



Arrow Exploration Corp. Announces Operational Update, New Promissory Note Terms and the Appointment of a New Director

Calgary, Alberta – August 1st, 2019 - ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) is pleased to announce an operational update as well as revised terms of its \$5 million Promissory Note with Canacol Energy (“Canacol”) and the appointment of a new board member to fill an existing vacancy.

Operational Update

Arrow’s current corporate production is approximately 1,800 boe/d consisting of 1,700 bbl/d of oil production in Colombia which receives Brent-linked pricing and 100 boe/d from the Company’s legacy natural gas assets in Alberta. The Company’s Rio Cravo Este well (“RCE-1”) is currently producing approximately 400 bbl/d of 28.5-degree API oil on a gross basis (200 bbl/d net to Arrow), as limited by water handling capacity. Arrow is currently implementing a water handling solution which is expected to reduce RCE-1 operating costs by approximately 30% and increase production from the RCE-1 well. The improved water handling solution is anticipated to be operational during the first half of August, 2019 and Arrow intends to release second quarter financial results on or before August 29, 2019.

Revised Promissory Note Terms

Arrow is pleased to announce that on July 31, 2019, Arrow and Canacol entered into a Second Amended and Restated Promissory Note (the “Note”) to revise the terms of the April 29, 2019 Amended and Restated Promissory Note. The amendments provide a deferral of principal payments to commence on October 1, 2020 and which shall be paid in six monthly instalments such that all Note obligations are paid in full on or before March 1, 2021. The amendments also provide that the Company will repay all interest accrued to July 31, 2019 (totaling \$628,767) by December 31, 2019, and that commencing on September 1, 2019 the Company will make monthly interest-only payments on the principal sum then outstanding plus the outstanding accrued interest balance.

The interest payable on the Note remains unchanged at 15% per annum, and the Note continues to be repayable at any time without penalty. The Company has now granted a general security interest to Canacol for the obligations under the Note which will be subordinated to second position in the event the Company secures additional financing.

John Newman, CFO of Arrow commented, “We’re extremely pleased to have amended the terms of the Note with Canacol. The revised terms represent a significant positive catalyst as they provide Arrow with flexibility to attract first lien debt and keep capital in the company to grow our production and cash flow.”

Appointment of New Director

Arrow is pleased to announce the appointment of Mr. Juan Carlos Salazar to its Board of Directors, subject to the approval of the TSX Venture Exchange. Mr. Salazar is a practicing lawyer in Colombia with an impressive academic and professional resume. Mr. Salazar is a graduate of the Los Andes Law School and holds a post graduate degree from the London School of Economics (Political Science). Prior to founding the law firm 'Salazar & Asociados Abogados' in June of 2000, Mr. Salazar worked as a Delegate of the Attorney General of Colombia, as an Advisor to the General Director of the Colombian Institute of International Trade, and was Managing Partner of Andersen Legal. In addition to his position as a well-respected litigator in Bogota, Mr. Salazar has a distinguished academic career as a Professor of the Universidad Externado de Colombia (Oil and Gas), Universidad de la Sabana (Strategic Tax Planning), and Universidad de Los Andes (International Law) with numerous publications credited to his name.

Bruce McDonald, CEO of Arrow commented, "We're thrilled to add an individual of Mr. Salazar's caliber to our Board of Directors. Mr. Salazar is an extremely well-respected member of Bogota's legal community with a long and storied career assisting international companies operating in country. We look forward to working with him as we continue our growth in Colombia."

About ARROW Exploration

Arrow Exploration Corp. (operating in Colombia via 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 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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This press release contains certain forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "target", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may", "should" or "will" occur. In particular, this news release contains forward-looking statements and information relating to water handling solutions and the reduction of operating costs at RCE-1 as well as statements related to anticipated production

from the RCE-1 well. Although Arrow believes that expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because Arrow cannot give any assurances that they will prove to be correct. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements, including but not limited to future development and production, expectations and assumptions concerning Arrow's ability to implement water handling solutions and obtain the benefits thereof, results of operations, performance, delays or changes in plans with respect to exploration, development or capital expenditure, and health, safety and environmental risks. The Company cannot assure that actual results will be consistent with these forward-looking statements. They are made as of the date hereof and are subject to change and the Company assumes no obligation to revise or update them to reflect new circumstances, except as required by law.