



Arrow Exploration Announces Re-Start of Production at Capella Field and Update on Corporate Production

Calgary, Alberta – March 31, 2021 – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) is pleased to provide an update with respect to the re-start of oil production at the Capella Field, located in the Caguan-Putumayo Basin, Colombia, and an update on corporate production.

Re-Start of Production at Capella Field

Arrow, through its wholly-owned subsidiary Carrao Energy S.A. (“Carrao Energy”), holds a 10% working interest in the Ombu Block, which contains the Capella Field (“Capella”). Capella is located within a heavy oil trend that extends from Venezuela, through Colombia and into Ecuador.

Capella was shut-in during Q1 2020 due to several factors including very low Brent Crude oil prices. Following the recovery of Brent Crude oil prices since April 2020, during Q1 2021 Emerald Energy Colombia (the operator of the Ombu Block) elected to resume production at Capella.

The field resumed production on March 20th, 2021, and the rate of production has steadily increased since then to 1,029 bbls/d gross, or approximately 103 bbls/d net to Carrao Energy as of March 29th, 2021. Emerald Energy Colombia expects the field to reach a peak production rate of approximately 1,400 bbls/d gross, or approximately 140 bbls/d net to Carrao Energy, during the week of April 26th, 2021.

Update on Corporate Production

Together with its share of oil production from the Capella Field, and including (i) its share of oil production from the RCE-1 Well on the Tapir Block of approximately 170 bbls/d, and (ii) its share of natural gas and liquids production from certain wells in Alberta totaling approximately 70 boe/d, as of March 30th, 2021 Arrow estimates net corporate production to be approximately 343 boe/d.

The current level of production represents a material increase since early-December 2020, when the Company’s net production was approximately 80 boe/d, all of which was natural gas and liquids from certain wells in Alberta.

Furthermore, with the increase in production levels and at prevailing oil and natural gas prices, Arrow is generating positive cash flow from operations.

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 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 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 50% interest in the Tapir Block is contingent on the assignment by Ecopetrol SA of such interest to Arrow. Arrow's seasoned team is led by a hands-on 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 "continue", "expect", "opportunity", "plan", "potential" and "will" and similar expressions. The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Arrow, including without limitation, Arrow's evaluation of the impacts of COVID-19, the potential of Arrow's Colombian assets (or any of them individually), and Arrow's business plan to expand oil production and achieve attractive potential operating margins. Arrow believes the 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. 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.