

NOT FOR RELEASE, DISTRIBUTION, PUBLICATION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.



OPERATIONS UPDATE, PDMR EXERCISE OF OPTIONS AND TVR

CALGARY, December 23, 2022 - Arrow Exploration Corp. (AIM: AXL; TSXV: AXL), the high-growth operator with a portfolio of assets across key Colombian hydrocarbon basins, is pleased to provide an operations update and report on the granting and exercise of options by certain Directors and PDMRs.

Operations Update

Drilling Rig Mobilized to Rio Cravo Este Multiwell Pad

Arrow has initiated the drilling rig move to Rio Cravo Este (RCE) to further exploit the Carbonera Sandstone reservoir. Three additional infill wells will be drilled in Q1 2023 with RCE-3 expected to spud in January 2023. RCE-4 and RCE-5 will be drilled in sequence. The drilling rig was initially delayed due to a different operator experiencing operational issues. The infill wells have similar productivity potential to RCE-2 and RCS-1 which are currently producing 850 BOPD net, well above forecasted rates. RCE-2 was paid out in 37 days with an onstream net cost of \$4.2MM.

Upon completion of the RCE-3, RCE-4 and RCE-5 wells, the Company is contemplating drilling two to three additional wells into the Gacheta Sandstone reservoir in the fault bounded RCE structure. RCE-2 tested rates exceeding 700 BOPD gross from the Gacheta Sandstone. Dedicated Gacheta wells would likely spud in Q3 2023.

Arrow has also completed preparation of an additional field to be used for production water dispersion. In combination, the two fields are expected to meet the Company's water disposal requirements until a water disposal well is drilled which is expected mid-2023.

Carrizales Norte Operations

Earlier this month Arrow began construction of the road, pad and cellars for the three planned Carrizales Norte (CN) wells which are expected to be drilled sometime between March and June 2023. The road and pad being constructed are being built to meet all weather conditions. This will allow the Company to continue capital activities as well as move production in the summer and winter seasons.

The Company is in discussions with a separate drilling company to bring in a second drilling rig to drill CN-1, CN-2 and CN-3. This would advance the drilling of Carrizales Norte by approximately six weeks.

3D Seismic Project, Tapir Block

Arrow has commenced the 134 square kilometer 3D seismic project on the Tapir block. Hiring in the local communities and the required surface land work began on schedule. The 3D seismic project is scheduled to be completed in Q1 2023. This 3D survey will define multiple fault-bounded structures which are the prevailing trapping mechanisms in the Llanos Basin. Existing 2D seismic data has indicated multiple leads on the Tapir Block and the 3D will resolve existing and additional leads and prospects. Initial drilling on defined low risk prospects could occur as early as Q4 2023.

Workover Program

Arrow is continuing to recomplete existing wells that display additional production upside in unperforated zones. This program has been successful in both the RCE field and the Oso Pardo Field. The Company is also considering additional perforations on RCS-1 once RCE-3 RCE-4 and RCE-5 are completed.

Balance Sheet

Arrow has a healthy balance sheet with all operations being supported by cash on hand and operational cash flow. Cash balance as of 1 December 2022 was \$14MM.

Options Exercised

Arrow announces that certain Directors and Management exercised 2,983,332 options at GBP 0.07625 per common share of no par value ("Common Share"). A summary of the options exercised is as follows:

	Options Exercised	Strike Price	Market Price at Exercise
Marshall Abbott	816,666	GBP 0.07625	GBP 0.1620
Gage Jull	750,000	GBP 0.07625	GBP 0.1620
Ravi Sharma	333,333	GBP 0.07625	GBP 0.1620
Anthony Zaidi	333,333	GBP 0.07625	GBP 0.1620
Joe McFarlane	750,000	GBP 0.07625	GBP 0.1620
Total	2,983,332		

The option exercise was accepted by the Company on December 21, 2022 once legal advice was received. The options, which were set to expire mid-2023, have been exercised at this time since the Company is expected to be continually operationally active over the next six months with limited periods when Directors would be able to exercise options. The option holders elected to use a “cashless” exercise of options. Using this method, which is permissible under the terms of the Company’s share option plan, the Company pays the option holder the value of the option (market price less strike price) from cash reserves. Accordingly, no new shares were issued for the option exercise.

Following the exercise of the options referred to above, there has accordingly been no change in the holding of PDMR’s and Directors. Mr. Abbott holds 3,579,802 Common Shares (representing 1.6% of the issued Common Shares), Mr. Jull holds 3,995,672 Common Shares (1.8 %), Mr. McFarlane holds 3,865,629 Common Shares (1.8 %), Mr. Sharma holds 13,370 Common Shares (0.0 %) and Mr. Zaidi holds 0 Common Shares (0.0 %).

Options Granted

The Board of Directors granted 5,478,332 options on 21 December 2022, pursuant to the Company’s Stock Option Plan to certain Directors and senior management as detailed below:

Name	Role	Options Granted	Vesting	Expiry
Marshall Abbott	Director	527,222	December 21, 2023	June 21, 2023
		527,222	December 21, 2024	June 21, 2024
		527,222	December 21, 2025	June 21, 2025
Gage Jull	Director	505,000	December 21, 2023	June 21, 2023
		505,000	December 21, 2024	June 21, 2024
		505,000	December 21, 2025	June 21, 2025
Ravi Sharma	Director	144,444	December 21, 2023	June 21, 2023
		144,444	December 21, 2024	June 21, 2024
		144,445	December 21, 2025	June 21, 2025
Anthony Zaidi	Director	144,444	December 21, 2023	June 21, 2023
		144,444	December 21, 2024	June 21, 2024
		144,445	December 21, 2025	June 21, 2025
Joe McFarlane	Director	505,000	December 21, 2023	June 21, 2023
		505,000	December 21, 2024	June 21, 2024
		505,000	December 21, 2025	June 21, 2025

All options granted have an exercise price equal to the market closing price on 21 December 2022, GBP 0.1675. The options will vest one third each year for the next three years. The options will expire six months after they vest.

Total Voting Rights

The Company also announces that it has issued 500,000 Common Shares (the "New Common Shares") pursuant to the exercise of warrants issued at the Company's IPO in October 2021. All of the New Common Shares issued during the month were issued under the Company's existing block listing entitlement. The Company does not anticipate any further shares being issued under the block listing throughout the remainder of December.

Following the issue of the New Common Shares the issued share capital of the Company comprises 218,401,931 common shares with one vote per share. Therefore, this figure can be used by shareholders as the denominator for the calculations by which to determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

For further information, contact:

Arrow Exploration

Marshall Abbott, CEO +1 403 651 5995

Joe McFarlane, CFO +1 403 818 1033

Brookline Public Relations, Inc.

Shauna MacDonald +1 403 538 5645

Canaccord Genuity (Nominated Advisor and Joint Broker)

Henry Fitzgerald-O'Connor +44 (0)20 7523 8000

James Asensio

Gordon Hamilton

Auctus Advisors (Joint Broker)

Jonathan Wright (Corporate) +44 (0)7711 627449

Rupert Holdsworth Hunt (Broking)

Camarco (Financial PR)

Georgia Edmonds

+44 (0)20 3781 8331

Rebecca Waterworth

Billy Clegg

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".

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.

Details of the person discharging managerial responsibilities / person closely associated																			
Name	<ol style="list-style-type: none"> 1. Marshall Abbott 2. Gage Jull 3. Joe McFarlane 4. Ravi Sharma 5. Anthony Zaidi 																		
Reason for the notification																			
Position/status	<ol style="list-style-type: none"> 1. Director 2. Director 3. PDMR (non-director) 4. Director 5. Director 																		
Initial notification /Amendment	Initial notification																		
Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor																			
Name	Arrow Exploration Corp.																		
LEI	9845000FDF0856QD9031																		
Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted																			
Description of the financial instrument, type of instrument Identification code	Common Shares of nil par value ISIN: CA04274P1053																		
Nature of the transaction	<ol style="list-style-type: none"> 1. Exercise of options for cash 2. Exercise of options for cash 3. Exercise of options for cash 4. Exercise of options for cash 5. Exercise of options for cash 																		
Price(s) and volume(s)	<p><i>Exercise</i></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Exercise price</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>1. Marshall Abbott</td> <td>GBP 0.07625</td> <td>816,666</td> </tr> <tr> <td>2. Gage Jull</td> <td>GBP 0.07625</td> <td>750,000</td> </tr> <tr> <td>3. Joe McFarlane</td> <td>GBP 0.07625</td> <td>750,000</td> </tr> <tr> <td>4. Ravi Sharma</td> <td>GBP 0.07625</td> <td>333,333</td> </tr> <tr> <td>5. Anthony Zaidi</td> <td>GBP 0.07625</td> <td>333,333</td> </tr> </tbody> </table>	Name	Exercise price	Options	1. Marshall Abbott	GBP 0.07625	816,666	2. Gage Jull	GBP 0.07625	750,000	3. Joe McFarlane	GBP 0.07625	750,000	4. Ravi Sharma	GBP 0.07625	333,333	5. Anthony Zaidi	GBP 0.07625	333,333
Name	Exercise price	Options																	
1. Marshall Abbott	GBP 0.07625	816,666																	
2. Gage Jull	GBP 0.07625	750,000																	
3. Joe McFarlane	GBP 0.07625	750,000																	
4. Ravi Sharma	GBP 0.07625	333,333																	
5. Anthony Zaidi	GBP 0.07625	333,333																	

Aggregated information	N/A
Date of the transaction	<ol style="list-style-type: none"> 1. 21 December 2022 2. 21 December 2022 3. 21 December 2022 4. 21 December 2022 5. 21 December 2022
Place of the transaction	Outside a trading venue

Details of the person discharging managerial responsibilities / person closely associated	
Name	<ol style="list-style-type: none"> 6. Marshall Abbott 7. Gage Jull 8. Joe McFarlane 9. Ravi Sharma 10. Anthony Zaidi
Reason for the notification	
Position/status	<ol style="list-style-type: none"> 6. Director 7. Director 8. PDMR (non-director) 9. Director 10. Director
Initial notification /Amendment	Initial notification
Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
Name	Arrow Exploration Corp.
LEI	9845000FDF0856QD9031
Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
Description of the financial instrument, type of instrument Identification code	Common Shares of nil par value ISIN: CA04274P1053
Nature of the transaction	<ol style="list-style-type: none"> 6. Grant of stock options 7. Grant of stock options

	8. Grant of stock options 9. Grant of stock options 10. Grant of stock options																		
Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Name</th> <th>Exercise price</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>6. Marshall Abbott</td> <td>GBP 0.1675</td> <td>1,581,666</td> </tr> <tr> <td>7. Gage Jull</td> <td>GBP 0.1675</td> <td>1,515,000</td> </tr> <tr> <td>8. Joe McFarlane</td> <td>GBP 0.1675</td> <td>1,515,000</td> </tr> <tr> <td>9. Ravi Sharma</td> <td>GBP 0.1675</td> <td>433,333</td> </tr> <tr> <td>10. Anthony Zaidi</td> <td>GBP 0.1675</td> <td>433,333</td> </tr> </tbody> </table>	Name	Exercise price	Options	6. Marshall Abbott	GBP 0.1675	1,581,666	7. Gage Jull	GBP 0.1675	1,515,000	8. Joe McFarlane	GBP 0.1675	1,515,000	9. Ravi Sharma	GBP 0.1675	433,333	10. Anthony Zaidi	GBP 0.1675	433,333
Name	Exercise price	Options																	
6. Marshall Abbott	GBP 0.1675	1,581,666																	
7. Gage Jull	GBP 0.1675	1,515,000																	
8. Joe McFarlane	GBP 0.1675	1,515,000																	
9. Ravi Sharma	GBP 0.1675	433,333																	
10. Anthony Zaidi	GBP 0.1675	433,333																	
Aggregated information	N/A																		
Date of the transaction	6. 21 December 2022 7. 21 December 2022 8. 21 December 2022 9. 21 December 2022 10. 21 December 2022																		
Place of the transaction	Outside a trading venue																		