Arrow Exploration Corp. Announces First Quarter 2019 Financial and Operating Results and Imminent Testing of Rio Cravo Este-1 Well

Calgary, Alberta – May 30, 2019 – ARROW Exploration Corp. ("Arrow" or the "Company") (TSXV: AXL) is pleased to announce the filing of its 2019 first quarter unaudited Financial Statements and MD&A and to provide an operational update. The Company's Financial Statements and MD&A are available on SEDAR (www.sedar.com). All numbers are expressed in US dollars unless otherwise noted.

Financial	**Three months ended**		
(US Dollars)	**March 2019**	**March 2018**	**December 2018**
Total natural gas and crude oil revenues, net of royalties ($)	**6,008,640**	-	5,911,425
Funds from (used in) from operations [1]	**980,952**	(312,020)	922,280
Per share – basic ($) and diluted ($) [1]	**0.02**	(0.00)	0.01
Net income (loss)	**(1,704,180)**	(312,020)	1,242,936
Per share – basic ($) and diluted ($)	**(0.02)**	(0.00)	0.02
EBITDA ($) [1]	**1,387,235**	(312,020)	1,170,678
Weighted average shares outstanding – basic and diluted	**68,674,602**	61,591,065	68,674,602
Common shares end of period	**68,674,602**	61,591,065	68,674,602
Capital expenditures ($)	**3,401,365**	-	7,007,580
Cash and cash equivalents ($)	**1,434,648**	7,781	1,994,233
Current assets ($)	**10,553,677**	7,781	8,599,160
Current liabilities ($) [2]	**18,353,525**	324,861	17,157,942
Working capital (deficit) ($) [1]	**(7,799,848)**	(303,553)	(8,558,782)
Restricted cash ($) [3]	**3,245,624**	-	3,154,839
Total assets ($)	**77,066,582**	21,308	76,962,315
Operating			
Natural gas and crude oil production, before royalties			
Natural gas (Mcf/d)	**696**	-	733
Natural gas liquids (bbl/d)	**6**	-	7
Crude oil (bbl/d)	**1,588**	-	1,553
Total (boepd)	**1,710**	**-**	1,682
Natural gas and crude oil revenues, net of transportation expense			
Natural gas revenues ($/Mcf)	**2.12**	-	1.31
Crude oil revenues ($/bbl)	**46.49**	-	48.36

Operating expenses			
Natural gas ($/Mcf)	**1.85**	-	3.22
Crude oil ($/bbl)	**23.00**	-	23.98
Total operating expenses ($/boe)	**22.10**	-	22.23
Operating netbacks (1)			
Natural gas ($/Mcf)	**0.10**	-	(1.97)
Crude oil ($/bbl)	**18.44**	-	19.15
Total ($/boe)	**17.29**	**-**	16.88

(1) Non-IFRS Measures – see "Non-IFRS Measures" below

(2) Includes $5 million Canacol promissory note

(3) Restricted cash not included in working capital

First Quarter 2019 Highlights and Subsequent Events

- Production averaged 1,710 boe/d, an increase of 28 boe/d over the fourth quarter of 2018. Unscheduled maintenance activities during the quarter negatively impacted production by approximately 150 boe/d.
- Revenue net of royalties was $6 million, an increase of $97,000 over the previous quarter. Towards the end of quarter, Brent oil prices began to improve and the Colombian Vasconia price differential narrowed, positively impacting operating netbacks.
- Operating costs were $3,371,061 or $22.10 per produced boe of which unscheduled maintenance costs totaled $900,000. Management is focused on several initiatives which are expected to reduce operating costs.
- Subsequent to quarter end, Arrow announced the sale of its remaining interest in the VMM-2 block and the Coati farm-in commitment for a total of $5 million prior to closing adjustments. Both transactions have had a positive impact to working capital. VMM-2 sale proceeds are included in Q1 financials under 'Assets Held for Sale' while the $1.5 million in sale proceeds from Coati will be recognized in the second quarter financials.
- Current debt includes the $5 million Canacol promissory note which was renegotiated subsequent to the quarter end.
- To protect downside risk, Arrow entered into a 'costless collar' hedge, subsequent to the quarter end, for 18,000 barrels per month of Brent crude oil from June 1 to December 31, 2019. The hedge has a floor price of US $65 per barrel and a ceiling price of US $71 per barrel.

John Newman, CFO of Arrow commented, "During and subsequent to the first quarter, we have been focused on improving our capital structure and drilling our commitment well at RCE-1 to earn a 50% working interest in the Tapir Block. Drilling and completing the RCE-1 well, combined with the Coati sale, have reduced corporate commitments by approximately $13.5 million. These initiatives are expected to facilitate the closing of a long-term credit facility. If the Company is unable to close a facility, our hedging program and projected cashflow are expected to enable us to service our current obligations."

Operational Update and Outlook

2019 corporate guidance remains unchanged at 1,600 – 1,700 boe/d prior to any production additions from the Rio Cravo Este-1 ("RCE-1") well. Following production test results from RCE-1, management intends to provide updated production guidance for 2019.

As announced on May 15, 2019, Arrow's petrophysical analysis of the well logs for the RCE-1 well on the Tapir Block in Colombia's Llanos Basin indicated 103 feet true vertical depth ("ft tvd") of potential net oil pay in multiple conventional sandstone reservoirs within the C7, Gacheta and Ubaque formations. The Weatherford 839 rig was retained by the Company to complete the well and cement bond logs have been run which indicate good hydraulic isolation of the target zone. Arrow has perforated the "C7 A" sand and equipped the well with a submersible pump for initial testing expected to begin shortly and, if successful, the well will be immediately placed on production.

Mr. Bruce McDonald, President & CEO, said "we're very encouraged with the progress of our business plan and improvements to our balance sheet. We look forward to communicating further information on the test results of the RCE-1 exploration well and an update to our credit facility negotiations in the near-term."

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 “anticipate”, “expect", “forward”, “guidance”, “intend”, “will” and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: cost reduction initiatives; recognition of Coati sale proceeds; long-term credit facility; Arrow’s ability to service its current obligations; 2019 corporate guidance; RCE-1; and updated production guidance.*

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, a copy of which is 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 release. 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 this release. This conversion ratio of 6 mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.