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ARROW ANNOUNCES CN-3 WELL UPDATE

Carrizales Norte field definition continues

CALGARY, September 7, 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, is pleased to provide an update on operational activity at the Carrizales Norte (“**CN**”) field on the Tapir Block in the Llanos Basin of Colombia where Arrow holds a 50% beneficial interest.

CN-3 Well

The CN-3 well was spud on July 20, 2023, and reached target depth on July 30, 2023. The well was drilled to a total measured depth of 9,260 feet (8,633 feet true vertical depth) and encountered multiple hydrocarbon-bearing intervals within the C7, Gacheta and Ubaque formations.

The CN-3 well encountered two oil pay zones within the Ubaque formation totaling 67 feet true vertical depth). The very thick pay zones and excellent reservoir characteristics are similar to those encountered in the CN-1 and CN-2 wells and further confirms the high potential of the Ubaque formation within the Carrizales Norte field. An additional 23 feet of pay (true vertical depth) was encountered in the C7 and 59 feet of pay (true vertical depth) in the Lower Gacheta formations.

Initially the Lower Ubaque zone was tested which has approximately 50 feet of net oil pay (true vertical depth) with an average porosity of 26%, and an estimated permeability of four Darcies. Initially the well tested at 593 BOPD gross IP with a 30% water cut. During the 11th day of testing the water cut increased and the lower Ubaque test was completed.

On September 1, 2023, the Upper Ubaque zone was put on test using an electric submersible pump (ESP). The well initially tested at a 98% water cut and cleaned up to 154 BOPD gross with a 92% water cut, during the four-day test. Testing of the Upper Ubaque was then completed.

Based on Casing Bond Logs both high quality zones were adversely impacted by compromised cement bond. Premature water production confirmed this analysis. The Lower Ubaque had 65 feet of pay above a water contact. CN-1 and CN-2 were higher structurally with no visible water contact indicating an oil column of 115 feet from the top of the Ubaque to the oil/water contact.

The wells drilled at Carrizales Norte have shown that the Ubaque reservoir is ideally suited for horizontal well exploitation. Similar fields in Colombia have been developed using horizontal technology and displayed excellent results for both production, oil recovery and reduced costs. Arrow has extensive

experience with horizontal wells and heavy oil reservoirs. In similar fields, management has experienced three times the production from horizontal wells at an additional cost of 50% of a vertical well.

Currently the Company is preparing to test the C7 formation in the CN-3 well. We expect results in the middle of September.

Initial production results are not necessarily indicative of long-term performance or ultimate recovery.

The Gacheta formation has not been tested. The potential of this upper zone will be unlocked with future wells and recompletions.

Forward Work Program

Once CN-3 is on production the rig will move to the RCE field where Arrow plans to further exploit the multi-zone RCE structure with two dedicated Gacheta wells and a follow up to the RCE-6 C7 producer. The drilling rig will then return to the CN field to drill additional Ubaque-targeted wells.

Marshall Abbott, CEO of Arrow commented:

“The CN-3 well is the 8th well in a row where the Company has proven commercial production. The thick pay zone and production from the CN-3 well provides additional evidence of the potential in the Ubaque formation. The Company expects material reserve additions and production from further development of this zone at Carrizales Norte. Additional pay zones currently behind pipe provide further opportunities for production and reserve increases in the future.

The CN-3 well results have helped determine the size of the Ubaque pool at Carrizales Norte and there are firm indications that the reserves additions will transform Arrow into a much more significant company. Multiple development locations are anticipated based on current results. The CN-3 well has also shown the potential for horizontal drill technology in the Ubaque reservoir. Horizontal wells typically produce at higher rates making the field more economic.

Arrow has undertaken a third-party reserve evaluation of the CN field and hope to release the reserve data shortly.”

“With both the RCE and CN fields, management plans to control pump speed and choke wells back to efficiently manage the reservoir efficiently and discourage premature water production. Arrow believes this is in the best long-term interest of the reservoir and will result in maximum recovery from both fields.”

“Arrow’s fully funded, low risk drilling program continues to build momentum across our extensive portfolio, with the spudding of two wells at the RCE structure targeting the Gacheta formation to follow CN-3 being brought into production. Alongside this we are encouraged by the initial interpretation of the Tapir 3D seismic and look forward to providing further updates in due course.”

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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. By way of a private commercial contract with the recognized interest holder before Ecopetrol S.A., Arrow is entitled to receive 50% of the production from the Tapir block. The formal assignment to the Company is subject to Ecopetrol's consent. 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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Glossary

API: A specific gravity scale developed by the American Petroleum Institute (API) for measuring the relative density of various petroleum liquids, expressed in degrees.

BOPD: barrels of oil per day

boe/d: barrels of oil equivalent per day

IP: initial production

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.

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MAR**").