3.3 million. Additionally, Arrow has undertaken several cost reduction initiatives focused on reducing operating and G&A costs within the Company.

Jack Scott, COO of Arrow commented, "Our operational focus remains on the following: growing production at a targeted cost of US $10,000 per flowing barrel while maintaining a healthy balance sheet, reducing costs by creating efficiencies throughout the Company, reducing future drilling commitments by selling non-core blocks, and increasing drilling inventory through advancing our 3-D seismic programs."

Asset Sale Update

Arrow is pleased to confirm that on April 29, 2019, it closed the sale of its remaining 20% interest in the VMM-2 Block located in the Middle Magdalena Basin in Colombia for cash proceeds of $3.5 million, subject to adjustments (the "**VMM-2 Transaction**"). The formal transfer of legal ownership of the working interests pursuant to the VMM-2 Transaction is subject to ultimate approval by the Agencia Nacional de Hidrocarburos ("**ANH**"), Colombia's regulator in respect of oil and gas activities. This follows Arrow's previous April 26, 2019 announcement that it had entered into definitive agreements to sell two non-core interests in Colombia for a total sum of $5 million prior to adjustments. The second of the previously announced non-core interest sales, for proceeds of $1.5 million prior to adjustments, is expected to close by the end of the Company's second quarter. The combination of the $5 million in non-core interest sales and cash set aside (restricted cash on the balance sheet) for drilling is expected to fully fund the drilling of RCE-1.

Bruce McDonald, Executive Chairman commented, “At the time we closed the reverse takeover transaction in September 2018, Arrow was producing approximately 1,300 boe/d. Since that time, we’ve announced three non-core asset sales with associated production of 160 bbl/d and grown corporate production by almost 50% net of sales over the past seven months. Most importantly, we’ve achieved this growth without materially increasing our debt or diluting our shareholders.”

Liquidity and Facility Update

On April 29, 2019, Arrow and Canacol Energy Ltd. (“**Canacol**”) entered into an Amended and Restated Promissory Note (the “**Amended Note**”) to revise the terms of the original $5 million promissory note issued upon Arrow Exploration Ltd.'s acquisition of Carrao Energy S.A. from Canacol in September 2018, the day prior to the reverse takeover by Arrow Exploration Ltd. of the Company. The amendments provide for repayment of the obligation commencing on July 1, 2019 at $500,000 per month until payout. The Amended Note, which still bears interest at 15%, also contains an accelerated payment feature whereby Canacol will receive 50% of Arrow’s working interest cash flow from the Rio Cravo Este-1 well, calculated on a two-month trailing basis with immediate effect, up to a maximum of $500,000, such that the monthly payment to Canacol will not exceed $1 million. The balance of the obligation is also accelerated under the Amended Note in the event Arrow closes a credit facility or other financing structure, or closes a sale of assets pursuant to a definitive agreement entered into after April 29, 2019, in either case for net proceeds to Arrow in a minimum amount of $5 million.

Arrow has also made significant progress in terms of reducing its corporate commitments. Once it closes the remaining non-core interest sale for which a definitive agreement was recently announced on April 26, 2019, Arrow will remove approximately $7 million from its future capital spending commitments in Colombia. Furthermore, the drilling of Danes-1 (completed in the fourth quarter of 2018) and the drilling of RCE-1 (currently underway) will reduce Arrow’s corporate commitments by an additional $11 million for a total reduction in operational commitments of approximately $18 million since the reverse takeover in September of 2018.

As previously disclosed, Arrow has been working to secure a credit facility since closing the reverse takeover. Arrow continues to engage in discussions with various potential credit facility providers and is evaluating alternative debt solutions in the event the Company is unable to close the credit facility as originally contemplated.

Management Update

Arrow also announces that Gary Wine will be retiring on or about May 31, 2019 and that, in order to accommodate his retirement, the Board of Directors of Arrow (the “Board”) has accepted Mr. Wine’s resignation from his role as President & Chief Executive Officer effective May 1, 2019. Mr. Wine has agreed to assist the transition process and will act as a Special Advisor to the Company until his retirement and at the same time continue to serve on the Board on an interim basis until a new director is appointed. “It has been a pleasure leading Arrow since acquiring its suite of Colombian assets and completing its reverse takeover transaction. The Company has undergone tremendous change and I look forward to advising the Company through the drilling of the RCE-1 well.” said Mr. Wine.

The Board has approved the appointment of Mr. Bruce McDonald, Arrow's Executive Chairman, as interim President & Chief Executive Officer effective May 1, 2019.

Mr. Bruce McDonald, Executive Chairman, said "the Board is grateful for the valuable contribution that Gary has made during his time with us and the success of Arrow's first exploration well in Colombia in Q4 2018. We are pleased that he will stay on as a special advisor in the coming month and lead the team while we drill the Rio Cravo Este well. We wish Gary the best in his retirement and know that he is looking forward to spending more time with his family."

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 rapidly 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

This news release contains certain statements or disclosures relating to Arrow that are based on the expectations of its management as well as assumptions made by and information currently available to Arrow which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Arrow anticipates or expects may, could or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "expect", "future", "guidance", "will" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: RCE-1; production guidance; capital spending guidance; non-core interest sales; capital *and operational commitments; Gary Wine's retirement; and the Company's officers, directors and advisors.*

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Arrow including, without limitation: current and anticipated commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; commodity prices; the impact of increasing competition; general economic conditions; availability of drilling and related equipment; receipt of partner, regulatory and community approvals; royalty rates; future operating costs; effects of regulation by governmental agencies; uninterrupted access to areas of Arrow's operations and infrastructure; recoverability of reserves; future production rates; timing of drilling and completion of wells; pipeline capacity; that Arrow will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Arrow's conduct and results of operations will be consistent with its expectations; that Arrow will have the ability to develop its oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated; that the estimates of Arrow's reserves and production volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that Arrow will be able to obtain contract extensions or fulfil the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; and other matters.

Arrow believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: the impact of general economic conditions; volatility in commodity prices; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; commodity price volatility; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs; changes to pipeline capacity; ability to secure a credit facility; ability to access sufficient capital from internal and external sources; risk that Arrow's evaluation of its existing portfolio of development and exploration opportunities is not consistent with future results; that production may not necessarily be indicative of long term performance or of ultimate recovery; and certain other risks detailed from time to time in Arrow's public disclosure documents including, without limitation, those risks identified in Arrow's annual information form, copies of which are available on Arrow's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Non-IFRS Measures

Two of the benchmarks the Company uses to evaluate its performance are funds from operations and EBITDA, which are measures not defined in IFRS. Funds from operations represents cash flow provided by operating activities before settlement of decommissioning obligations and changes in non-cash working capital. EBITDA is calculated on a rolling 12-month basis and is defined as net *income (loss) and comprehensive income (loss) adjusted for interest, income taxes, depreciation, depletion, amortization and other similar non-recurring or non-cash charges. The Company considers these measures as key measures to demonstrate its ability to generate the cash flow necessary to fund future growth through capital investment, pay dividend and to repay its debt. These measures should not be considered as an alternative to, or more meaningful than, cash provided by operating activities or net income (loss) and comprehensive income (loss) as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of these measures may not be comparable to that reported by other companies.*

The Company also presents funds from operations per share, whereby per share amounts are calculated using weighted- average shares outstanding consistent with the calculation of net income (loss) and comprehensive income (loss) per share.

Working capital and operating netback as presented do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Working capital is calculated by subtracting current liabilities from current assets. Operating netback is calculated by subtracting operating costs and royalties from revenue.

Oil and Gas Metrics

The term barrel of oil equivalent ("boe") is used in this MD&A. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6,000 cubic feet of natural gas to one barrel of oil is used in the MD&A. This conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.