Arrow Exploration Corp. Announces Third Quarter 2019 Financial and Operating Results and Initiation of Strategic Alternatives Process

Calgary, Alberta – November 28, 2019 – ARROW Exploration Corp. ("Arrow" or the "Company") (TSXV: AXL) is pleased to announce the filing of its 2019 third quarter unaudited Financial Statements and MD&A and the initiation of a strategic alternatives process.

Third Quarter Financial and Operating Results

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.

(in United States dollars, except as otherwise noted)	Three months ended September 30, 2019	Nine months ended September 30, 2019	Three months ended June 30, 2019	Three months ended March 31, 2019
Total natural gas and crude oil revenues, net of royalties	**6,320,471**	**19,854,839**	7,525,728	6,008,640
Funds flow from operations (1)	**1,500,573**	**3,447,095**	965,570	980,952
Per share – basic ($) and diluted ($)	**0.02**	**0.05**	0.01	0.02
Net loss	**(1,325,939)**	**(4,806,859)**	(1,776,740)	(1,704,180)
Per share – basic ($) and diluted ($)	**(0.02)**	**(0.07)**	(0.03)	(0.02)
Adjusted EBITDA (1)	**1,993,407**	**5,333,458**	1,952,816	1,387,235
Weighted average shares outstanding – basic and diluted	**68,674,602**	**68,674,602**	68,674,602	68,674,602
Common shares end of period	**68,674,602**	**68,674,602**	68,674,602	68,674,602
Capital expenditures	**2,012,557**	**9,585,602**	4,171,680	3,401,365
Cash and cash equivalents	**167,383**	**167,383**	844,983	1,434,648
Current Assets	**8,771,087**	**8,771,087**	10,725,489	10,553,677
Current liabilities	**12,002,329**	**12,002,329**	18,800,186(2)	18,353,525(2)
Working capital (deficit) (1)	**(3,231,242)**	**(3,231,242)**	(8,074,697)	(7,799,848)
Long-term portion of restricted cash (3)	**388,266**	**388,266**	368,662	3,245,624
Total assets	**73,870,261**	**73,870,261**	76,333,739	77,066,582

Operating				
Natural gas and crude oil production, before royalties				
Natural gas (Mcf/d)	**598**	**657**	**677**	**696**
Natural gas liquids (bbl/d)	**6**	**6**	**5**	**6**
Crude oil (bbl/d)	**1,693**	**1,719**	**1,741**	**1,588**
Total (boe/d)	**1,799**	**1,834**	**1,859**	**1,710**
Operating netbacks ($/boe) (1)				
Natural gas ($/Mcf)	**($0.72)**	**($0.61)**	**($1.19)**	**0.10**
Crude oil ($/bbl)	**$23.26**	**$23.74**	**$27.50**	**18.43**
Total ($/boe)	**$21.68**	**$22.20**	**$25.40**	**17.29**

(1) Non-IFRS Measures – see “Non-IFRS Measures” below
(2) Includes $5 million Canacol promissory note
(3) Long-term restricted cash not included in working capital

Third Quarter 2019 Highlights and Subsequent Events

- For the three months ended September 30, 2019, Arrow recorded $6,320,471 in revenues (net of royalties) on crude oil sales of 151,313 barrels, 528 barrels of NGL’s and 55,037 Mcf of natural gas sales.
- Adjusted EBITDA for the three months ended September 30, 2019 was $1,993,407.
- Production averaged 1,799 boe/d, a decrease of 60 boe/d over the second quarter of 2019.
- Revenue (net of royalties) of $6.32 million represented a decrease of approximately $1.2 million over the previous quarter. Brent oil prices averaged $62.03 for the third quarter of 2019 which represented a reduction of more than $6 per barrel relative to the second quarter. Lower Brent oil prices in the third quarter compared to the second quarter had a negative impact on operating netbacks which were $21.68 per boe vs. $25.40 per boe, respectively.
- Operating costs were $2,828,585 or $17.56 per produced boe which represents a reduction of $376,552 (12%) versus the second quarter of 2019.
- Working Capital deficit of approximately $3.2 million does not include the $5 million promissory note to Canacol Energy Ltd. (“Canacol”) which was included in the Working Capital deficit calculation in the second quarter due to amending and extending the promissory note in July, 2019. The Company’s net debt was calculated at $7,092,058 as of September 30, 2019 which is comprised of: Current Assets of $8,771,087, Accounts Payable and Accrued Liabilities of $11,935,993, Canacol promissory note of $5 million, and long-term receivables of $1,072,848.
- Subsequent to quarter end, Arrow announced that Mr. Bruce McDonald resigned as President, Chief Executive Officer and Director of the Company. Mr. McDonald was entitled to severance payments totaling $485,000 that was paid subsequent to quarter end and will be reported in fourth quarter financial statements. Mr. Jack Scott, Chief Operating Officer of the Company, was appointed interim President and CEO.

Jack Scott, Interim CEO commented, "I'm pleased to report a record quarter from the perspective of EBITDA and funds flow from operations at $1,993,407 and $1,500,573 respectively. These record operating results were achieved despite a reduction in Brent Oil pricing of more than $6 per barrel and average production being reduced by 60 boe/d relative to the second quarter. Record results were driven by our continued focus on reducing both operating and G&A costs throughout the Company. Further cost reduction initiatives have been identified and will be implemented in future quarters in order to expand Arrow's free cash flow, allowing the Company to pay down debt."

Strategic Alternatives Process

Arrow's Board of Directors has formed a Special Committee (the "Committee") to evaluate strategic alternatives for the Company with a view to improving the Company's balance sheet, including addressing its working capital deficit, long-dated payables and upcoming debt maturity in October 2020, and maximizing enterprise value. The strategic alternatives process is intended to explore a comprehensive range of strategic alternatives including: a sale, merger or other business combination; a disposition of all or certain assets of the Company; recapitalization and refinancing opportunities; sourcing new financing and equity capital; and other alternatives to maximize value. The Committee has been given a mandate by the Board to hire a strategic advisor(s) to support the evaluation of all potential alternatives. The Company will provide additional information regarding the strategic alternatives process once such advisor(s) has been selected. There can be no guarantees as to whether the strategic alternatives process will result in a transaction or the terms or timing of any resulting transaction.

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".

For further information contact:

Jack Scott
Interim CEO & COO
P: +57 1 241 1110 ext. 5110
E: jscott@arrowexploration.ca

John Newman
Chief Financial Officer
P: (403) 660-3468
E: jnewman@arrowexploration.ca

Eric Van Enk, CFA
VP Finance & IR
P: (403) 237-5700 ext. 104
E: ericvanenk@arrowexploration.ca

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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 "believe", "expect", "guidance", "may", "will", "intend" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: cost reduction initiatives; repayment of debt, balance sheet improvement; and Arrow's evaluation of strategic alternatives and ability to service its current obligations.

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.