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26 April 2022

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**Arrow Exploration Corp.**  
("Arrow" or the "Company")

**2021 ANNUAL RESULTS, FILING OF AUDITED FINANCIAL STATEMENTS, MD&A  
AND RESERVES REPORT**

Arrow Exploration Corp. (AIM: AXL ; TSXV: AXL), the high-growth operator with a portfolio of assets across key Colombian hydrocarbon basins, is pleased to announce the filing of its Annual Audited Financial Statements and MD&A for the year and quarter-ended December 31, 2021 and the filing of its 2021 year-end reserve report, which are available on SEDAR ([www.sedar.com](http://www.sedar.com)). All dollar figures are in U.S. dollars, except as otherwise noted.

Arrow Exploration's Audited Financial Statements together with the notes related thereto, as well as Arrow's Management's Discussion and Analysis for the years ended December 31, 2021 and 2020, will be available shortly on Arrow's website at [www.arrowexploration.ca](http://www.arrowexploration.ca)

**FINANCIAL AND OPERATING HIGHLIGHTS**

Financial and operating highlights for quarter include the following:

	<b>Three months ended December 31, 2021</b>	<b>Year ended December 31, 2021</b>	Three months ended December 31, 2020	Year ended December 31, 2020
Total natural gas and crude oil revenues, net of royalties	<b>3,038,832</b>	<b>6,512,493</b>	368,139	5,320,565
Funds flow from (used in) operations <sup>(1)</sup>	<b>(403,007)</b>	<b>(145,503)</b>	(1,535,047)	(4,006,609)
Per share – basic (\$) and diluted (\$)	<b>(0.00)</b>	<b>(0.00)</b>	(0.02)	(0.06)
Net income (loss)	<b>6,960,035</b>	<b>5,693,532</b>	(7,953,001)	(32,233,092)
Per share – basic (\$) and diluted (\$)	<b>0.04</b>	<b>0.06</b>	(0.12)	(0.47)
Adjusted EBITDA <sup>(1)</sup>	<b>540,642</b>	<b>804,674</b>	(1,210,966)	(2,903,782)
Weighted average shares outstanding:				
Basic	<b>171,345,885</b>	<b>94,553,391</b>	68,674,602	68,674,602
Diluted	<b>173,035,572</b>	<b>96,243,078</b>	68,674,602	68,674,602
Common shares end of period	<b>213,389,623</b>	<b>213,389,623</b>	68,674,602	68,674,602
Capital expenditures	<b>1,991,163</b>	<b>2,221,643</b>	89,198	889,928
Cash and cash equivalents	<b>10,878,508</b>	<b>10,878,508</b>	11,473,204	11,473,204

Current assets	12,806,502	12,806,502	15,958,652	15,958,652
Current liabilities	4,800,428	4,800,428	17,891,592	17,891,592
Working capital (deficit) <sup>(1)</sup>	8,006,074	8,006,074	(1,932,940)	(1,932,940)
Long-term portion of restricted cash <sup>(2)</sup>	-	-	460,283	460,283
<b>Total assets</b>	<b>41,195,798</b>	<b>41,195,798</b>	<b>33,532,299</b>	<b>33,532,299</b>
<hr/>				
<b>Operating</b>				
<hr/>				
<b>Natural gas and crude oil production, before royalties</b>				
Natural gas (Mcf/d)	1,550	704	442	530
Natural gas liquids (bbl/d)	-	7	5	6
Crude oil (bbl/d)	455	344	62	367
<b>Total (boe/d)</b>	<b>712</b>	<b>468</b>	<b>140</b>	<b>461</b>
<b>Operating netbacks (\$/boe) <sup>(1)</sup></b>				
Natural gas (\$/Mcf)	\$1.87	\$1.51	\$1.05	\$0.51
Crude oil (\$/bbl)	\$34.42	\$34.35	(\$98.26)	\$2.85
<b>Total (\$/boe)</b>	<b>\$27.35</b>	<b>\$27.55</b>	<b>(\$39.03)</b>	<b>\$3.16</b>

<sup>(1)</sup>Non-IFRS measures – see “Non-IFRS Measures” section within this MD&A

<sup>(2)</sup>Long term restricted cash not included in working capital

## 2021 YEAR-END RESERVES

Arrow has also filed, on SEDAR, the Company’s Statement of Reserves Data and Other Oil and Gas Information, Report on Reserves Data by Independent Qualified Reserves Evaluator, and Report of Management and Directors on Oil and Gas Disclosure for the year ended December 31, 2021, as required by section 2.1 of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (together, the “Reserve Report”).

To recap, the Company’s Year-End 2021 Company Gross Reserves Highlights include:

- 3,048 Mboe of Proved Reserves (“1P Reserves”);
- 7,421 Mboe of Proved plus Probable Reserves (“2P Reserves”);
- 11,541 Mboe of Proved plus Probable plus Possible Reserves (“3P Reserves”)<sup>1</sup>;
- 1P Reserves estimated net present value before income taxes of US\$29.4 million calculated at a 10% discount rate;
- 2P Reserves estimated net present value before income taxes of US\$84.1 million calculated at a 10% discount rate; and
- 3P Reserves estimated net present value before income taxes of US\$134 million calculated at a 10% discount rate.

Arrow refers readers to the Company’s press release of March 30, 2022 for additional details, as well as to the Reserve Report filed on SEDAR.

## DISCUSSION OF OPERATING RESULTS

The Company's Q4 2021 average corporate production was 712 boe/d, an increase of 137 boe/d compared to Q3 2021 average corporate production of 575 boe/d, or 24%.

The increase in production quarter-over-quarter was largely attributable to the Canadian operation following the tie-in of the West Pepper well in Alberta, Canada which was brought into production in December 2021.

The Company's production on a year-to-date, sequential quarterly, and year-over-year quarterly basis is summarized below.

Average Production by Property (Boe/d)	YTD 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
LLA-23	-	-	-	-	-	7
Oso Pardo	70	123	137	20	-	-
Ombu (Capella)	120	190	193	97	-	-
Rio Cravo Este (Tapir)	153	142	151	147	174	56
<b>Total Colombia</b>	<b>344</b>	<b>455</b>	481	264	174	62
Fir, Alberta	76	82	94	67	68	78
Pepper, Alberta	46	181	-	-	-	-
<b>TOTAL (Boe/d)</b>	<b>461</b>	<b>719</b>	575	331	242	140

## DISCUSSION OF FINANCIAL RESULTS

During Q4 2021 the Company continued to realize strong oil and gas prices, as summarized below.

### Average Benchmark and Realized Prices

	Three months ended December 31			Years ended December 31		
	2021	2020	Change	2021	2020	Change
<b>Benchmark Prices</b>						
AECO (\$/Mcf)	\$3.89	\$2.18	78%	\$2.91	\$1.68	73%
Brent (\$/bbl)	\$79.80	\$45.21	77%	\$70.78	\$43.28	64%
West Texas Intermediate (\$/bbl)	\$77.31	\$42.73	81%	\$68.09	\$39.65	72%
<b>Realized Prices</b>						
Natural gas, net of transportation (\$/Mcf)	\$3.37	\$2.48	35%	\$3.19	\$1.84	73%
Natural gas liquids (\$/bbl)	\$56.43	\$35.40	59%	\$54.01	\$27.60	96%
Crude oil, net of transportation (\$/bbl)	\$55.50	\$46.18	20%	\$58.62	\$38.52	52%
<b>Corporate average, net of transport (\$/boe)<sup>(1)</sup></b>	<b>\$44.15</b>	\$29.47	50%	<b>\$47.37</b>	\$33.14	43%

<sup>(1)</sup> Non-IFRS measures – see "Non-IFRS Measures" section within the MD&A

The Company also realized strong operating netbacks, as summarized below.

#### Operating Netbacks

	Three months ended December 31		Years ended December 31	
	2021	2020	2021	2020
<b>Natural Gas (\$/Mcf)</b>				
Revenue, net of transportation expense	\$3.37	\$2.48	\$3.19	\$1.84
Royalties	(0.34)	(0.17)	(0.33)	(0.16)
Operating expenses	(1.15)	(1.26)	(1.35)	(1.17)
<b>Operating netback<sup>(1)</sup></b>	<b>\$1.87</b>	<b>\$1.05</b>	<b>\$1.51</b>	<b>\$0.51</b>
<b>Crude oil (\$/bbl)</b>				
Revenue, net of transportation expense	\$55.50	\$46.18	\$58.62	\$38.52
Royalties	(3.60)	(0.46)	(5.37)	(1.76)
Operating expenses	(17.48)	(143.98)	(18.90)	(33.91)
<b>Operating netback<sup>(1)</sup></b>	<b>\$34.42</b>	<b>(\$98.26)</b>	<b>\$34.35</b>	<b>\$2.85</b>
<b>Corporate (\$/boe)</b>				
Revenue, net of transportation expense	\$44.15	\$29.47	\$47.37	33.14
Royalties	(2.95)	(1.16)	(4.31)	(1.62)
Operating expenses	(13.85)	(67.34)	(15.51)	(28.36)
<b>Operating netback<sup>(1)</sup></b>	<b>\$27.35</b>	<b>(\$39.03)</b>	<b>\$27.55</b>	<b>\$3.16</b>

<sup>(1)</sup>Non-IFRS measure

The Company experienced a decrease in operating netbacks during Q4 2021 as compared to Q3 2021, decreasing to \$27.35/boe in Q4 2021 from \$30.73/boe in Q3 2021. The decrease in operating netbacks is attributable to lower realized price for crude sales associated with the Company's share in its Ombu/Capella block in Q4 2021.

The Company incurred capital expenditures during Q4 2021 of \$2 million mainly related to its West Pepper well. At the end of Q4 2021, the Company had a positive working capital position of \$8 million, and a cash position of \$10.9 million.

On October 25, 2021, the Company raised approximately £8.8 million (C\$15 million), through a placing and subscription for new common shares with new investors, Canacol Energy Ltd., and executive management (together, the "Fundraising") and published an AIM Admission Document in connection with the admission of the enlarged share capital of the Company to trading on the AIM Market of the London Stock Exchange plc. The Fundraising consisted of the placement and subscription of 140,949,545 new common shares at an issue price of £0.0625 (C\$0.106125) per new common share. The Company's executive management invested approximately C\$1.41 million and Canacol participated in the subscription to hold 19.9% of the enlarged share capital. Investors received one warrant for every two new common shares, exercisable at C\$0.15282 per new common share for 24 months from the AIM admission date (October 25, 2021). The net proceeds of the Fundraising, together with the Company's existing funds, are expected to be used to drill two wells at Rio Cravo Este, and will also be deployed in drilling the Carrizales Norte-1 exploration well.

On 24 November 2021, the Company also announced that it had raised C\$395,375 on a non-brokered private placement basis through the issuance of 3,765,476 new common shares of no-par value ("Common Shares") on the same terms as the Fundraising. Investors received one warrant for every two Common Shares, exercisable for 24 months from the closing date.

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**About Arrow Exploration Corp.**

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 AIM market of the London Stock Exchange and on TSX Venture Exchange under the symbol "AXL".

**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

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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