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## **ARROW PROVIDES OPERATIONS UPDATE AND 2024 GUIDANCE**

### ***RCE-7 and RCE-8 C7 on production***

CALGARY, January 4, 2024 – 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 operations and provide guidance moving into 2024.

### **CORPORATE & 2024 BUDGET**

The Company exited 2023 with a production rate exceeding 3,200 boe/d net.

Arrow’s Board of Directors has approved the 2024 work program, which includes 15 wells and a \$45 million net capital budget. The entire capex budget will be financed by current cash reserves and operating cash flow. The 2024 budget focuses on the Tapir block and the development of the Carrizales Norte (CN) field. The Company expects to employ two rigs for the entire year on the Tapir block with a third rig being utilized as required. The capex emphasis is focused on development and infill drilling combined with targeting low-risk exploration prospects.

The Company plans to drill three horizontal wells at CN penetrating the 110 feet of oil column proven up by the initial three wells drilled in the Ubaque reservoir in 2023. The Company also plans on drilling four Carbonera C7 vertical wells at CN on a broad structural high. Both zones have proven to be prolific producers in the initial drilling phase. Another vertical well at CN will focus on production out of the Ubaque which will give the Company additional information on the direction of the planned horizontal wells. In addition to the development of CN, Arrow will be focusing on low-risk exploration, with wells spread across the Mateguafa prospect, a step out from the initial Mateguafa discovery, (that has produced 600,000 barrels to date), the Baquiano prospect, which is believed to be technically identical to the Carrizales Norte discovery, and the Carrizales Noroeste prospect that will test the hydrocarbon-charged structure west of the main fault at CN. In isolation, each prospect has potential, on its own, to add materially to production, reserves and cash flow.

The Tapir Block in the Llanos Basin of Colombia, where Arrow holds a 50 per cent beneficial interest, currently has 11 producing wells including the latest wells to be drilled, Rio Cravo Este 7 (RCE-7) and Rio Cravo Este 8 (RCE-8). Both RCE-7 and RCE-8 were completed in the C7 and brought on production during the last quarter of 2023. RCE-7 and RCE-8 are exceeding expectations with combined production of over

1,700 BOPD gross (850 BOPD net). The RCE complex has produced 1.7 million barrels in the last 12 months and additional development locations are planned.

### **Oso Pardo and Capella**

The Oso Pardo-3 and Oso Pardo-4 wells on the Oso Pardo field in the Middle Magdalena Valley Basin of Colombia, where Arrow has a 100 per cent working interest, were drilled and tested successfully. During the testing phase for both wells, Management determined that there was reservoir damage due to high mud weight used in drilling. Original OP wells were ultimately stimulated with positive results. Arrow expects the reservoir stimulations to take place early in the first quarter of 2024 and for the wells to be put on production. Production from Oso Pardo 1 was offline at year-end due to a hole in the production pipe. Management expects to turn the well back on in early 2024 once the workover is complete.

Capella remains offline, while discussions continue between the operator and local communities.

### **Marshall Abbott, CEO of Arrow commented:**

“Arrow is proud of the work completed and results for 2023, our average production rates more than doubled over the year and the Company proved it was able to execute an aggressive capital work program. The Company believes it is capable of similar production growth in 2024. Arrow discovered a new, multi-zone, core area and enjoyed a positive step change in reserves. Arrow was also able to complete a 100 square km 3D seismic program and develop numerous new prospects.

“In 2024 the Company plans to continue the high-paced growth profile with development drilling in the Ubaque and Carbonera formations. The 2023 results demonstrate that the Carbonera remains a solid high-volume producer while the Ubaque formation has proven production that extends beyond the CN complex. Multiple development locations are anticipated based on current results, including horizontal drilling in the Ubaque reservoir in the CN field. Horizontal wells typically produce at materially higher rates with marginal cost increases compared to a vertical well, increasing recovery and the economics of thick pay oil fields. As well, additional development drilling is contemplated from the RCE pad.

“Arrow’s fully funded, low risk drilling program for 2024 continues to build momentum across our extensive portfolio. Arrow is poised to achieve significantly higher production and commensurate cash flow through the 2024 calendar year.

“The Board of Directors appreciates the successful work of our dedicated employees in Calgary and Bogota and the support from our patient shareholder base.”

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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.

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**

BOE/D: barrels of oil equivalent per day

BOPD: barrels of oil per day

### **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**").