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ARROW ANNOUNCES Q2 2023 INTERIM RESULTS

CALGARY, Aug 28, 2023 – Arrow Exploration Corp. (AIM: AXL; TSXV: AXL) ("Arrow" or the "Company"), the high-growth operator with a portfolio of assets across key Colombian hydrocarbon basins, announces the filing of its Interim Condensed (unaudited) Consolidated Financial Statements and Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2023 which are available on SEDAR (www.sedar.com) and will also be available shortly on Arrow's website at www.arrowexploration.ca.

Q2 2023 Highlights:

- Recorded $10.3 million of total oil and natural gas revenue, net of royalties, more than double compared to the same period in 2022 (Q2 2022: $5 million).
- Adjusted EBITDA of $5.8 million, more than double compared to 2022 (Q2 2022: $2.8 million).
- Average corporate production up 120% to 2,169 boe/d (Q2 2022: 980 boe/d).
- Realized corporate oil operating netbacks of $44.21/bbl due to increased production allowing operating cost to be spread over more barrels.
- Cash position of $10.8 million at the end of Q2 2023.
- Generated positive operating cashflows of $4.9 million (Q2 2022: negative $0.1 million).
- Successfully drilled the Carrizales Norte-1 (CN-1) exploratory well at the Tapir block resulting in material production and reserves additions.

Post Period End Highlights:

- The Carrizales Norte-2 (CN-2) well has been successfully drilled encountering multiple hydrocarbon-bearing intervals and is currently on production. The Ubaque zone in CN-2 has produced at initial rates exceeding 600 BOPD (net) at low water cuts. Reservoir stewardship is in execution in voluntarily reducing high initial rates with the well currently producing at a managed rate of 500 BOPD net. Forecasted rates were 320 BOPD (net) per Ubaque well which is well below flow capability.
- The Carrizales Norte-3 (CN-3) well has been drilled and is currently undergoing production testing in the Upper Ubaque. Stabilized flow rates are expected to be reported in first week of September.

Outlook:

- The preliminary development plan at CN consists of 21 wells, the majority focusing on the Ubaque formation, to fully exploit the thick reservoir. The reservoir pay zone is consistently thick (100 feet) across the fault bounded structure. Gacheta targeted wells will also be part of the overall development plan at CN.
- Arrow anticipates drilling two additional wells at Rio Cravo Este (RCE) by year-end to target the Gacheta formation which was successfully tested at commercial rates in RCE-2.

- Arrow plans to drill two development wells at the Oso Pardo Block in the Middle Magdalena Basin. Existing wells at Osso Pardo demonstrated initial rates exceeding 400 BOPD of 23 API gravity crude. This is expected to be initiated prior to year-end utilizing a second rig.

Marshall Abbott, CEO of Arrow Exploration Corp., commented:

"Arrow continues to gain momentum with strong Q2 2023 results. Our exciting drilling program, including the drilling of three RCE wells and three CN wells, is adding significant production and reserves, as well as establishing a new core area. The 3D seismic West Tapir project is currently being processed and is expected to further evaluate the 2D recognized fault prospects. The Board remains confident in the Company's opportunity rich portfolio and the capability of the Arrow team to increase shareholder value."

FINANCIAL AND OPERATING HIGHLIGHTS

(in United States dollars, except as otherwise noted)	**Three months ended June 30, 2023**	**Six months ended June 30, 2023**	Three months ended June 30, 2022
Total natural gas and crude oil revenues, net of royalties	**10,280,280**	**17,273,140**	5,024,604
Funds flow from operations [1]	**3,278,041**	**7,518,644**	2,613,843
Funds flow from operations [1] per share –			
Basic($)	**0.01**	**0.03**	0.01
Diluted ($)	**0.01**	**0.03**	0.00
Net income (loss)	**(757,416)**	**2,232,319**	768,318
Net income (loss) per share –			
Basic ($)	**(0.00)**	**0.01**	0.00
Diluted ($)	**(0.00)**	**0.01**	0.00
Adjusted EBITDA [1]	**5,839,960**	**10,197,751**	2,809,713
Weighted average shares outstanding –			
Basic ($)	**230,808,547**	**226,785,547**	214,367,388
Diluted ($)	**295,446,047**	**294,694,399**	288,231,900
Common shares end of period	**234,274,893**	**234,274,893**	214,667,143
Capital expenditures	**6,870,258**	**11,141,951**	2,777,611
Cash and cash equivalents	**10,801,494**	**10,801,494**	7,368,252
Current Assets	**15,159,323**	**15,159,323**	12,190,063
Current liabilities	**17,522,710**	**17,522,710**	6,596,035
Adjusted working capital[1]	**6,341,935**	**6,341,935**	5,594,028
Long-term portion of restricted cash[2]	**703,683**	**703,683**	867,047
Total assets	**56,305,530**	**56,305,530**	42,670,153
Operating			
Natural gas and crude oil production, before royalties			
Natural gas (Mcf/d)	**2,318**	**2,388**	2,398
Natural gas liquids (bbl/d)	**3**	**4**	5
Crude oil (bbl/d)	**1,779**	**1,502**	575
Total (boe/d)	**2,169**	**1,904**	980

Operating netbacks ($/boe) [1]			
Natural gas ($/Mcf)	**($0.05)**	**($0.24)**	$2.18
Crude oil ($/bbl)	**$53.64**	**$55.42**	$80.04
Total ($/boe)	**$44.21**	**$43.40**	$49.18

(1)Non-IFRS measures
(2)Long term restricted cash not included in working capital

DISCUSSION OF OPERATING RESULTS

The Company increased its production from new wells at RCE-3, RCE-4 and RCE-5 and CN-1. These have allowed the Company to continue to improve its operating results and EBITDA. There has been a decrease in the Company's natural gas production in Canada due to natural declines.

Average Production by Property

Average Production Boe/d	**Q2 2023**	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Oso Pardo	**130**	138	115	104	112	121
Ombu (Capella)	**-**	80	238	215	97	177
Rio Cravo Este (Tapir)	**1,592**	1,004	832	860	366	136
Carrizales Norte (Tapir)	**57**	-	-	-	-	-
Total Colombia	**1,779**	1,222	1,185	1,179	575	434
Fir, Alberta	**77**	74	79	82	86	73
Pepper, Alberta	**313**	340	472	242	319	636
TOTAL (Boe/d)	**2,169**	1,635	1,736	1,503	980	1,144

For the three months ended June 30, 2023, the Company's average production was 2,169 boe/d, which consisted of crude oil production in Colombia of 1,779 bbl/d, natural gas production of 2,318 Mcf/d and minor amounts of natural gas liquids from the Company's Canadian properties. The Company's Q2 2023 total production was 121% higher than in the same period in 2022.

DISCUSSION OF FINANCIAL RESULTS

During Q2 2023 the Company continued to realize strong oil prices, offset by decreased gas prices, as summarized below:

	Three months ended June 30		
	2023	2022	Change
Benchmark Prices			
AECO (C$/Mcf)	**$2.46**	$5.42	(55%)
Brent ($/bbl)	**$74.98**	$111.98	(33%)
West Texas Intermediate ($/bbl)	**$73.75**	$108.40	(32%)
Realized Prices			
Natural gas, net of transportation ($/Mcf)	**$1.96**	$5.35	(63%)
Natural gas liquids ($/bbl)	**$55.33**	$90.94	(39%)
Crude oil, net of transportation ($/bbl)	**$67.69**	$104.66	(35%)
Corporate average, net of transport ($/boe)[1]	**$57.89**	$71.06	(19%)

(1)Non-IFRS measure

OPERATING NETBACKS

The Company also continued to realize positive operating netbacks, as summarized below:

	Three months ended June 30		Six months ended June 30	
	2023	2022	**2023**	2022
Natural Gas ($/Mcf)				
Revenue, net of transportation expense	**$1.96**	$5.45	**$2.03**	$4.32
Royalties	**$0.20**	(0.62)	**($0.00)**	(0.72)
Operating expenses	**($2.21)**	(2.65)	**($2.27)**	(2.33)
Natural Gas operating netback[(1)]	**($0.05)**	$2.18	**($0.24)**	$1.26
Crude oil ($/bbl)				
Revenue, net of transportation expense	**$67.69**	$104.66	**$69.83**	$91.12
Royalties	**($8.46)**	(13.31)	**($8.70)**	(10.20)
Operating expenses	**($5.59)**	(11.31)	**($5.71)**	(14.55)
Crude Oil operating netback[(1)]	**$53.64**	$80.04	**$55.42**	$66.37
Corporate ($/boe)				
Revenue, net of transportation expense	**$57.89**	$71.35	**$57.62**	$54.23
Royalties	**($6.76)**	(8.80)	**($6.85)**	(6.83)
Operating expenses	**($6.92)**	(13.38)	**($7.37)**	(14.13)
Corporate Operating netback[(1)]	**$44.21**	$49.18	**$43.40**	$33.27

[(1)] *Non-IFRS measure*

The operating netbacks of the Company continued to improve in 2023 due to several factors, principally the increased production from its Colombian assets, even with decreased crude oil prices.

During 2023, the Company has incurred in $11 million of capital expenditures, primarily in connection with the drilling of the three RCE and CN wells, civil works completed in Rio Cravo and shooting 125 km^2 of 3D seismic in the Tapir block to highlight existing leads and prospects for drilling. This acceleration in operational tempo is expected to continue during the remainder of 2023, funded by cash on hand and cashflow.

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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".

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 or bop/d: Barrels per day
$/Bbl: Dollars per barrel
Mcf/d: Thousand cubic feet of gas per day
Mmcf/d: Million cubic feet of gas per day
$/Mcf: Dollars per thousand cubic feet of gas
Mboe: Thousands of barrels of oil equivalent
Boe/d: Barrels of oil equivalent per day
$/Boe: Dollars per barrel of oil equivalent

BOE's may be misleading particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bblis based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Non-IFRS Measures

The Company uses non-IFRS measures to evaluate its performance which are measures not defined in IFRS. Working capital, funds flow from operations, realized prices, operating netback, adjusted EBITDA, and net debt as presented do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. The Company considers these measures as key measures to demonstrate its ability to generate the cash flow necessary to fund future growth through capital investment, and to repay its debt, as the case may be. These measures should not be considered as an alternative to, or more meaningful than net income (loss) or cash provided by operating activities or net loss and comprehensive loss as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of these measures may not be comparable to that reported by other companies.