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ARROW ANNOUNCES OPERATIONS UPDATE, UPCOMING PROJECTS AND MID-YEAR RESERVES RESULTS

Drilling success and Colombian oil prices resulted in a 164% increase in 1P NPV, 79% increase in 2P NPV and 3P NPV increased by 67%, 2P reserve replacement ratio was 219%

CALGARY, August 24, 2022 – Arrow Exploration Corp. (AIM: AXL; TSXV: AXL) (“Arrow” or the “Company”), is pleased to provide an operations update and announce the results of the 2022 mid-year reserve evaluation by Boury Energy Consultants Ltd. (“BouryGEC”) as at 30 June 2022.

Highlights

- Proved (1P) Reserves:
 - PDP reserves increased 25% to 1.292 MMBls mainly from the Tapir Block.
 - 1P reserves also increased by 17% to 3.567 MMBls reflecting the positive results from the recent drilling campaign.
 - 1P Net Present Value, before tax, discounted at 10% (“NPV-10”), is significantly higher with an increase of 164% to US\$ 77.7 million.
- Proved plus Probable (2P reserves)
 - 2P reserves increase to 7.864 MMBls of oil.
 - NPV-10 increased to US\$ 150.4 million from US\$ 84.1 million as at December 31, 2021, a 79% increase.
- Proved plus Probable plus Possible (3P reserves):
 - 3P reserves volume increase to 11.759 MMBls.
 - NPV-10 grew 67% to US\$ 223.6 million from US\$ 133.9 million as at 31 December 2021.
- Oil price and new hydrocarbon accumulations resulted in positive additions in reserves in all categories.
- Additional drilling targets have been identified as a result of the H1 2022 drilling campaign. A five well program will initiate in Q4 2022 with two wells in pursuit of further low risk exploitation on the RCE structure. As well, two wells are planned to develop the Carizales Norte structure A downdip well will also be drilled at RCE to test the stratigraphic nature of the oil accumulation. This well will also serve as a water disposal well.

Operational Update

Corporate production as of August 15, 2022, is approximately 1,450 boe/d. Production from the RCE-2 well is approximately 540 bbls/d net (1,080 bbls/d gross) producing from the C7A and C7 stringer zones. Production from the RCS-1 well is approximately 190 bbls/d net (380 bbls/d gross) producing only from the new C7B zone at this time. In addition, organic growth opportunities for Arrow are advancing, with the RCE-3 and RCE-4 wells on the

Tapir Block in Colombia expected to commence drilling in Q4 2022. Additional completions will be performed in Q4 on the RCE-1 and RCS-1 wells to further exploit known hydrocarbon accumulations. Current production from the RCE 1 and RCS 1 wells is ahead of forecast in aggregate.

Arrow expects to re-complete the RCE-1 well, in the C7 stringer zone. Arrow is currently just producing from the C7B zone at RCS-1 and plans to re-complete this well, expecting to open the C7A and C7 stringer zones in Q4 2022. This will have a material impact on overall RCE production.

The West Pepper well, owned 100% by Arrow and located in Canada, is producing at 240 boe/d currently, with production curtailed due to third party facility constraints. Expectations are that production will return to approximately 450 boe/d in September 2022. In Q3 2022, Arrow expects to tie-in the East Pepper gas well in Canada (100% owned by Arrow). This second well, along with continuing and expected robust natural gas prices in North America, is expected to further enhance the value of the Pepper field.

In addition to the 3D seismic survey Arrow purchased earlier this year, the Company intends to execute on a 130 square kilometer 3D seismic survey on the northwest section of the Tapir block in Colombia. This will further delineate low risk exploration fault structures that have been identified on 2-D seismic data. The shooting of this seismic survey is expected to begin in Q1 2023.

2022 Mid-year Reserves Exercise

NPV-10 values increased 164% for 1P and 79% for 2P reserves.

The recent drilling campaign in Rio Cravo (Tapir Block, Colombia) was very successful, resulting in the Company finding four more hydrocarbon accumulations and increasing its 1P oil reserves from 236 MBbls to 853 MBbls of oil. These results allow Arrow to better understand the continuity of the reservoirs in RCE and provide a foundation for the next phase of exploitation and material reserve additions at RCE.

Total Arrow reserves increased from 3.04 MMBOE to 3.56 MMBOE for 1P, and from 7.42 MMBOE to 7.86 MMBOE for 2P.

2022 Mid-Year Reserves Summary

The summary below summarizes Arrow's reserves as of June 30, 2022, as presented in the reserves report prepared by BouryGEC, an independent qualified reserves evaluator. The figures in the following tables have been prepared in accordance with the standards contained in the most recent publication of the Canadian Oil and Gas Evaluation Handbook (the "COGEH") and the reserve definitions contained in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). In addition to the summary information disclosed in this announcement, more detailed information will be included in Arrow's reserves evaluation report on certain properties as at 30 June 2022 to be filed on SEDAR (www.sedar.com) and posted on Arrow's website (www.arrowexploration.ca).

Marshall Abbott, CEO of Arrow Exploration Corp., commented: "Arrow delivered an increase in volumes and values in all reserve categories. We are pleased with the results of the BouryGEC independent reserves evaluation, which reinforces the significant value of our Colombian and Canadian assets."

Brent Crude Oil Price and AECO Gas Price Forecasts in BouryGEC Reserves Evaluation

Year-End Forecast:	2022	2023	2024	2025	2026	2027	2028
Brent (US\$/bbl)	\$74.50	\$72.00	\$69.50	\$71.00	\$72.00	\$74.00	\$76.00
As at 31 December 2021							

Brent (US\$/bbl)	\$110.00	\$94.00	\$85.00	\$81.00	\$82.62	\$84.27	\$85.96
As at 30 June 2022							

AECO-C Spot (C\$/MMbtu)	C\$6.58	C\$4.68	C\$4.26	C\$4.01	C\$4.09	C\$4.17	C\$4.25
As at 30 June 2022							

MID-YEAR RESERVES

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities recovered will equal or exceed the sum of proved plus probable plus possible reserves.

(1) “Core” assets include Arrow’s share of reserves in the Tapir Block, the Santa Isabel Block (Oso Pardo), and Mateguafa. Arrow’s 50% interest in the Tapir Block is contingent on the assignment by Ecopetrol SA of such interest to Arrow.

(2) “Non-core” assets include the Ombu Block (which includes the Capella Field)

(3) “Canada” assets include Fir and Pepper

Mid-Year Working Interest Gross Reserves – Breakdown by Category and Country (Mboe)

	2022 Mid	2021	Change	% Change
Proved developed producing	1,292	1,037	255	25%
Colombia assets (core)	654	287		
Colombia assets (non-core)	110	117		
Canada assets	528	633		
Proved developed non-producing	382	363	19	5%
Colombia assets (core)	63	63		
Colombia assets (non-core)	58	42		
Canada assets	261	258		
Proved undeveloped	1,893	1,649	244	15%
Colombia assets (core)	337	88		
Colombia assets (non-core)	1,556	1,561		
Canada assets	-	-		
Total Proved	3,567	3,049	518	17%

Probable	4,297	4,372	-75	-2%
Colombia assets (core)	859	1,232		
Colombia assets (non-core)	2,744	2,446		
Canada assets	694	694		
Total Proved plus Probable	7,864	7,421	443	6%
Possible	3,895	4,120	-225	-5%
Colombia assets (core)	1,960	1,933		
Colombia assets (non-core)	1,574	1,828		
Canada assets	361	359		
Total Proved plus Probable & Possible	11,759	11,541	218	2%

Mid-Year Net Present Value at 10% - Before Tax (US\$ Thousands)

Category	2022 Mid	2021	% Change
Proved			
Developed Producing	40,054	11,406	251%
Non-Producing	4,628	2,113	119%
Undeveloped	33,024	15,889	108%
Total Proved	77,706	29,408	164%
Probable	72,721	54,738	33%
Total Proved plus Probable	150,427	84,146	79%
Possible	73,198	49,842	47%
Total Proved plus Probable & Possible	223,626	133,988	67%

Mid-Year Net Present Value at 10% - After Tax (US\$ Thousands)

Category	2022 Mid	2021	% Change
Proved			
Developed Producing	32,833	11,170	194%

Non-Producing	4,072	2,112	93%
Undeveloped	19,899	11,705	70%
Total Proved	56,804	24,987	127%
Probable	45,169	33,886	33%
Total Proved plus Probable	101,973	58,873	73%
Possible	45,923	29,959	53%
Total Proved plus Probable & Possible	147,895	88,832	66%

Forecast Revenues and Costs - Undiscounted (US\$ millions)

(1) BT = Before Taxes and AT = After Taxes

(2) Operating Cost less processing and other income

(3) DC = Development Cost

Category	Revenue (3)	Royalties	Operating Cost (2)	DC	Abandonment & Reclamation	BT Future Net Revenue (1)	Income Taxes	AT Future Net Revenue (1)
Total Proved	192.6	19.0	42.0	27.9	4.1	99.5	25.8	73.7
Total Proved plus Probable	413.3	38.8	81.0	63.9	6.6	222.9	67.6	155.3
Total Proved plus Probable & Possible	660.0	68.6	134.0	79.1	7.9	370.4	117.2	253.1

2022 Mid-Year Gross Reserves Reconciliation (Mboe)

	Total Proved	Total Proved plus Probable	Total Proved plus Probable & Possible
31-Dec-21	3,049	7,421	11,540
Technical Revisions	651.2	298.3	295.9
Economic Factors	75.2	351.2	130.9
Production	-207.6	-207.6	-207.6
30-Jun-22	3,568	7,863	11,759

Exercise of Warrants and Total Voting Rights

The Company also announces that pursuant to the receipt of notices for the exercise of warrants issued in October 2021, it has issued 208,598 new common shares of no par value ("Common Shares").

The application is being made for 208,598 new Common Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will occur on August 26, 2022. Following Admission, the Company will have 216,175,741 Common Shares in issue with voting rights and admitted to trading on AIM. This figure may be used as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to, their interest in the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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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 underexploited, 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".

Cautionary Statement

This press release contains various references to the abbreviation "BOE" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet (Mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Glossary

Bbl/d: Barrels per day

\$/Bbl: Dollars per barrel

Mcf/d: Thousand cubic feet of gas per day

\$/Mcf: Dollars per thousand cubic feet of gas

Boe/d: Barrels of oil equivalent per day

\$/Boe: Dollars per barrel of oil equivalent

PDP: Proved Developed Producing

1P: Proved Reserves

2P: Proved plus Probable Reserves

3P: Proved plus Probable plus Possible Reserves

MMbtu: Millions btu

MMboe: Millions of barrels of oil equivalent

Working Interest Gross Reserves: The reserves attributable to the Company's license working interest pre-taxes and royalties

Qualified Person's Statement

The technical information contained in this announcement has been reviewed and approved by Grant Carnie, senior non-executive director of Arrow Exploration Corp. Mr. Carnie is a member of the Canadian Society of Petroleum Engineers, holds a B.Sc. in Geology from the University of Alberta and has over 35 years' experience in the oil and gas industry. The recovery and reserve estimates provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein. In certain of the tables set forth above, the columns may not add due to rounding.