



Arrow Exploration Announces Planned Tie-In of West Pepper Well, Alberta and an Update on the AIM Listing and Offering Process

Calgary, Alberta – August 11, 2021 – ARROW Exploration Corp. (“Arrow” or the “Company”) (TSXV: AXL) announces that it intends to tie-in the 3-26 well located at West Pepper, Alberta, and provides an update on the previously announced AIM listing and offering process.

Tie-in of West Pepper Well, Alberta

Arrow is pleased to announce that it has begun the process to tie-in the behind-pipe natural gas from the 03-26-52-23W5 exploration well (the “3-26 Well”) located at West Pepper, Alberta.

As referenced in the Company’s press release of April 7th, 2021, in February 2021 the Company retained the services of an independent oil & gas engineering consultant (the “Consultant”) to assist Arrow in preparing an economic analysis (“Analysis”) of a tie-in of the 3-26 Well. In summary, the conclusions of the Analysis included:

- Estimated on-stream costs of approximately C\$1.3 million;
- An estimated initial production rate of 5.5 MMscf/d from the 3-26 Well;
- Rapid payback of the tie-in costs and positive cashflow from the tied-in well; and
- No expected natural gas plant capacity constraints.

Front-month AECO natural gas futures contracts are currently trading at approximately C\$3.40/GJ and strip prices are in excess of C\$2.95/GJ for the next 12 months, indicating a capital payback period of less than 4 months from the start of production, as estimated by the Company.

Readers are cautioned that the Analysis was not prepared in accordance with the reserve reporting requirements of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities (“NI 51-101”).

The material assumptions and calculations of the Analysis included:

- Capital and operating costs, gathering, processing, and sales information and fees, and regulator and surface land requirements as of the time of the Analysis;
- Recoverable gas was calculated using volumetric gas-in-place and recovery factors appropriate to Montney tight gas fields with enhanced permeability layer and supported by analogue well performance in the Montney Smoky field;
- Capital costs were estimated assuming standalone well costs;
- Existing pipeline rights-of-way for the 3-26 Well have expired and will have to be re-surveyed and re-acquired; and
- Deposits for gathering and processing fees and refund of any LLR monies was not included in Analysis.



Arrow refers readers to its press release of April 7th, 2021 for additional information on the 3-26 Well.

AIM Listing and Offering

As previously announced, the Company intends to seek a dual listing through an admission of its common shares to trading on the AIM market of the London Stock Exchange ("Admission"). The Company intends to concurrently pursue an offering ("Offering") of its common shares to fund an expanded capital program.

The Company continues to proceed with the Admission and Offering process, and expects the process to conclude in September 2021. The Company expects to provide shareholders with further updates on the Admission and the Offering process in due course.

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".

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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 Colombian and/or Canadian assets (or any of them individually), the prices of oil and/or natural gas, and Arrow’s business plan to expand oil and gas 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.

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This announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: (i) if in a member state of the European Economic Area (“EEA”), Qualified Investors as defined in article 2(e) of Regulation (EU) 2017/1129 (the “EU Prospectus Regulation”); (ii) if in the United Kingdom, are Qualified Investors as defined in article 2(e) of the EU Prospectus Regulation as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 and (a) fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (b) are persons who fall within article 49(2)(a) to (d) (high net worth companies,



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Any subscription for or purchase of Common Shares should be made solely on the basis of the information contained in the final Admission Document to be published by the Company in connection with the Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Admission or any transaction or arrangement referred to in this announcement. This announcement has not been approved by any competent regulatory authority.

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The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly to the total figure given.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.