



Arrow Exploration Announces Re-Start of Production from the Morsa-1 Well, Re-Start of Production at the Capella Field, and a Corporate Production Update

Calgary, Alberta – June 24, 2021 – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) is pleased to announce the re-start of oil production from the Morsa-1 well (“Morsa-1”) at the Oso Pardo Field, the re-start of oil production at the Capella Field, and a corporate production update.

Re-Start of Morsa-1 Well (Arrow 100% W.I.)

Following the completion of a PCP pump change early during the week of June 21st, 2021, Arrow re-started production from the Morsa-1 well at the Oso Pardo Field, located on the Santa Isabel Block, Middle Magdalena Valley Basin in Colombia.

As of June 22nd, the Morsa-1 well was flowing at a rate of approximately 392 barrels of oil per day, net to Arrow’s 100% W.I., of 22.9^o API crude at zero water-cut. The Company expects this rate of flush production to stabilize in the coming months, at an expected rate of approximately 120 barrels of oil per day. Concurrent with the re-start of the Morsa-1 well, Arrow intends on re-starting production from the adjacent Oso Pardo-1 and Oso Pardo-2 wells in the coming days, and the Company expects combined production from these latter two wells to be approximately 50 barrels of oil per day.

Taken together, the Company expects the Morsa-1, Oso Pardo-1 and Oso Pardo-2 wells to deliver near-term production of approximately 440 barrels of oil per day. This timely re-start of production at the Oso Pardo Field is expected to provide Arrow with additional cash flow to help grow the Company’s operations going forward. At the current Brent crude oil price of approximately US\$74/bbl, the Company projects field netbacks at Oso Pardo to be approximately US\$37/bbl (after accounting for the Vasconia differential, as well as transportation, opex, and royalty costs).

The Company projects capital costs to re-start production from the Morsa-1, Oso Pardo-1, and Oso Pardo-2 wells to be approximately US\$325,000 (exclusive of any taxes), or the equivalent of approximately US\$740 per flowing barrel of near-term production, making the re-start of these wells highly-efficient from a capital investment perspective.

Re-Start of Capella Field (Arrow 10% W.I.)

As previously announced by Arrow on May 25th, 2021, there have been protests and blockades in certain areas of Colombia. The protests have had a temporary impact on a portion of Arrow’s Colombian production. Specifically, the blockades caused Emerald Energy (the operator of the Capella Field on the Ombu Block, in which Arrow has a 10% W.I.) to cease production from the Capella Field. However, Emerald Energy successfully resumed production from Capella on June 12th, 2021, and as of June 22nd the field was producing approximately 1,768 barrels of oil per day, or approximately 177 barrels of oil per day net to Arrow’s 10% W.I.



Corporate Production Update

Together with the re-start of production from the Morsa-1 well, the re-start of production from the Capella Field, the expected near-term re-start of production from the Oso Pardo-1 and Oso Pardo-2 wells, as well as the Company's existing share of production from the Tapir Block and from its Canadian assets, Arrow's net corporate production is estimated to reach approximately 850 boe/d 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 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 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".

For further information contact:

Marshall Abbott

Chief Executive Officer
mabbott@arrowexploration.ca
(403) 651-5995

Max Satel

VP Corporate Development & Investor Relations
msatel@arrowexploration.ca
(416) 904-2258

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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 remaining Colombian assets (or any of them individually) to resume production, 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.